

# The Prince of Wales's Charitable Foundation

## Trustees' Report and Consolidated Statutory Accounts for the Year Ended 31st March 2018

Charity number – 1127255

Company number - 06777589



# CONTENTS

## TRUSTEES' ANNUAL REPORT

|   |    |
|---|----|
| INTRODUCTION .....  | 1  |
| Executive Summary 2018 .....  | 1  |
| CHARITABLE ACTIVITIES, ACHIEVEMENTS AND PERFORMANCE .....                                       | 4  |
| Grant-giving.....   | 4  |
| Major Grants.....   | 4  |
| Small Grants.....   | 6  |
| Accounting for Sustainability .....   | 9  |
| International Sustainability Unit .....   | 12 |
| THE PRINCE'S COUNTRYSIDE FUND.....  | 15 |
| Countryside Fund Trading Limited.....   | 16 |
| THE PRINCE OF WALES'S FOUNDATION ROMANIA.....   | 17 |
| Ecologic Transilvania .....   | 18 |
| SOCIAL ENTERPRISES.....   | 18 |
| Duchy Originals .....   | 18 |
| AG Carrick and the Highgrove Shop.....  | 19 |
| PLANS FOR FUTURE PERIODS.....   | 20 |
| INVESTMENTS .....   | 21 |
| FINANCIAL REVIEW .....  | 23 |
| GOVERNANCE & MANAGEMENT .....   | 25 |
| Risk Management.....  | 25 |
| Policies.....   | 26 |
| REFERENCE AND ADMINISTRATIVE DETAILS.....   | 27 |
| INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE PRINCE OF WALES'S CHARITABLE FOUNDATION..... | 29 |
| CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES.....   | 31 |
| FOUNDATION STATEMENT OF FINANCIAL ACTIVITIES.....   | 32 |
| CONSOLIDATED BALANCE SHEET .....  | 33 |
| FOUNDATION BALANCE SHEET .....  | 34 |
| CONSOLIDATED CASH FLOW STATEMENT .....  | 35 |
| NOTES .....   | 36 |



## INTRODUCTION

Inspired by His Royal Highness The Prince of Wales's values of harmony and sustainability, the Prince of Wales's Charitable Foundation aims to transform lives and build sustainable communities.

Following another successful year for the Foundation, the Trustees hereby present their report, along with the financial statements of the Group and the Foundation (pages 31-58) for the year ended 31 March 2018.

The Trustees have reviewed the objectives, activities and achievements for the year and are satisfied that the Foundation has complied with the requirements of public benefit reporting as set out in the Charity Commission's General Guidance on Public Benefit.

The Prince of Wales's Charitable Foundation ("PWCF" or "the Foundation") is a company limited by guarantee, incorporated on 19th December 2008 and registered as a charity in England and Wales on 22nd December 2008.

The company was founded under a Memorandum of Association which established the objects and powers of the Foundation and is governed under its Articles of Association.

## Executive Summary 2018

### Charitable Objectives

The Charitable Objects of PWCF are to support such charitable purpose or purposes as the Trustees shall in their absolute discretion from time to time think fit, towards our aim of transforming lives and building sustainable communities whilst adhering to the Foundation's core principles:

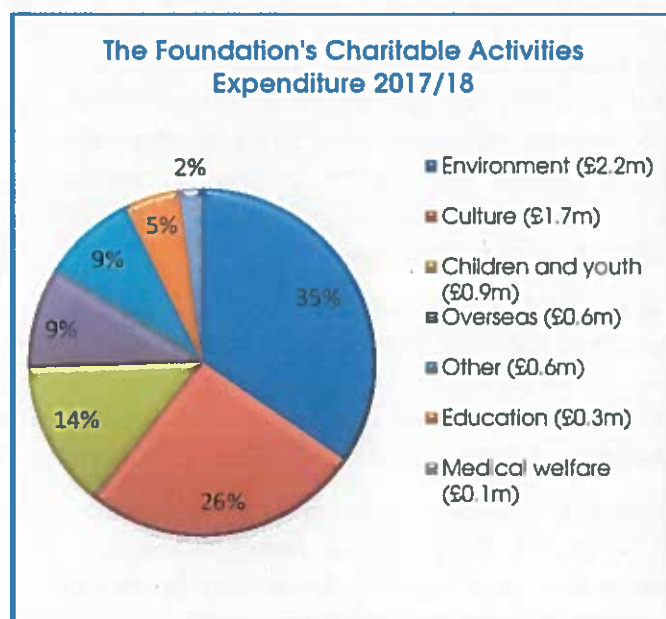
1. to endeavour to maximise charitable impact;
2. to support HRH The Prince of Wales's charitable interests;
3. to uphold best-practice governance, management and systems;
4. to leverage HRH The Prince of Wales's ability to convene and facilitate; and
5. whenever possible, to use its own grants to leverage additional funding from other sources.

## Charitable Activities

The grant-making and other work of the Foundation and its subsidiary organisations cover a number of activities in various categories, shown in the chart below. The Foundation itself acts as a grant-making body, supporting a wide range of causes and during the year ran two internal charitable programmes: Accounting for Sustainability (A4S) and the International Sustainability Unit (ISU) (see pages 9 and 12, respectively). From time to time, PWCF also incubates smaller projects that fit with His Royal Highness's charitable vision.

The Foundation also has two charitable subsidiaries, The Prince of Wales's Foundation Romania (PWFR) and The Prince's Countryside Fund (PCF). The Romanian Foundation delivers charitable projects supporting heritage preservation, agriculture and sustainable development in Romania (see page 17). The Prince's Countryside Fund, aims to improve the sustainability of British farming and the rural communities that support, and are supported by, farming in the UK (see page 15).

The Foundation's activities fall into seven categories: Youth & Children, Culture, Education, Environment, Medical, Overseas and Other. The chart below shows charitable expenditure by category:



Environment, which includes the ISU and A4S, made up 35% of the total charitable expenditure. The next largest was culture at 26%, due to large grants being awarded in this area.

### Financial Performance

The Charitable Group reported an overall net decrease in funds of £0.6m (2016/17: increase of £1.9m). This was due to the International Sustainability Unit, now a discontinued operation, failing to generate sufficient income to cover the programmes costs. Continuing operations generated net income of £0.8m (2016/17: £1.9m).

Income for the Group totalled £13.2m, an increase of £0.3m on the prior year. The Prince's Countryside Fund (PCF), and its trading subsidiary Countryside Fund Trading Limited (CFT), became a subsidiary of PWCF on 1st July 2017, therefore contributing nine months of income to the Group which totalled £2.0m. Income for the Foundation fell to £7.2m (2016/17: £8.1m). This is due to a reduction in gift aid donations from subsidiaries and due to lower restricted donations.

Duchy Originals Limited and AG Carrick Limited continued to support the charity donating a total of £3.8m in 2017/18 (2016/17: £3.8m) which makes up 52% (2016/17: 47%) of the Foundation's total income. The gift of £0.8m is the value of the net assets of PCF and CFT as at 1st July 2018 which were gifted to PWCF from Business in the Community, former sole member of PCF.

The Foundation's grant giving has increased to £4.4m in 2017/18 compared to £3.1m in 2016/17. The free reserves target of £7.5m was achieved during the year allowing the Trustees to consider and approve more grant applications in line with the grant making strategy.

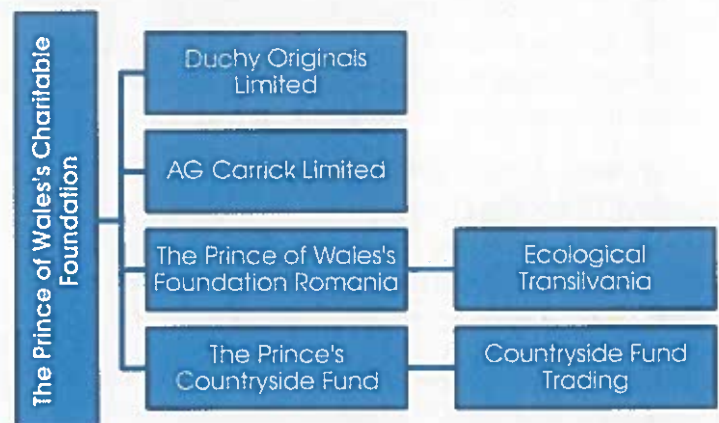
The Foundation has increased its holdings in UK investments during the year from £3m to £4.6m; these have generated investment income of £77,000 and produced unrealised losses of £45,000 (2016/17: unrealised gains £109,000).

Overall unrestricted funds have remained at a similar level to the prior year. Brought forward designated and restricted funds have been used resulting in reductions of £0.3m in both.

### Structure

The Foundation has two social enterprise trading subsidiaries, Duchy Originals Limited and A.G. Carrick Limited, the profits of which are gift aided to PWCF. In addition to this, the Foundation has its own charitable subsidiary, The Prince of Wales's Foundation Romania, which in turn has its own trading arm, Ecological Transilvania. During the year The Prince's Countryside Fund became the second charitable subsidiary of PWCF with its trading company Countryside Fund Trading Limited.

### Current Structure:



### The Prince of Wales's Charities

For over 40 years His Royal Highness The Prince of Wales has been a leader in identifying charitable need and finding solutions through His Royal Highness's group of charities to meet this demand.

From the early days of The Prince's Trust in the mid-1970s, his charitable interests have grown to represent a broad range of areas including the Built Environment, the Arts, Responsible Business and Enterprise, Young People, and Global Sustainability and Rural Affairs. The Prince of Wales carries out dozens of engagements every year in support of his charities and their aims. Collectively, the Charities raise more than £100million annually to transform lives and build sustainable communities in the UK and overseas.

During 2016/17 an independent review was undertaken of all of the Prince's Charities. The review was designed to improve the operating efficiency and long term sustainability of His Royal Highness's charities. The review has resulted in the following changes being made:

### An expanded Prince's Trust Group

A newly enlarged Prince's Trust Group that will include the work of The Prince's Trust alongside a new network comprising activity previously carried out by The Prince's Charities Canada, Australia and New Zealand and The Prince's Trust International. The new group will continue The Trust's work in providing meaningful help to disadvantaged and vulnerable young people and will now also provide support, in the realms, for indigenous groups and environmental projects.

#### **The Prince's Foundation**

A new organisation made up of The Dumfries House Trust, The Prince's Foundation for Building Community, The Prince's School for Traditional Arts and The Prince's Regeneration Trust. The new Prince's Foundation will focus on promoting the built environment, heritage, culture and education projects primarily across the UK.

#### **A new role as Royal Founding Patron**

The Prince will take on a new role as Royal Founding Patron with his remaining charities that will formalise the amount of time he spends with each one individually and as a group. The British Asian Trust, Business in the Community, Turquoise Mountain, The Prince's Teaching Institute, In Kind Direct, PRIME Cymru, The Cambridge Institute For Sustainability Leadership and The Royal Drawing School will enjoy greater clarity around where and how they will interact with The Prince allowing them to make greater use of their time with him across the year.

Speaking about the new structure The Prince of Wales said: *"As I look at the results of this reorganization, I have a strong sense of optimism and anticipation for what more may be achieved. These changes do not mean I am stepping back from my charitable work or downsizing in any way - it is simply an opportunity to work more efficiently and, I hope, to even greater effect. I look forward to many more years of building on the important work that has been achieved to date."*



## CHARITABLE ACTIVITIES, ACHIEVEMENTS AND PERFORMANCE

### Grant-giving

The Foundation is primarily a grant-giving organisation, running both "major" and "small" grants programmes.

Major grant applications are considered on a quarterly basis by the Trustees. Organisations can apply for major grants by invitation only; these grants reflect PWCF's key strategies and obligations.

Responsibility for grants up to £5,000 has been delegated to a Small Grants Committee. Applications are received through the Foundation's website and are considered quarterly.

The Trustees and the Small Grants Committee will award funding to inspiring and worthy initiatives if (1) the relevant criteria have been met; (2) the use of the funding falls within the Foundation's charitable objectives and (3) the Foundation has the available funds to do so. To see the awarding criteria in full, please go to [www.princeofwalescharitablefoundation.org.uk](http://www.princeofwalescharitablefoundation.org.uk).

In total, the Foundation awarded £4.4m to 157 charitable institutions (2016/17: £3.1m to 134 charitable institutions). A list of grants awarded over £10,000 can be found on pages 44-45.

### Major Grants

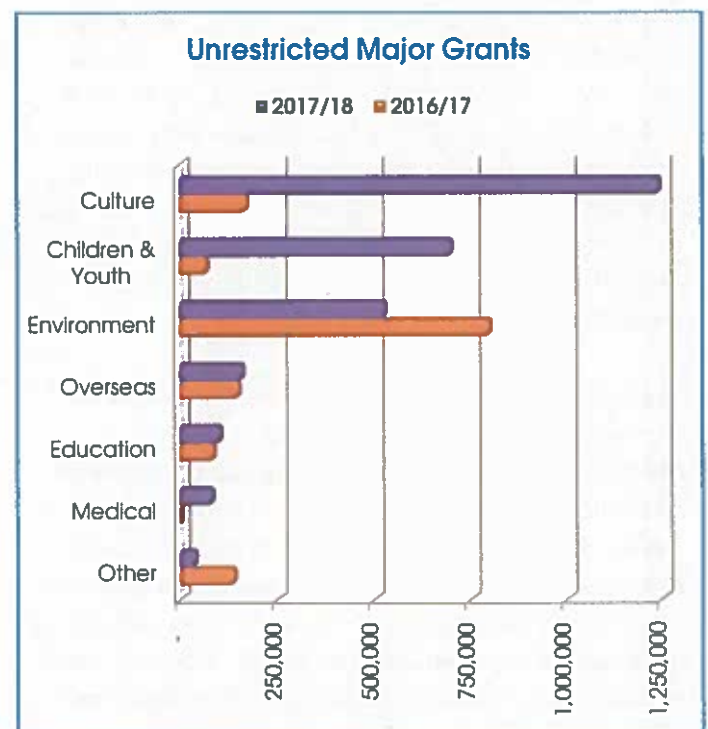
The total Major Grants awarded in 2017/18 is £3.9m (2016/17: £2.5m). There has been a significant increase (143%) in the amount of unrestricted grants awarded. The free reserves target of £7.5m was reached during 2017/18 allowing the Trustees to consider more grant applications.

The major grant programme gives grants across a number of thematic areas. One current priority is to provide support to charities that are working to address the decline in pollinator populations and their natural habitats. The Foundation has made a grant towards Oxford Plant Sciences and their research into the behaviour of pollinators in agricultural landscapes, and a grant towards the Bumblebee Conservation Trust and their work supporting rare Bumblebees in North Devon. The Foundation also has a significant interest in youth

and education, and made grants towards The Prince's Foundation's education programme, the expansion of The Prince's Trust's programmes in Australia, Canada and New Zealand and Youth United Foundation's work to increase the number of uniformed youth groups (for example Scout groups) operating in the UK, amongst others. As part of the Foundation's grant-making strategy, we encourage our grant beneficiaries to work together where they have overlapping programmes, in order to increase our impact and ensure that we have an holistic approach to our priority themes.

The chart below shows the comparison year on year of PWCF's unrestricted major grant giving by category. The culture category in 2017/18 has seen grants of almost £1.25m; this was only £0.2m in 2016/17. The increase is due to two large grants awarded to The Prince's Foundation (formerly Dumfries House Trust).

Grants for children and youth has also increased with The Prince's Trust, Youth United and Step Up to Serve all receiving major grants in the year.



Restricted major grant giving has remained at a similar level to the prior year (£1m), and mostly relates to grants awarded from the People's Postcode Lottery funding. The Foundation would like to thank the players of the Postcode Lottery for a grant of £850,000 (2016/17: £850,000).

PWCF continue to fund a pioneering project to help British farmers improve their productivity in an environmentally responsible way. This project, Innovative Farmers, is being delivered by the Soil Association in partnership with Waitrose Duchy Organic. The Foundation awarded a further £375,000 to this project in 2017/18 (2016/17: £500,000).

### Major Grant Case Study - The Prince of Wales Hospice

The Foundation awarded a major grant of £41,790 to The Prince of Wales Hospice. The Hospice serves a population of 170,000 in the West Yorkshire area and provides round the clock specialist palliative care, 365 days a year, to help people with incurable, life-limiting illnesses. The grant awarded by PWCF was to fund a physiotherapist for a year and to purchase specialist equipment.

The physiotherapist has been working with patients to maximise their independence, mobility, choice and quality of life. The grant has helped to alleviate patient and carer anxiety and reduce demand on frontline services as patients and carers are now more able to cope with their pain, breathlessness, fatigue and their current physical ability.



Taking this sort of rehabilitative approach to palliative care can make all the difference to a person's wellbeing, independence and, ultimately, can get them back home, where they want to be.

The purchase of specialist equipment has reduced the number of falls and pressure injury rates. The grant has paid for a low rise bed and a tilt-in-space chair and both are already providing improved

care for patients. For example one lady did not have the necessary sitting balance for the standard recliner chairs in each room. However, she was keen not to be bed bound. The tilt-in-space chair enabled her to access the patio area and therefore enjoy the gardens and fresh air. It also meant she was more able to enjoy conversations with her visitors and provided a more comfortable eating position. Her dignity and, therefore, her wellbeing were noticeably improved.

One direct beneficiary of this project is Brian\* who has Lymphoedema. On admittance to the Hospice Brian had a goal of simply being able to get out of bed and sit in a chair. Due to pain and feeling weak Brian was unable to lift even a cup, after just one week in the Hospice, working with the physiotherapist, he was able to feed himself and lift a small hand weight.



Brian's first day of physiotherapy was extremely successful. By the end of the first session, with the aid of a Zimmer frame, and assistance from the physiotherapist, Brian was able to transition from the bed to the chair.

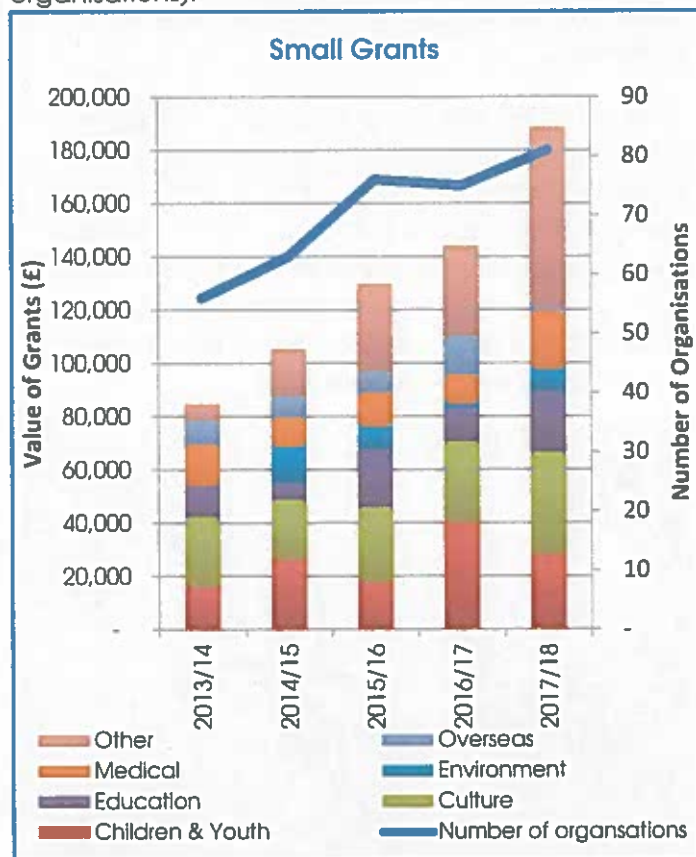
Not only has the funding significantly improved the lives of individuals like Brian, the Hospice has benefited from the physiotherapist's involvement at hospice admission assessments.

Since the project began there have been no recorded instances of avoidable pressure sores acquired whilst at the Hospice as there is greater staff awareness, better use of preventative equipment and clearer documentation of pressure reassessments during the patients' stay.

*\*Name has been changed*

## Small Grants

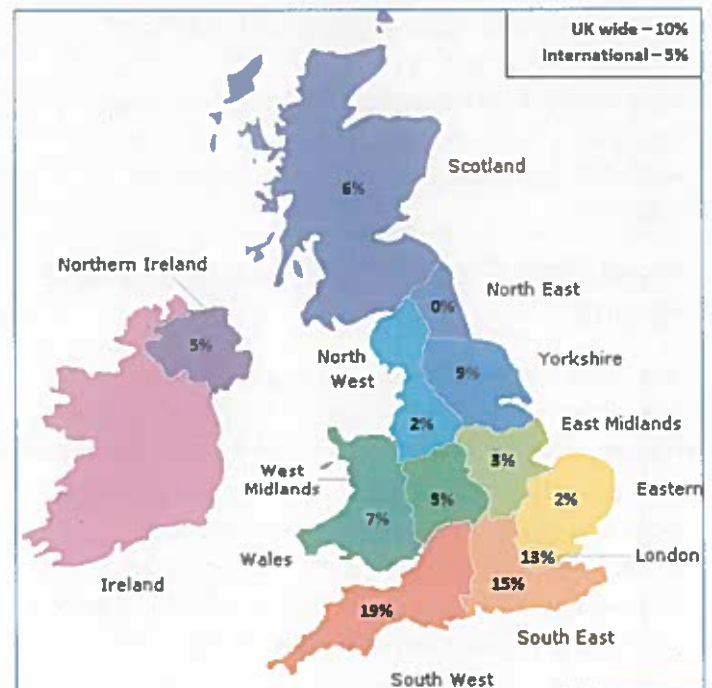
The value of small grants awarded has grown significantly over the last five years, a growth of 123%. The number of organisations helped by the Foundations small grants programme has also increased over this time by 45%. In 2017/18 small grants totalling £188,474 were awarded to 81 organisations (2016/17: £143,844 to 75 organisations).



The bars show the value of grants awarded in each category, the line shows the number of organisations. The largest category above for 2017/18 is 'Other'. This includes grants for community support, the elderly, mental health and animal conservation.

The small grants programme continues to be very successful having a significant impact on a number of smaller charities and local communities. The Trustees have therefore increased the funding available for this programme in future years.

The diagram below shows the value of small grants awarded across the UK.



The Small grants committee aim to cover all areas of the UK and, when appropriate, international projects. The North East did not receive any funding in 2017/18 due to the lack of suitable applications. The map shows the regions awarded the most grants were the South West, South East and London.

## Small Grant Case Studies

### Families United Network

PWCF awarded a small grant to Families United Network (FUN) to support Youth and Young Adult Clubs for disabled young people and young adults in Bedfordshire.

The FUN Youth and Young Adult Clubs are designed to bring together vulnerable young people aged 10-25 with a broad spectrum of disabilities for fun activities as well as an opportunity to learn independent living skills, providing them with a sense of belonging and acceptance in their own community.

The expected outcomes of the project are:

- to provide up to 1,200 places per year
- to hold 1 Youth Club per week during term time (36 sessions, 540 places per year)



- to hold 1 Young Adult Club per week per year (50 sessions, 750 places per year)
- 35 parent carers receive respite



Six months into the project, FUN has achieved the following:

**Youth Clubs** for 10-17 year olds offers a range of themed activities.

*Annual attendance 386*

- ❖ The **Mexico** themed evening, included use of the IT suite for research, cooking fajitas, making papier mache piñatas and sombreros and a fancy dress party.
- ❖ Learning about **healthy eating** involved carrying out surveys and making fruit kebabs and smoothies.
- ❖ **Animal** themed activities enabled the young people to research their favourite animals and draw/paint animals they could find around the building. They also made dinosaur cookies.
- ❖ The young people formed a **choir** for the Christmas party.

**Young Adult Clubs** for 18-40 year olds

*Annual attendance 385*

- ❖ A visit to the **Jump Arena** enjoying an hour of trampolining.
- ❖ A **picnic at Dunstable Downs** including kite flying, sketching, photography and cricket.
- ❖ Young adults were put into groups to compete in the **FUN Bake Off**.
- ❖ Socialising at their **Christmas meal**.
- ❖ Creating, and performing in, the **Christmas Panto** in front of families and friends.

**Quotes from parents and carers:**

**"I am shocked; I can't believe Adult A is capable of standing in front of an audience and delivering her lines"**

**"I can't believe how much B has achieved this evening"**

**"C has loved rehearsing for this Panto, acting really helps calm her anxiety and she thrives in Drama"**

### **Hearts & Minds**

PWCF awarded a grant towards the Elderflowers Programme at Findlay House, a dementia unit in Edinburgh. The Elderflowers Programme uses unique personalities, bespoke communication techniques, intriguing themes, musical arrangements and gentle movements to bring participants back to a time in their lives they can connect with. Tailored interactions provide access to the arts and help to give back a feeling of empowerment.



500 elderly people and their families will benefit. The aims of the project are:

1. To improve the health and well-being of people with dementia
2. To reduce stress and pressure on relatives of people with dementia
3. To broaden relationships between healthcare staff and people with dementia

There have been six visits so far providing 147 unique interactions to participants, 18 to family members and 36 with staff.

**"This engages with the imagination - I love that. I hope if I'm ever in a place like this someone like you walks in"** - son of participant

**"That's the first time I've seen her smile all day" -**  
*Charge Nurse*

**"You bring real joy; I really want you to visit me again" -** *Lady 80's*

**"I love singing; it opens up something inside me. Thank you for singing with me, I loved it. We've had a lovely time" -** *participant*

**"I haven't laughed this much for ages" -**  
*Gentleman participant*

**"You make my day" -** *participant*

### **Prison Phoenix Trust**

A small grant from PWCF enabled the Prison Phoenix Trust to provide yoga and meditation for young people in prison.

Incarceration can take a severe toll on offenders' mental health, especially in young people. The project aims to improve young offenders' well-being and restore hope and positivity towards the future, with a view to reducing the likelihood of reoffending. Classes include breath-focussed stretches and meditation sensitively tailored to participants' needs.



The objectives of this project are to:

- Establish five prison yoga and meditation classes for youth
- Nurture seven existing classes
- Extend letter-writing support to 200 young people
- Provide 224 books and CDs as practical aids, and a newsletter for inspiration and sense of community

The Prison Phoenix Trust is on track to deliver these objectives. Six months into the project, 172 yoga classes have been delivered in 88 prisons and secure establishments in the UK. Yoga classes for

young offenders are running at Feltham, Hydebank Wood, Portland and Werrington Young Offender Institutions.

As well as classes, the charity provides counselling through correspondence. 6,310 offenders and 220 ex-offenders have benefited from this additional service.

The charity has also published several books specifically tailored to literacy levels and how much the offender enjoys reading. The books are provided free of charge to all offenders who request them.

**"I feel like a different person. I wish I had known about this when I was on the outside. Now I can honestly say I will never come to prison again." -**  
*Young offender*

## Accounting for Sustainability

### Background

The risks from environmental, social and economic crises are clear to see, not just for our planet and society, but also the future resilience of the global economy. The opportunities from developing solutions to the challenges faced are significant. Finance has a key role to play in determining how companies, investors and governments respond, helping to create sustainable and commercially viable business models, which create positive value for society.

The Prince's Accounting for Sustainability Project (A4S) was established by HRH The Prince of Wales in 2004. A4S aims to make sustainable decision making business as usual. It works with the finance and accounting community to:

- Inspire finance leaders to adopt sustainable and resilient business models;
- Transform financial decision making to enable an integrated approach, reflective of the opportunities and risks posed by environmental and social issues; and
- Scale up action across the global finance and accounting community.

A4S works globally with all parts of the finance community, covering the following key stakeholder groups:

- CFOs and finance teams;
- The accounting community, including accounting firms, accounting institutes and standard setters;
- Investors, capital markets and the wider finance community;
- Governments and financial regulators;
- Business schools and academia.

To support delivery of its aims, A4S has three global networks:

1. Chief Financial Officer Leadership Network, a group of CFOs from leading organizations seeking to transform finance and accounting;
2. Accounting Bodies Network, whose members comprise approximately two thirds of the world's accountants; and
3. Asset Owners Network, which brings together Pension Fund Chairs to integrate sustainability into investment decision making.

### 2017-2018 activities

#### Galvanizing support for the recommendations of the Financial Stability Board's Taskforce on Climate-related Financial Disclosures (TCFD)

The TCFD, chaired by Michael Bloomberg and established by Mark Carney, Governor of the Bank of England, released a set of recommendations for climate related financial disclosures in June 2017. A4S has supported the adoption of the disclosures by working with key stakeholder groups to build awareness and equip the finance community with the skills and knowledge to implement the recommendations. In November 2017, 39 CFOs, 17 Pension Fund Chairs and 13 CEOs of Accounting Bodies signed a 'Statement of Support' to show their commitment to support these recommendations and work with their peers towards adoption. The Statements of Support were launched at the A4S Summit 2017 and presented to HRH The Prince of Wales.



In 2018, A4S has rolled out a series of practical workshops for finance teams in Europe, Canada, Singapore and Australia, exploring the recommendations, sharing case studies and examples of how to disclose, and discussing investor needs.

#### The CFO Leadership Network

The CFO Leadership Network brings together a group of leading CFOs from large organizations that are seeking to embed management of environmental and social issues into strategy and business processes.

#### A4S Essential Guides series

The CFO Leadership Network Essential Guide Series is a key output of the Network, developed 'by finance, for finance' to provide practical tools, guidance and case studies to enable sustainability



to be integrated into business processes and decisions, in particular focused on the role of finance. The guides are open source guidance and are freely available from the A4S website.

CFO Leadership Network members commit to implementing the recommendations set out in the guides and to influence their peers and key stakeholders (including regulators and investors) to drive wider adoption. We also work with the accounting firms, accounting bodies and educators (e.g. business schools and universities) to incorporate techniques from the guides into training and education programmes to support the scaling up and adoption of these practices.

In 2017/18 the Network undertook projects on: Finance Culture; Engaging Boards and Senior Management; Strategic Planning, Budgeting and Forecasting; Debt Finance; Developing Methodologies and Social and Human Capital Accounting, alongside a series of workshops exploring guidance in other areas already covered by the Network. The A4S Essential Guide to Social and Human Capital was published. This guide helps organizations to integrate social and human capital accounting into business decision making, to enhance business performance and increase social outcomes delivered. A series of worked examples implementing the guidance are now being developed by the Canadian Chapter of the CFO Leadership Network.

#### International outreach

At the start of the financial year, the CFO Leadership Network already had Chapters in Europe and Canada, with Circles of Practice (informal regional or sector level groups that share practical approaches to embedding sustainability into decision making) in the Gulf and regionally in the UK. During 2017/18 a number of outreach events were held to explore expansion of A4S's CFO programmes internationally. Workshops and roundtables were held with CFOs from Singapore, Australia, Japan, Brazil and the US to explore establishment of local programmes, planned to be launched in 2018/19.

#### Accounting Bodies Network

The A4S Accounting Bodies Network (ABN) was established in 2008 with the aim of creating an open, cross border network where members can share knowledge and collaborate on sustainability related matters. Members of the ABN represent approximately two thirds of the world's accountants working in 181 countries. All members have signed up to a set of five principles:

1. **Influence and inform:** To promote accounting for sustainability and the benefits of "integrated reporting" (reporting that connects an organization's sustainability with its financial performance more clearly, concisely and consistently);
2. **Lead by example:** To embed accounting for sustainability within our own organizations' strategy and operations;
3. **Drive thought leadership:** To increase understanding of good sustainability practices by commissioning and/or participating in work related to accounting for sustainability;
4. **Collaborate through the International Network:** To share learning and experience with the International Network and to work together to advance better accounting for sustainability;
5. **Incorporate accounting for sustainability within training and professional education:** To incorporate accounting for sustainability in training programmes for employees, suppliers, students, members and others, in professional and academic qualifications and in professional development requirements.

In 2017/18 the ABN focused on activities to support adoption of the TCFD recommendations, undertook work on the SDGs and commenced a project to assess how members have sought to integrate sustainability into training and education along the full lifecycle of learning. In addition, members supported a range of A4S workshops and outreach activities.

#### The Asset Owners Network

A4S established the Asset Owners Network in January 2018. This is a new network for chairs of pension funds, their pooling partners, investment committees and endowments. The Network provides an opportunity for Chairs to explore the relevance of material social and environmental risks and opportunities with peers, and to gain insights into the different approaches being adopted in response.

Meeting three to four times a year, the Network will focus on sharing experiences and hearing from leading experts. The Network currently consists of 32 Chairs with some of the largest UK pension Funds. The first meeting in March focused on the role of the Chair in embedding sustainable business models throughout the investment chain, with a specific focus on the TCFD recommendations.

### Debt Finance

As part of the CFO Leadership Network's debt finance project, a roundtable was hosted by HRH The Prince of Wales bringing together senior representatives from the asset owner, fund manager and banking community to share insights from research undertaken by the Network and obtain input to the final recommendations and guidance to be released in 2019. The project is looking at the extent to which social and environmental risk and opportunity are reflected in lending and financing decisions by the debt finance community, and steps that treasury teams can take in response.

### Commonwealth Climate and Law Initiative (CCLI)

The outputs from the Commonwealth Climate and Law Initiative (CCLI) were launched. CCLI is a research, education and outreach project led by the Stranded Assets Programme at the [Smith School of Enterprise and the Environment](#) (Oxford University), [A4S](#) and [ClientEarth](#). The project is focused on four Commonwealth countries: Australia, Canada, South Africa, and the United Kingdom. CCLI has examined the legal basis for directors and trustees to take account of physical climate change risk and societal responses to climate change under prevailing statutory and common (judge-made) laws. In addition to the legal theory, it aims to undertake a practical assessment of the materiality of these considerations, in terms of liability, and the scale, timing, probability of this and the potential implications for company and investor decision-making.

### The Accounting for Sustainability International Case Competition

The Inaugural Accounting for Sustainability International Case Competition took place in March in Toronto, hosted in partnership with Rotman Business School, University of Toronto and sponsored by Brookfield Asset Management and CPA Canada.

This was an opportunity for students from leading business schools across the globe to create a team and take part in a challenge to develop business and financial models for the next generation of sustainable, low carbon energy infrastructure.



Finalists from five countries shared their ideas on how cities can cope with increases in population and the shift to urban living. The winning team was from the Indian School of Business.

### Finance for the Future

The Finance for the Future Awards were held for the 5th year, in partnership with ICAEW and Deloitte. The awards were founded by A4S and ICAEW in 2012 to celebrate the role that finance plays in the establishment of sustainable business models. 2017 categories included awards for large business, start-up and growing enterprises, public and not-for-profits, investing and financing and communicating integrated thinking. The awards are open to organizations from around the world, with winners and highly commended organizations coming from Germany, Spain, the UK, Ecuador, Canada, and Zimbabwe.



## International Sustainability Unit

The International Sustainability Unit (ISU) was established in 2010 to act as a facilitator for governments, businesses, international institutions and civil society to work closely together to resolve some of the key environmental challenges facing the planet.

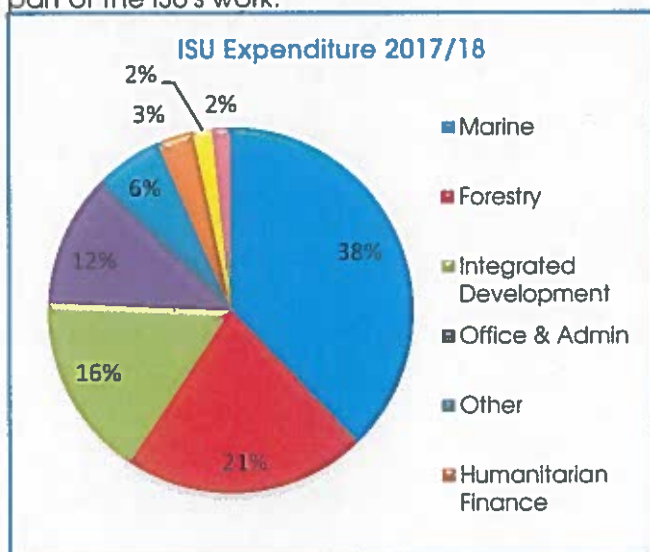
The ISU has implemented programmes in the following areas:

- natural capital and resilience
- sustainable fisheries and the marine environment
- food, water and energy security
- integrated urban rural development
- preventing and reversing deforestation
- responsible agricultural investment
- the illegal trade in wildlife.

As part of an ongoing review of The Prince's charitable activities, it was decided that the ISU would cease operations as of the 31st March 2018. The activities of the ISU are therefore shown as discontinued operations in the financial statements.

HRH's interest in the promotion of solutions to some of the world's most pressing social and environmental problems will be maintained through the other charities with which he is closely associated, such as the Cambridge Institute for Sustainability Leadership, and the World Resources Institute (WRI), of which HRH has recently become patron. The WRI have committed to taking forward many of the projects and initiatives started by the ISU.

The chart shows the split of expenditure for the ISU for 2017/18. Marine issues continue to be the largest part of the ISU's work.



## Marine

### Blue Economy

This year the Marine Programme has been furthering its efforts on developing a so-called Blue Economy Development Framework (BEDF). This framework will allow countries to develop their Blue Economies in a sustainable manner ensuring that social and ecological considerations are at the forefront.

The ISU has been working closely with the World Bank, the European Commission and a number of other countries and organisations to ensure that the blue economy is referenced in international fora, including the G20 and G7. As part of the BEDF, the ISU has worked with WWF, the EU Commission and the European Investment Bank to produce a set of Blue Economy Finance Principles to guide the investment and finance community. The principles were unveiled at The Economist World Ocean Summit in March 2018 and are currently supported by several major organisations, such as Althelia Ecosphere, Aviva Investors, the EIB, The Nature Conservancy, Rockefeller Ocean Strategy, Sky, the UN Principles for Sustainable Insurance and the World Bank.

In addition, the ISU has made progress on three critical components of the Blue Economy: fisheries, marine plastic waste and coral reefs.

### Fisheries

The ISU promoted the economic, social and ecological benefits of transitioning to sustainable marine fish stock management. In addition to working with the fishing industry, retailers and scientists, the ISU also collaborated with the finance sector to explore novel ways of funding the recovery and sustainable use of seafood resources.





*A small traditional Seychellois fish trap targets small reef fish but using a coconut to lure them in. Traditional methods of fishing such as this are far more specific in what are caught making them very sustainable. The traps are also made from wicker so they bio degrade over time if they are lost.*

The ISU has published a number of well received reports containing action points and recommendations. This year, the ISU hosted a series of meetings in the UK on sustainable fish farming which brought together stakeholders from the wild salmon industry, the farming industry, and retailers with the objective of encouraging the use of sustainable farming practices.

### **Plastic Waste**

This year the ISU continued to address the issues causing plastic waste to enter the Ocean. Several meetings and workshops were held throughout the year to promote the concept of a circular economy, that is, one in which materials are recovered, recycled and reused instead of created, used and then thrown away. The ISU set up a working group to encourage greater communication and knowledge sharing between the key links in the plastics value chain (i.e. retailers, brands, waste management bodies, plastic producers, academic institutions etc.).

In May 2017 the ISU, with The Ellen MacArthur Foundation, launched the \$2 million New Plastics Economy Innovation Prize. The Prize which is funded by Wendy Schmidt as Lead Philanthropic Partner of the New Plastics Economy Initiative, called for innovators, designers, scientist and entrepreneurs to help create packaging that keeps plastics out of the ocean. The demand for plastics products is expected to double in the next 20 years, but only 14% of plastic packaging is currently recycled, with the remainder, worth \$80-120 billion, lost as waste. Most plastic packaging items are used only once before being discarded, often ending up polluting the environment. If nothing changes, there could be more plastic than fish in the ocean by 2050. This new prize aims to keep plastics as valuable materials in the economy, and out of the ocean.

In July 2017 the ISU helped to launch the African Marine Waste Network to help coordinate and draw attention to solutions in Africa for keeping plastic waste out of the ocean.

In January 2018 the ISU also hosted a high level meeting "Keeping plastics and their value in the economy and out of the ocean" conference which included representatives from the Ellen MacArthur Foundation, Marks & Spencer, Waitrose, PepsiCo UK, and Sky Ocean Ventures Fund.

### **Coral reefs**

At the start of 2018 the International Year of the Reef, as designated by the International Coral Reef Initiative (ICRI), the ISU convened major stakeholders from around the world to raise awareness on the urgency of scaling up resilience and recovery of the world's coral reefs.

In addition, the ISU commissioned work on the economic drivers behind coral reef degradation and the investments required to ensure the long-term health of these vital marine habitats. Coral reefs are a critical part of the blue economy that is extremely sensitive to human-induced changes in ocean conditions. The ISU contributed to the development of a robust business case for healthier and more resilient reef systems. It is hoped that this will catalyse new impetus for finding long-term solutions in which the private sector plays a central role.



*An aerial photo of a large coral reef lagoon off the northern coastline of Vanua Levu, the second largest island in Fiji taken at low tide. The reef lies within the Great Sea Reef, the world's third longest continuous barrier reef system or the third longest reef in the southern hemisphere. Coral reefs are complex integrated ecosystems, vital to the health of tropical seas and the livelihoods of local people.*

### **Forestry**

The ISU's Forests Programme focused on three sets of activities this year, with a number of positive results.

The ISU organised a series of workshops and meetings, the most recent in January 2018 in conjunction with Chatham House, to explore the relationship between bioenergy with carbon capture and storage (BECCS), nature-based climate solutions and food systems. These meetings brought together leading scientists and policymakers to exchange views on the role of negative emissions technologies, and in particular BECCS, in achieving the UNFCCC Paris Agreement's goals. This discussion will be taken forward in subsequent publications and meetings by Chatham House after the ISU's closure.

The second focus was on deforestation-free supply chains. In October 2017 and March 2018, the ISU hosted high-level meetings to explore which steps could be taken towards eliminating deforestation from tropical commodity supply chains. A key development in the March 2018 meeting was to establish a collaborative discussion between traders and producers on the one hand, and retailers and consumer goods companies on the other.

The third area of focus for the Forests Programme was on cocoa and forests. Over the course of eighteen months, the ISU, in close collaboration with the World Cocoa Foundation and IDH (the Dutch Sustainable Trade Initiative), worked with key industry players and the governments of Côte d'Ivoire and Ghana to develop a detailed roadmap for deforestation-free cocoa production in those two countries; together these account for two thirds of global cocoa production. This culminated at the Climate Conference in Bonn in November, where the governments and 34 of the world's biggest cocoa and chocolate companies signed Joint Frameworks for Action to implement a set of measures and actions to end deforestation in the cocoa sector.

This is the first collective industry commitment to focus specifically on ending deforestation and forest degradation covering the global cocoa supply chain. The Joint Frameworks for Action can be viewed here:

Côte d'Ivoire

<https://www.idhsustainabletrade.com/uploaded/2017/11/CDI-Framework-Final-.pdf>

Ghana

<https://www.idhsustainabletrade.com/uploaded/2017/11/Ghana-CFI-Framework-Final-.pdf>

### **Integrated Rural-Urban Development**

The ISU's Integrated Rural-Urban Development programme played a pivotal role in helping to build consensus on the need for a more 'harmonious' approach to the challenge of urbanisation. Governments around the world are increasingly concerned with the sustainable provision of food, water and energy security to urban populations. By hosting and partnering in numerous events convened at the UN Habitat III preparatory meetings in Nairobi and Indonesia, Brussels, London and New York, the ISU ensured that the need for a more integrated approach to urban and rural development became a key element of the New Urban Agenda.

The importance of urbanisation and the role of cities are now enshrined in *Agenda 2030* and referenced in the *Paris Climate Change Agreement*, the *Sendai framework on Disaster Risk Reduction* and the *Addis Ababa Action Agenda on Finance for Development*. Now a growing number of stakeholders are working to make the transition to a more urbanised world both sustainable and equitable.

In conjunction with the UCL City Leadership Laboratory and the International Council for Science the ISU also convened an Expert Panel on the Urban Science-Policy Interface. Following a high-level meeting in July 2017, the Panel developed a set of recommendations that aim to ensure that urban policies are based on the most up-to-date thinking.

The ISU's consistent championing of this agenda has resulted in cities and regional governments increasingly being recognised as key to bringing about food system transformations.

### **Sustainable Cotton**

Over the past year the ISU has been working in collaboration with Marks and Spencer and The Soil Association to convene leading companies and various 'standards' organisations to discuss how to reduce the negative environmental and social impacts associated with cotton production.

There have been substantial gains made over the past few years in scaling the production of more sustainable forms of cotton, with production higher than ever before. However, only one fifth of the sustainable cotton produced is bought by companies. To encourage more companies to procure more sustainable cotton, in May 2017 the ISU, with M&S and The Soil Association, hosted a high-level meeting, attended by HRH The Prince of Wales to launch the Sustainable Cotton Communique, which commits companies to using 100% sustainable cotton by 2025. Over 38 companies have now signed up to the commitment, and the new Secretariat of the initiative, Textile Exchange, hopes to bring this number to over 100 over the next 18 months.



## THE PRINCE'S COUNTRYSIDE FUND

The Prince's Countryside Fund (PCF) became a subsidiary of PWCF on 1st July 2017. PCF was established in 2010 as a response to concerns expressed by HRH The Prince of Wales and by Business In the Community's Rural Action Leadership Team regarding the future of farming and rural communities in the United Kingdom. Given these origins, PCF operates in accordance with the vision of HRH The Prince of Wales to help improve the sustainability of British Farming and the rural communities that support, and are supported by, farming in the UK.

The Prince's Countryside Fund relies on the income generated through corporate partnerships, logo licensing, events and donations. The British countryside is a huge natural asset and its contribution to our everyday life cannot be underestimated. To help ensure the future of the countryside, the Fund:

- has awarded over £9 million in grants to 231 projects to improve the prospects of family farm businesses and the quality of rural life over the past eight years
- leads its own projects, such as The Prince's Farm Resilience Programme
- commissions research into issues affecting farming families and rural communities.
- acts as an advocate for the countryside and brings together individuals and businesses to help the Fund tackle current challenges.

Projects supported by the Fund during this year fall into three key areas:

1. Improving the prospects of viability for family farm businesses
2. Sustaining Rural Communities and driving Economic Vibrancy
3. Supporting Aid Delivery in Emergency and Building Resilience

In the last round of grant giving in January 2018 there continued to be a fair spread of applications from throughout the UK and across the three themes.

### Isolation and Loneliness

The Fund continues to be able to address issues of isolation and loneliness through assistance from The People's Postcode Lottery. Cheriton Fitzpaine lost its only shop in December 2016. An isolated rural community in Devon, it is a 10-20 mile round trip to the nearest town with limited bus services. A grant from The Prince's Countryside Fund has enabled a shop with a café to be built on land donated by the local Methodist chapel. Funding was provided for staffing, the purchase of stock and an electronic point of sale system.



### Emergency Support

The longer term positive effect of our emergency support for communities affected by flooding was highlighted this year too. An earlier grant awarded to the Farming and Wildlife Advisory Group for the Hills to Levels Project in Somerset was used as a case study in the Government's 25 Year Environment Plan. PCF's grant had enabled them to engage with a wide range of farm businesses on Natural Flood Management and the results are starting to show a huge impact.

### Farm Resilience Programme

This year also saw the continuation of The Prince's Farm Resilience programme which seeks to help farm businesses across 15 areas of the UK to make the best business decisions for themselves and their families at a time of great change. Through business workshops and one to one mentoring, the programme, which is delivered by those at the heart of their farming communities, invites smaller farm businesses to consider the economics of their own enterprise.

250 family farms have now taken part in the 2nd year of the programme across 15 locations throughout the UK. By the end of March 2018 all



groups had completed the initial series of 5 business skills workshops. In addition, the 200 farms taking part in the first year of the programme have received ongoing one to one support to implement changes in their business and also two further alumni workshops including succession planning and soils and grassland management.

### Ascot Raceday

The third year of the Ascot Raceday took place in November attended by TRH The Prince of Wales and The Duchess of Cornwall. Thanks to the extraordinary generosity of Ascot, patrons, sponsors, donors and riders, the partnership has now raised over £1m since 2015, and featured a spectacular charity race which included Michael Owen. Ascot have very kindly confirmed that PCF can return to Ascot in 2018.



PCF raised total incoming resources of £1.6m for the nine month period to 31st March 2018 and had a surplus of £210,000.

During 2017/18 the charity awarded 20 grants totalling £536,067 (2017 39 awarded totalling £1,223,274) bringing the total grants awarded over the eight years of the Fund's existence to £9m.

### Countryside Fund Trading Limited

Countryside Fund Trading (CFT) exists to raise funds for its parent company, The Prince's Countryside Fund. Income is generated through commercial participation as well as an annual event at Ascot.

Total income for the nine month period to 31st March 2018 was £910,000, allowing the subsidiary to gift aid £796,000 to PCF.

## THE PRINCE OF WALES'S FOUNDATION ROMANIA

Founded in 2015, The Prince of Wales's Foundation Romania is an educational charity that takes forward His Royal Highness's charitable work in Romania. The Foundation develops a number of projects to support the architectural heritage preservation, farming and sustainable development of the country.

In 2017, The Prince of Wales's Foundation Romania made significant progress by launching two new programmes in support of small farmers and military personnel in Romania. The Heritage Programme has continued as the Charity delivered a training programme for the Saxon Church in preparation the restoration of 14 medieval monuments which will be funded by European Union Funding.

The programme in the village of Dala, which supports struggling families in their journey out of poverty, has achieved tangible results. Twenty families were able to secure their food needs; we have also provided four scholarships to youngsters from the village to return to school.

The restoration work, extensions and the construction of the new professional kitchen at our Training Centre in Viscri have all been completed.

### Farming

The farming programme aims to support Romanian farmers to produce and market high value products within Romania and abroad while preserving traditions and bringing direct income to the farmers. The project began in 2017, but won't be completed until Summer 2018.



Deliverables:

- Survey and document at least 200 small producers of artisan food across Transylvania, Banat, the Maramures, Bucovina and the Danube Delta regions;
- Identify the five products with highest potential, and bring them to market readiness, creating the model for future expansion to others;
- Use Viscri as a site for training and events

### Military

PWFR launched the military programme to support wounded soldiers and those who have been affected by post-traumatic stress disorder following deployment on the front line. The programme will also provide training opportunities for those who transition to civilian life.



Deliverables:

- In 2018, the Foundation will host two meetings for soldiers, serving or retired, who have served in recent conflicts and need medical and counselling support. The meetings will be attended predominantly by Romanian soldiers and some of their counterparts from the UK who have been through similar circumstances.
- The Foundation, in partnership with Babes-Bolyai University in Cluj, will also offer a range of courses for those who transition to civilian life.

### Heritage

The Heritage Preservation Programme has been a flagship project for PWFR from the launch of the charity. PWFR successfully delivered a course for The Foundation of Fortified Churches which owns a vast number of medieval monuments in Transylvania.





### The Veggie Plots Programme

This was a unique project developed in the village of Daia (25 km from Sighisoara) for struggling families to grow their own food. In 2017, the number of families in the programme doubled. We also provided assistance to build green houses for the families and offered scholarships to four youngsters to return to school.

### Training Centre

In 2017, the Foundation completed all construction work for its Training Centre in Viscri – Transylvania. Major repairs on the electrics, sewage, new bathrooms, re-plastering, new facades have been conducted. A new professional kitchen and a studio flat for staff use were added.

PWFR raised £101,000 in donations for 2017/18 and a surplus of £4,000 was achieved (2016/17: £173,000).

### Ecologic Transilvania

Ecologic Transilvania SRL (ET) is a subsidiary of PWFR. The company owns two properties in Transylvania. One is located in the small rural village of Zalanpatak and the other in the Saxon village of Viscri, now a World Heritage Site. The Zalanpatak property has generated a small profit as a bed and breakfast. The Viscri property is used as an educational centre and bed and breakfast.

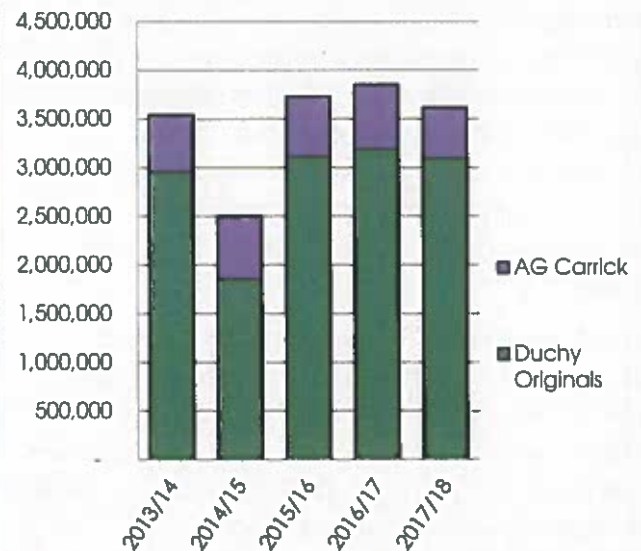
All commercial activities relating to PWFR are managed through ET. The primary focus of ET is to generate a profit to help fund charitable activities via PWFR.

## SOCIAL ENTERPRISES

The Prince of Wales's Charitable Foundation currently has two social enterprise subsidiaries which make a substantial contribution to PWCF.

Profits from Duchy Originals Limited and AG Carrick Limited are gift aided to the Foundation. Since 2010/11 the Social Enterprises have donated over £25m to the Foundation.

### Social Enterprise Donation to PWCF



### Duchy Originals

Duchy Originals has recently celebrated its 25th anniversary. Founded by HRH The Prince of Wales with its first product, a biscuit made from wheats and oats grown organically on the Home Farm at Highgrove, the range has now grown to include more than 300 products. Waitrose Duchy Organic is now one of the top 30 grocery brands in the UK measured by retail sales.

Duchy Originals continues to license the "Duchy" brand to Waitrose Ltd. The partnership gives Waitrose, the exclusive right to originate, promote and distribute Duchy products in the UK. Waitrose sells Waitrose Duchy Organic products through its own branches and at Waitrose.com. It also wholesales Waitrose Duchy Organic products in the U.K. and overseas. Waitrose pays a royalty to the Company on all retail and wholesale sales.

The Partnership between Duchy Originals and Waitrose is built on the shared principles of Good Food, Good Farming and Good Causes. These



principals are set out in a Charter between the two organisations and underpin the ethos behind the Waitrose Duchy Organic range.



This year the amount which Duchy Originals donated in gift aid to The Prince of Wales's Charitable Foundation was £3.2m (2017: £3.2m). This includes the effect of a dilapidation provision relating to the leased property. Royalties received from Waitrose increased slightly in the current year.

### AG Carrick and the Highgrove Shop

A.G. Carrick Limited ('AGC') manages the Highgrove Enterprises business, which promotes, for the benefit of the Foundation, commercial opportunities associated with The Prince of Wales's Highgrove Estate in Gloucestershire. Highgrove Enterprises derives its income from two shops (located at Highgrove House and Tetbury), an online shop, occasional pop-up shops and the offering of guided tours of the Highgrove Gardens. It also generates income from certain copyrights and restaurant sales.

Highgrove is the private residence of TRH The Prince of Wales and The Duchess of Cornwall, near Tetbury in Gloucestershire. Since 1980 when the Prince of Wales first arrived at Highgrove, His Royal Highness has devoted much energy to transforming the gardens around the house, which are now renowned as some of the most inspiring and innovative in the United Kingdom.

The Highgrove shops sell organic foods and branded products for the home and garden. The products are inspired by the Highgrove Gardens and the wide-ranging interests of The Prince of Wales. All products meet rigorous buying criteria and are sourced responsibly with regard to environmental issues.

This year AGC has achieved sales growth of 0.7%, increasing turnover from £5.026m (2016/17) to £5.061m.

Overall the social enterprise performed well in an increasingly difficult retail environment. Overall retail transactions decreased by 8% year on year. However, this decrease is due to the two pop up shops closing earlier than anticipated in year.



In 2017/18 there were a number of key highlights:

- The Orchard Pavillion was erected onto the back of the Orchard Restaurant. This meant that Christmas guests were offered a truly seamless Christmas experience as they made their way from the shop to the restaurant.  
  
Moving forwards into the new season it will mean that visitors to the Highgrove Gardens will be able to relax and enjoy light refreshments prior to their tour of the gardens, a facility that was not previously available.
- Following the success of the Garden Festival in 2016 AGC hosted a 'Talking Gardens' event over a 5-day period in March 2018. This event welcomed 650 visitors to the estate for a series of talks by the nation's leading gardeners. It was supported by BBC Gardeners' World Magazine with press coverage and raised £50,000 profit.
- The relationship with Fortnum and Mason continues to strengthen as the number of stores in Japan has increased from five to eight.

This year's donation from AGC to PWCF was £530,000 (2016/17: £663,000) a decrease of £133,000, however this was in line with expectations given that the two shops closed earlier in the year than planned, and an increase in the contribution for the use of the Estate and Gardens.

## PLANS FOR FUTURE PERIODS

2019 will mark the 40th Anniversary since PWCF was founded by HRH The Prince of Wales. The Trustees are exploring ideas as to how to use this anniversary to raise awareness of the work of the Foundation.

Work to refine and develop the Foundation's grant making strategy will continue. It is expected that PWCF will place greater focus on environmental issues, which receive a small proportion of overall grant-funding in the sector, compared to other causes.

Meanwhile A4S will continue to expand its CFO network internationally and will work with partners across the globe. The quality assurance of the programs will be directed from the UK base.

PWCF continues to manage cash reserves in the most advantageous way possible. The Trustees will continue to look at ethical and responsible fund managers and portfolios to invest PWCF's free reserves.

## INVESTMENTS

PWCF holds investments with the aim of generating long-term total returns to underwrite its charitable giving. The Foundation recognises that long-term financial value depends on good governance and the preservation of social and natural capital; therefore, it considers social, environmental and governance factors when choosing investments. (The Investment Policy can be seen on page 26).

This year the Foundation was able to invest a further £1.8m; this includes £1.2m to the Rathbones portfolio and £600,000 to the Troy portfolio. Investments for the Group have a total value of £5.0m (2016/17: £3.3m), which is a growth of 5%.

### Bridges Social Impact Bond

A Social Impact Bond is an innovative public-private partnership which funds effective social services through a performance-based contract. They are a commitment to pay for improved social outcomes that result in public sector savings. The Foundation has committed £250,000 to The Bridges Social Impact Fund and Bridges continued to draw down against this commitment throughout the year. This fund invests in charities and social enterprises to deliver programmes designed to improve social outcomes in areas such as education, employment, housing and care for vulnerable young people.

The original social impact objectives of the Fund, along with the three SIBs launched by the Bridges Social Entrepreneurs Fund in 2012, were as follows: Create 15 SIBs, working with 10,000 beneficiaries, to deliver £50m of social outcomes payments, worth at least £100m to Government (calculated using short term value, independently audited).

This was the fifth year of the Fund's life, with the portfolio of investments now performing ahead of target. The Fund has structured 15 new SIBs since January 2017, and is investing into and launching each of these programmes. This takes the total number of SIBs managed by Bridges to 28, out of a UK total of 55 and a global total of 105. As of March 2018, these projects had provided support to over 18,000 beneficiaries, and already achieved over £37m social outcomes payments, worth over £55m to Government. This combined portfolio is forecast to achieve a total of £70m social

outcomes payments, worth £130m to Government, well ahead of the original forecast of £100m. A summary of each investment from the Bridges Social Impact Bond Fund is below.

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The *T&T Innovation SIB*, delivered by Teens and Toddlers to improve attendance, behaviour and attainment in schools, completed last year, delivering to **1,317 young people** from **39 schools** across Greater Manchester. The Department for Work and Pensions paid out **£3.3m** for social outcomes successfully delivered, worth **£3.6m** according to the DWP outcomes rate card prices.

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*It's All About Me (IAAM)* Adoption family finding programme remains on hold. The team continues to work with the **26 children** who are registered on the scheme. **21 children** have been placed with a family and **18 of these** placements remain stable. Local Authorities have paid out **£1.3m** for social outcomes delivered, and have so far saved **£2.5m**.

---

The *MTFC Innovation SIB* continues to deliver good outcomes for children, albeit at lower volumes than originally anticipated. This project has successfully placed **21 children** with very high levels of need. **9 of these** placements remain stable. Manchester City Council has paid out **£2.0m** for social outcomes delivered, and to date has saved **£3.5m** in reduced residential care fees.

---

The *Foster Care Support* programme has now placed **33 children** with families in Birmingham. **20 of these** placements have either graduated successfully or remain stable within the SIB programme. A further **8 children** are in the pre-placement planning process. Birmingham City Council has paid out **£2.4m** for social outcomes delivered and so far has saved **£3.3m** in reduced residential care fees.

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The three *Fair Chance Fund* SIBs for youth homelessness have now finished their final year of delivery. In total, the three projects worked with **914 young people** who were homeless and unemployed. **775** were successfully placed into accommodation, with **555** of these entering education and **312** entering employment. The Department for Communities and Local Government paid out a total of **£6.8m** for social outcomes delivered, worth **£7.2m** according to the DCLG outcomes rate card prices.

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The two *Youth Engagement Fund* programmes, T&T Youth Engagement and Unlocking Potential, each follow-on projects from organisations who have previously delivered successful SIBs with Bridges (Career Connect and Teens and Toddlers), will complete the delivery of their second SIB contracts in 2018. They recruited a total of **5,767 young people** onto the programmes, and have already delivered **£6.4m** of social outcomes, worth **£11.4m** to government according to the DWP outcomes rate card prices.

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The *Ways to Wellness* social prescribing programme in Newcastle continues delivering to target. **4,322 patients** have been registered onto the programme, and the improvement in how they manage their long-term condition (measured against a "well-being star") continues to be significantly above forecast. The commissioners have paid out **£1.8m** in social outcomes so far.

### Rathbone Greenbank

Rathbone Greenbank is a specialist ethical and sustainable investment team within Rathbone



Investment Management Ltd. The company is committed to bringing about positive change through sustainable investment and engagement and has been at the forefront of ethical and sustainable investment since the late 1990s. PWCF's portfolio with Rathbone Greenbank has a balanced objective designed to produce growth in both capital and income.

As part of its commitment to ethical and sustainable investment, Rathbone Greenbank seeks to use the influence it has with companies and policymakers to promote best practice with regard to social, environmental and sustainability issues. During the year ended 31 March 2018, it engaged in dialogue with 69 individual companies on social and environmental issues and voted on over 5,000 resolutions across 390 AGMs and company meetings. Rathbone Greenbank also undertakes long-term thematic or sector-wide engagement projects. Key themes in the past year include: climate change policy; company reporting and management of climate risks; modern slavery and human trafficking; responsible taxation; good work and company employment practices; and nutrition, health and obesity.

Rathbone Greenbank was cautious with the pace of the investment of the initial tranche of cash introduced to the portfolio (£750,000) in late March 16, given the impending EU referendum. It put the portfolio in a good position to take advantage of volatility within the mid-cap (medium sized) company space in the immediate aftermath of the vote to leave the EU. However, it also meant that the portfolio missed out on some of the currency driven gains made by companies with overseas earnings that were realised as sterling fell.

The portfolio has performed well over the past year, against a backdrop of greater political and economic uncertainty at home and abroad. The performance figures below reflect the market correction experienced in March 2018, caused by investor concerns that rising inflation would lead to tighter monetary policy from the US Federal Reserve. Pleasingly, the portfolio proved slightly more defensive than its benchmark index during this period of turbulence, helped by the large cash investment (£1.2m) through the quarter to 31 March 18.

Encouragingly the period ended strongly, with the portfolio performing ahead of its benchmark for the year to March 2018.

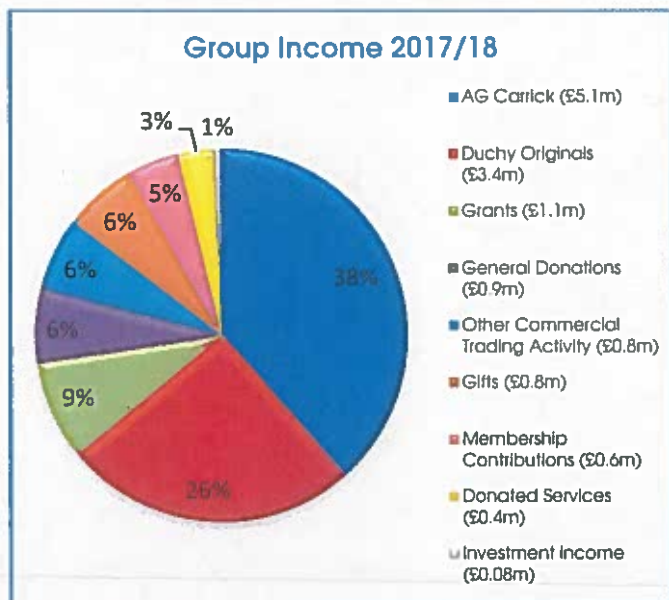
| Performance One Year                | 31 March 2017 – 31 March 2018 |                |
|-------------------------------------|-------------------------------|----------------|
|                                     | Total Return                  | Capital Return |
| PWCF Portfolio                      | 2.84%                         | 1.63%          |
| Benchmark (MSCI WMA Balanced Index) | 1.99%                         | -0.56%         |

| Performance Inception               | 1 April 2016 – 31 March 2018 |                |
|-------------------------------------|------------------------------|----------------|
|                                     | Total Return                 | Capital Return |
| PWCF Portfolio                      | 16.26%                       | 13.75%         |
| Benchmark (MSCI WMA Balanced Index) | 21.90%                       | 15.84%         |

## FINANCIAL REVIEW

The Social Enterprises donate their profits to the Foundation, thereby providing the income needed for the Foundation to fulfil its charitable objectives. The Foundation also receives income from Trusts and Foundations, High Net Worth Donors and Membership Contributions relating to A4S.

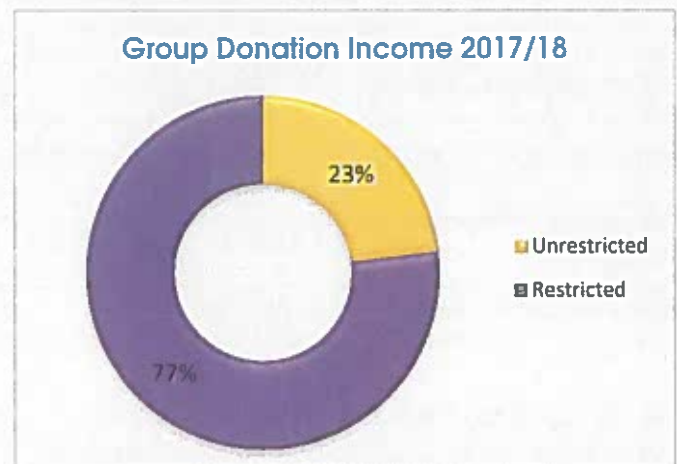
Total consolidated Group income for 2017/18 was £13.2m (2016/17: £12.9m). Voluntary Income for 2017/18 was £3.8m (2016/17: £4.5m), which includes donated services of £415,000 (2016/17: £324,000). AG Carrick and Duchy Originals achieved a turnover for 2017/18 of £5.0m and £3.4m respectively, a small increase from the prior year of £67,000 (1%).



The two Social Enterprise companies have contributed 64% (2016/17: 65%) of the total group income. Other commercial trading activity relates to income generated by Countryside Fund Trading Limited (CFT) and Ecological Transilvania. CFT receive their income from commercial participants who support the charity's brand on a wide range of products and materials, they have contributed £866,000 to the Group's total income.

The Group's income is considered to be low risk as they do not rely on one source of income or one particular donor. The Foundation and its subsidiaries cover a wide variety of income streams.

Donations for the Group total £3.0m of which 77% is restricted (2016/17: £4.5m 87% restricted).



The split of unrestricted and restricted donations is not considered a significant risk by the Trustees, due to the high level of income received through the Foundation's trading subsidiaries, all of which is unrestricted and more than sufficient to cover core costs.

Expenditure for the Group (excluding discontinued operations) has increased to £12.4m (2016/17: £11.1m). Charitable activity expenditure is the main driver of this as the Group reached its free reserves target allowing the Trustees to award a higher number of grants. The addition of PCF also affected the charitable activities adding a further £1.4m to expenditure.

The Group made a surplus from continuing operations for the year of £804,000 (2016/17: a surplus of £1.9m).

## Reserves

The Group holds unrestricted, designated and restricted reserves. Total funds for the Group are £10.3m (2016/17: £10.9m). Unrestricted reserves are available to use as the Trustees see fit, to further PWCF's charitable impact. The Groups unrestricted reserves increased by £22,000 in 2017/18 and now stand at £9.2m (2016/17: £9.1m).

Designated reserves are funds set aside, by the Trustees, from the unrestricted fund for specific purposes. Due to the spending of brought forward designated reserves, the balance has decreased by £277,000 and stood at £376,000 at the end of the financial year.

These designated funds have been described in the table below:

| Description   | Balance at 31.03.18 | Expected to be spent by |
|---|---------------------|-------------------------|
| Grants in keeping with His Royal Highness's interests | £267,067            | December 2018           |
| Admin assistant for PWFR                              | £79,311             | March 2020              |
| Philanthropy Medal Award                              | £30,000             | June 2018               |
| <b>Total Designated Funds</b>                         | <b>£376,378</b>     |                         |

The restricted fund is to ensure donations and grants intended for specific charities or causes are not used for other purposes. The restricted fund has decreased by £335,000 in 2017/18 and now stands at £762,000. The majority of this fund relates to donations towards PCF (£355,000), Romania (£175,000) and A4S (£142,000).

### Free Reserves

Free reserves are part of a charity's unrestricted funds that are freely available to spend on any of the charity's purposes. As at 31 March 2018, free reserves for the Foundation were £6.5m and for the Group, £8.4m. The Foundation reached its free reserves target in 2016/17. The Trustees have therefore been able to move forward with the grant making strategy, reducing the level of free reserves.

The Trustees have set a new reserves target of £2m to be reached over a three year period, i.e. by 31st March 2021. However this will be reviewed on an annual basis and is subject to change depending on the needs of the Group.

In setting the reserves policy the Board of Trustees considers the need to support and enhance the sustainability of all of His Royal Highness's charitable activities in the years to come, including in respect of unexpected needs or income shortfalls.

In the current year, 2018/19, the Trustees have agreed a deficit budget reflecting the impact of the grant making strategy and the desire to further increase the charitable impact of PWCF.



## GOVERNANCE & MANAGEMENT

### Trustees

There are currently five Trustees of the Foundation.

Trustees are appointed by His Royal Highness The Prince of Wales, based on appropriate and diverse expertise and experience. They receive no remuneration for services. In order to ensure the Trustees are able to fulfil their responsibilities, they seek and receive professional advice, as required, so that they are properly briefed with regard to current and relevant regulatory developments.

Trustees are appointed initially for a maximum three-year term, renewable once, unless an individual becomes the Chairman of the Foundation.

An induction programme is offered to new Trustees who are briefed on the Foundation's aims and objectives. They also receive an induction pack which includes the Foundation's Memorandum and Articles of Association, the PWCF Governance Handbook, the latest annual report and accounts and the Foundation's most recent business plan.

As a matter of course and from time to time, the Foundation provides Trustees with various Charity Commission publications and guidance. Each of the Trustees would be legally required to contribute an amount not exceeding £10 to the Foundation in the event of its winding up.

Trustees meet generally four times a year and sometimes more frequently. In this past year, the Trustees held six meetings, and The Prince of Wales attended two meetings. At the regular Trustees' meetings, the Trustees agree the broad strategy and areas of activity for the Foundation, including consideration of grant-making, investment, reserves and risk management policies and performance. The day-to-day administration of grants and the processing and handling of applications prior to consideration by the Trustees are delegated to the Senior Management Team.

### Risk Management

Identifying and managing risks is an integral part of the Senior Management Team's responsibilities and forms part of their daily work. Major risks, for this purpose, are those that may have a significant effect on operational performance, finance

sustainability, or achievement of charitable objectives.

The Foundation recognises the importance of operating an effective risk management framework. It does so by following five core principles:

1. a clear appetite for risk expressed through a risk policy;
2. an understanding of risks and their categorisation;
3. an effective process for assessing and prioritising risks;
4. a sound response to emerging issues and new risks; and
5. quality assurance to keep risks under control.

The Risk and Audit Committee formally considers the Foundation's risk management process and risk register every six months, in order to assure the full Trustee Board that adequate systems and procedures are in place to manage identified risks.

The Foundation produces a group risk register, which identifies key risks for PWCF as a whole, as well as risks for its programmes and subsidiaries. Each risk is assessed by the severity of the potential impact and the probability of its occurrence.

The highest risks for PWCF are reputational risk to the Foundation and its Founder, His Royal Highness The Prince of Wales and financial risk for A4S and PWCF's subsidiaries. These risks are managed overall through the risk register. There are regular communications across departments within the organisation to help monitor and identify any reputational risks. The Foundation provides financial information in a timely manner to help mitigate the financial risks to the A4S and subsidiary organisations.

## Policies

### Investment Policy

PWCF holds investments with the aim of generating long-term total returns. PWCF recognises that long term financial value depends on good governance and the preservation of social and natural capital and, therefore, will consider social, environmental and governance factors when choosing investments.

The Trustees will:

- select investment managers who incorporate environmental, social and governance thinking into their investment policies and strategies; and
- consider the governance of the fund, bank or other asset manager in accordance with the UK Stewardship code and UNPRI as set out in the policy guidance;
- engage investment managers based on a review of their performance.

PWCF will not knowingly hold shares in companies that derive a significant proportion of their income from the following activities (or invest in funds that hold a significant number of shares in such areas): Fossil fuels, Deforestation, Genetic modification, Intensive farming, Agrochemicals, Animal welfare, Human rights and Harmful vices.

The policy and guidance are reviewed and updated annually or as necessary to reflect changes in issues of particular interest, best practice and new investment laws, regulations or advice.

### Remuneration Policy

Aiming to maximise our impact through fair remuneration packages for talented people is what defines our approach to pay.

To do this effectively means balancing two different needs: the need to ensure value for money in everything we do, including how we pay our staff; and the need to attract and retain people with the right skills and attitude.

PWCF has a clear and transparent policy that not only ensures the selection and retention of high calibre staff but also ensures our donors, supporters, staff, volunteers, beneficiaries and the public recognise the importance of accountability

in all aspects of our work including the determination of total remuneration packages including pay and benefits.

The PWCF Remuneration Committee is responsible for defining and amending PWCF's Remuneration Policy, as well as deciding on the total remuneration packages for their staff members and consultants.

Our approach is to pay a fair remuneration package to attract and retain skilled and expert people for PWCF. Remuneration packages and benefits should be competitive within the charity sector, proportionate to the complexity and international scope of each role, and in line with our charitable objectives. To achieve this, our Remuneration Policy aims to:

- pay all staff or where necessary to attract appropriate expertise and experience, with due regard to the median salary range for a similar organisation in the UK Charity sector, but not to compete on salaries with the public or private sectors;
- ensure performance is reviewed and reported on an annual basis. Meet all national pay standards, and provide all paid staff with a living wage as a minimum;
- monitor charity sector remuneration package and salary trends through two leading salary surveys and where necessary external benchmarking exercises.

### Reserves Policy

A proportion of the Foundation's unrestricted income generally derives from its wholly-owned subsidiary undertakings. As a result, the Foundation's ability to make grants to charitable institutions is dependent on fluctuations in the trading performance of those undertakings. Therefore, the Trustees have a liquidity-based approach to reserves. This approach requires the Foundation, for internal programmes and external charitable activities, to have a minimum holding of £2m of free reserves in cash and realisable investments.

## REFERENCE AND ADMINISTRATIVE DETAILS

### Founder

His Royal Highness, The Prince of Wales

### Trustees

Sir Ian Cheshire - Chairman  
Dame Amelia Fawcett - Chairman (retired 22nd  
March 2018)  
Clive Alderton LVO  
Dr Kenneth Wilson  
Dame Julie Moore  
Dame Louise Casey (appointed 13th June 2018)

### Senior Management Team

Andrew Wright (Executive Director)  
Justin Mundy (Director - ISU) (*until 31 March 2018*)  
Jessica Fries (Executive Chairman - A4S)  
Andy Togher (Chief Operating Officer - ISU) (*until  
31 March 2018*)  
James Furse (Operations Director) (*until 31 January  
2018*)  
Paula Wilson (Finance Director)  
Yvonne Abba-Opoku (Company Secretary)  
James Williams (Operations Director) (*from 23rd  
July 2018*)

### Registered Charity Number

1127255

### Registered Company Number

06777589

### Registered Address

Clarence House  
London  
SW1A 1BA

### Organisational Structure

**Foundation** - The Prince of Wales's Charitable  
Foundation

**Group** - The Prince of Wales's Charitable Foundation,  
Duchy Originals Ltd, A.G. Carrick Ltd, The Prince of  
Wales's Foundation Romania, Ecologic Transilvania SRL,  
The Prince's Countryside Fund and Countryside Fund  
Trading Limited.

### Professional Advisers

#### Bankers

Coutts & Co  
440 Strand  
London  
WC2R 0QS

#### Auditors

KPMG LLP  
15 Canada Square  
London  
E14 5GL

#### Solicitors

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

#### Bridges Ventures

38 Seymour Street  
London  
W1H 7BP

#### Rathbone Greenbank Investments

10 Queen Square  
Bristol  
BS1 4NT

#### Troy Asset Management Limited

33 Davies Street  
London  
W1K 4BP



## Statement of responsibilities of the Trustees of The Prince of Wales's Charitable Foundation Limited in respect of the Trustees' annual report and the financial statements

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law they have are required to prepare the group and parent company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and charitable company and of the group's excess of income over expenditure for that period. In preparing each of the group and charitable company financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- 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; and
- assess the group's and the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the group or the charitable company or to cease operations, or have no realistic alternative but to do so.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



Sir Ian Cheshire  
Chairman

25th September 2018

Clarence House  
London  
SW1A 1BA

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE PRINCE OF WALES'S CHARITABLE FOUNDATION

### Opinion

We have audited the financial statements of The Prince of Wales's Charitable Foundation ("the charitable company") for the year ended 31 March 2018 which comprise the Group and Parent Charitable Company Statement of Financial Activities, Group and Parent Charitable Company Balance Sheet, Group Cash Flow Statement and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 March 2018 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

### Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

### Other information

The directors are responsible for the other information, which comprises Trustees' Annual Report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the other information;
- in our opinion the information given in the Trustees' Annual Report, which constitutes the directors' report for the financial year, is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

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

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- the charitable company has not kept adequate accounting records or returns adequate for our audit have not been received from branches not visited by us; or
- the 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

We have nothing to report in these respects.

### Trustees' responsibilities

As explained more fully in their statement set out on page 28 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; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the group's and the 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 they either intend to liquidate the group or the charitable company or to cease operations, or have no realistic alternative but to do so.

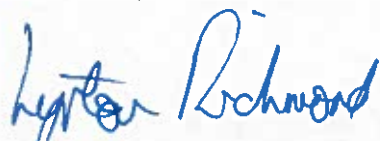
### Auditor's responsibilities

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

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

### The purpose of our audit work and to whom we owe our responsibilities

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 its members as a body, for our audit work, for this report, or for the opinions we have formed.



Lynnon Richmond (Senior Statutory Auditor)  
for and on behalf of KPMG LLP, Statutory Auditor  
Chartered Accountants  
15 Canada Square  
Canary Wharf  
London  
E14 5GL

1 October 2018



**Consolidated Statement of Financial Activities**  
**(incorporating the Consolidated Income and Expenditure account)**  
*For year ended 31 March 2018*

|  | Note | General<br>Fund<br>£000's | Designated<br>Fund<br>£000's | Restricted<br>Fund<br>£000's | Total<br>2018<br>£000's | Total<br>2017<br>£000's |
|--|------|---------------------------|------------------------------|------------------------------|-------------------------|-------------------------|
| <b>Income from:</b>  |      |                           |                              |                              |                         |                         |
| Donations  | 2    | 695                       | -                            | 2,308                        | 3,003                   | 4,463                   |
| Gifts  | 2    | 432                       | -                            | 399                          | 831                     | -                       |
| Investment income  | 3    | 78                        | -                            | -                            | 78                      | 31                      |
| Other trading activities                                     |      | 9,313                     | -                            | -                            | 9,313                   | 8,398                   |
| <b>Total incoming resources</b>                              |      | <b>10,518</b>             | <b>-</b>                     | <b>2,707</b>                 | <b>13,225</b>           | <b>12,892</b>           |
| <b>Expenditure on:</b>                                       |      |                           |                              |                              |                         |                         |
| <b>Raising funds:</b>  |      |                           |                              |                              |                         |                         |
| Expenditure on raising funds                                 |      | (30)                      | -                            | (42)                         | (72)                    | (158)                   |
| Other trading activities                                     |      | (4,763)                   | -                            | -                            | (4,763)                 | (4,453)                 |
| Investment management costs                                  |      | (34)                      | -                            | -                            | (34)                    | (10)                    |
| <b>Total cost of raising funds</b>                           |      | <b>(4,827)</b>            | <b>-</b>                     | <b>(42)</b>                  | <b>(4,869)</b>          | <b>(4,711)</b>          |
| <b>Charitable activities:</b>                                |      |                           |                              |                              |                         |                         |
| Children and youth   | 4    | (894)                     | -                            | -                            | (894)                   | (160)                   |
| Culture  | 4    | (1,567)                   | (55)                         | (73)                         | (1,695)                 | (469)                   |
| Education  | 4    | (156)                     | (43)                         | (141)                        | (340)                   | (253)                   |
| Environment  | 4    | (1,395)                   | (59)                         | (1,752)                      | (3,206)                 | (3,997)                 |
| Medical welfare  | 4    | (130)                     | (2)                          | (3)                          | (135)                   | (44)                    |
| Overseas   | 4    | (306)                     | (186)                        | (166)                        | (658)                   | (506)                   |
| Other  | 4    | (133)                     | (26)                         | (420)                        | (579)                   | (953)                   |
| <b>Total charitable activities</b>                           |      | <b>(4,581)</b>            | <b>(371)</b>                 | <b>(2,555)</b>               | <b>(7,507)</b>          | <b>(6,382)</b>          |
| <b>Other expenditure:</b>                                    |      |                           |                              |                              |                         |                         |
| Other write offs   |      | -                         | -                            | -                            | -                       | (4)                     |
| <b>Total other expenditure</b>                               |      | <b>-</b>                  | <b>-</b>                     | <b>-</b>                     | <b>-</b>                | <b>(4)</b>              |
| <b>Total expenditure</b>                                     |      | <b>(9,408)</b>            | <b>(371)</b>                 | <b>(2,597)</b>               | <b>(12,376)</b>         | <b>(11,097)</b>         |
| <b>Net gain/(loss) on investments</b>                        | 8    | <b>(45)</b>               | <b>-</b>                     | <b>-</b>                     | <b>(45)</b>             | <b>109</b>              |
| <b>Net income/(expenditure) from continuing activities</b>   |      | <b>1,065</b>              | <b>(371)</b>                 | <b>110</b>                   | <b>804</b>              | <b>1,904</b>            |
| <b>Net income/(expenditure) from discontinued activities</b> | 15   | <b>-</b>                  | <b>(588)</b>                 | <b>(806)</b>                 | <b>(1,394)</b>          | <b>-</b>                |
| <b>Transfers between funds</b>                               | 12   | <b>(1,043)</b>            | <b>682</b>                   | <b>361</b>                   | <b>-</b>                | <b>-</b>                |
| <b>Net movement in funds</b>                                 |      | <b>22</b>                 | <b>(277)</b>                 | <b>(335)</b>                 | <b>(590)</b>            | <b>1,904</b>            |
| Fund balances brought forward                                |      | 9,140                     | 653                          | 1,097                        | 10,890                  | 8,986                   |
| <b>Fund balances carried forward</b>                         | 12   | <b>9,162</b>              | <b>376</b>                   | <b>762</b>                   | <b>10,300</b>           | <b>10,890</b>           |

**Foundation Statement of Financial Activities**  
**(incorporating the Consolidated Income and Expenditure account)**  
*For year ended 31 March 2018*

|  | Note | General Fund<br>£000's | Designated Fund<br>£000's | Restricted Fund<br>£000's | Total<br>2018<br>£000's | Total<br>2017<br>£000's |
|--|------|------------------------|---------------------------|---------------------------|-------------------------|-------------------------|
| <b>Income from:</b>  |      |                        |                           |                           |                         |                         |
| Donations  | 2    | 4,071                  | -                         | 2,231                     | 6,302                   | 8,095                   |
| Gifts  | 2    | 432                    | -                         | 399                       | 831                     | -                       |
| Investment income  | 3    | 77                     | -                         | -                         | 77                      | 28                      |
| <b>Total incoming resources</b>                              |      | <b>4,580</b>           | <b>-</b>                  | <b>2,630</b>              | <b>7,210</b>            | <b>8,123</b>            |
| <b>Expenditure on:</b>                                       |      |                        |                           |                           |                         |                         |
| Raising funds  |      | (1)                    | -                         | (42)                      | (43)                    | (158)                   |
| Investment management costs                                  |      | (34)                   | -                         | -                         | (34)                    | (10)                    |
| <b>Total cost of raising funds</b>                           |      | <b>(35)</b>            | <b>-</b>                  | <b>(42)</b>               | <b>(77)</b>             | <b>(168)</b>            |
| <b>Charitable activities:</b>                                |      |                        |                           |                           |                         |                         |
| Children and youth   | 4    | (894)                  | -                         | -                         | (894)                   | (160)                   |
| Culture  | 4    | (1,567)                | (55)                      | (73)                      | (1,695)                 | (469)                   |
| Education  | 4    | (156)                  | (43)                      | (141)                     | (340)                   | (253)                   |
| Environment  | 4    | (659)                  | (59)                      | (1,521)                   | (2,239)                 | (3,997)                 |
| Medical welfare  | 4    | (130)                  | (2)                       | (3)                       | (135)                   | (44)                    |
| Overseas   | 4    | (223)                  | (209)                     | (166)                     | (598)                   | (459)                   |
| Other  | 4    | (133)                  | (26)                      | (420)                     | (579)                   | (953)                   |
| <b>Total charitable activities</b>                           |      | <b>(3,762)</b>         | <b>(394)</b>              | <b>(2,324)</b>            | <b>(6,480)</b>          | <b>(6,335)</b>          |
| <b>Total expenditure</b>                                     |      | <b>(3,797)</b>         | <b>(394)</b>              | <b>(2,366)</b>            | <b>(6,557)</b>          | <b>(6,503)</b>          |
| Net gain on investments                                      | 8    | 121                    | -                         | -                         | 121                     | 290                     |
| <b>Net income/(expenditure) from continuing activities</b>   |      | <b>904</b>             | <b>(394)</b>              | <b>264</b>                | <b>774</b>              | <b>1,910</b>            |
| <b>Net income/(expenditure) from discontinued activities</b> | 15   | <b>-</b>               | <b>(588)</b>              | <b>(806)</b>              | <b>(1,394)</b>          | <b>-</b>                |
| <b>Other losses</b>  |      |                        |                           |                           |                         |                         |
| Exchange loss  |      | (6)                    | -                         | -                         | (6)                     | (1)                     |
| <b>Transfers between funds</b>                               | 12   | <b>(930)</b>           | <b>682</b>                | <b>248</b>                | <b>-</b>                | <b>-</b>                |
| <b>Net movement in funds</b>                                 |      | <b>(32)</b>            | <b>(300)</b>              | <b>(294)</b>              | <b>(626)</b>            | <b>1,909</b>            |
| Fund balances brought forward                                |      | 9,141                  | 653                       | 1,097                     | 10,891                  | 8,982                   |
| <b>Fund balances carried forward</b>                         | 12   | <b>9,109</b>           | <b>353</b>                | <b>803</b>                | <b>10,265</b>           | <b>10,891</b>           |

**Consolidated Balance Sheet**  
at 31 March 2018

|   | Note | 2018<br>£000s  | 2017<br>£000s  |
|---|------|----------------|----------------|
| <b>Fixed assets</b>                                   |      |                |                |
| Tangible fixed assets                                 | 7    | 547            | 472            |
| Investments   | 8    | 5,033          | 3,329          |
| <b>Total fixed assets</b>                             |      | <b>5,580</b>   | <b>3,801</b>   |
| <b>Current assets</b>                                 |      |                |                |
| Stock   | 9    | 698            | 657            |
| Debtors   | 10   | 2,288          | 2,444          |
| Cash at Bank  |      | 6,306          | 6,520          |
| <b>Total current assets</b>                           |      | <b>9,292</b>   | <b>9,621</b>   |
| <b>Creditors: amounts falling due within one year</b> | 11   | <b>(4,431)</b> | <b>(2,532)</b> |
| <b>Net current assets</b>                             |      | <b>4,861</b>   | <b>7,089</b>   |
| <b>Creditors: amounts falling due after one year</b>  |      | <b>(141)</b>   | <b>-</b>       |
| <b>Total net assets</b>                               |      | <b>10,300</b>  | <b>10,890</b>  |
| <b>Funds</b>  |      |                |                |
| General - unrestricted                                | 12   | 9,162          | 9,140          |
| Designated  | 12   | 376            | 653            |
| Restricted  | 12   | 762            | 1,097          |
| <b>Total funds</b>                                    |      | <b>10,300</b>  | <b>10,890</b>  |

The notes on pages 36 to 58 form part of these financial statements

Approved on behalf of the Trustees on 25th September 2018



Sir Ian Cheshire  
Trustee

Company number: 06777589  
Charity number: 1127255



**Foundation Balance Sheet**  
at 31 March 2018

|   | Note | 2018<br>£000s  | 2017<br>£000s  |
|---|------|----------------|----------------|
| <b>Fixed assets</b>                                   |      |                |                |
| Tangible fixed assets                                 | 7    | 17             | 21             |
| Investments   | 8    | 5,033          | 3,329          |
| Investments in subsidiaries                           | 8    | 2,393          | 1,396          |
| <b>Total fixed assets</b>                             |      | <b>7,443</b>   | <b>4,746</b>   |
| <b>Current assets</b>                                 |      |                |                |
| Debtors: amounts falling due within one year          | 10   | 1,372          | 2,541          |
| Cash at Bank  |      | 3,165          | 4,935          |
| <b>Total current assets</b>                           |      | <b>4,537</b>   | <b>7,476</b>   |
| <b>Creditors: amounts falling due within one year</b> | 11   | <b>(1,715)</b> | <b>(1,331)</b> |
| <b>Net current assets</b>                             |      | <b>2,822</b>   | <b>6,145</b>   |
| <b>Total net assets</b>                               |      | <b>10,265</b>  | <b>10,891</b>  |
| <b>Funds</b>  |      |                |                |
| General - unrestricted                                | 12   | 9,109          | 9,141          |
| Designated  | 12   | 353            | 653            |
| Restricted  | 12   | 803            | 1,097          |
| <b>Total funds</b>                                    |      | <b>10,265</b>  | <b>10,891</b>  |

The notes on pages 36 to 58 form part of these financial statements

Approved on behalf of the Trustees on 25th September 2018



Sir Ian Cheshire  
Trustee

Company number: 06777589  
Charity number: 1127255

**Consolidated Cash Flow Statement**  
for the year ended 31 March 2018

|   |            | <b>Total<br/>2018<br/>£000's</b> | <b>Total<br/>2017<br/>£000's</b> |
|---|------------|----------------------------------|----------------------------------|
| <b>Cash flows from operating activities:</b>                              |            |                                  |                                  |
| <b>Net cash provided by operating activities</b>                          | Table<br>1 | <b>1,725</b>                     | <b>1,385</b>                     |
| <b>Cash flows from investing activities:</b>                              |            |                                  |                                  |
| Proceeds from the sale of property, plant and equipment                   |            | -                                | 100                              |
| Purchase of property, plant and equipment                                 |            | (139)                            | (238)                            |
| Purchase of investments   |            | (1,800)                          | (2,250)                          |
| <b>Net cash provided used in investing activities</b>                     |            | <b>(1,939)</b>                   | <b>(2,388)</b>                   |
| <b>Change in cash and cash equivalents in the reporting period</b>        |            | <b>(214)</b>                     | <b>(1,003)</b>                   |
| <b>Cash and cash equivalents at the beginning of the reporting period</b> | Table<br>2 | <b>6,520</b>                     | <b>7,523</b>                     |
| <b>Change in cash and cash equivalents due to exchange rate movements</b> |            | <b>-</b>                         | <b>-</b>                         |
| <b>Cash and cash equivalents at the end of the reporting period</b>       | Table<br>2 | <b>6,306</b>                     | <b>6,520</b>                     |

**Table 1: Reconciliation of expenditure to net cash flow from operating activities**

|  |              |              |
|--|--------------|--------------|
| <b>Net (expenditure)/income for the period</b>   | <b>(590)</b> | <b>1,904</b> |
| <b>Adjustments for:</b>                          |              |              |
| Depreciation charges                             | 64           | 65           |
| Losses/(gains) on investments                    | 96           | (78)         |
| (Increase)/decrease in stock                     | (41)         | (191)        |
| Decrease/(increase) in debtors                   | 156          | (454)        |
| Increase in creditors                            | 2,040        | 139          |
| <b>Net cash provided by operating activities</b> | <b>1,725</b> | <b>1,385</b> |

**Table 2: Analysis of cash and cash equivalents**

|  |              |              |
|--|--------------|--------------|
| Cash in hand                           | 4,540        | 4,759        |
| Notice deposits (less than 3 months)   | 1,766        | 1,761        |
| <b>Total cash and cash equivalents</b> | <b>6,306</b> | <b>6,520</b> |

## Notes

*(Forming part of the financial statements)*

### 1. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Foundation's accounts.

#### **Basis of preparation and assessment of going concern**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: 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 (FRS 102) (effective 1 January 2015) – (Charities SORP (FRS 102)), the Financial Reporting Standard Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Prince of Wales's Charitable Foundation meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The trustees consider that there are no material uncertainties about the Foundation's ability to continue as a going concern. They have reviewed cash flow forecasts for the Foundation and its commitments for twelve months from the date of approval of the accounts and conclude that it is appropriate to prepare these accounts under the going concern basis.

#### **Basis of consolidation**

The financial statements consolidate the results of the Foundation and its wholly owned subsidiaries on a line-by-line basis. The acquisition method of accounting has been adopted. The assets and liabilities of subsidiaries are recorded initially at their fair values on the date of acquisition. The Prince of Wales's Foundation Romania and its subsidiary, Ecological Transilvania, have a yearend reporting date of 31st December.

#### **Income**

Income is recognised when the Foundation has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Donations are recognised when the Foundation has been notified in writing of both the amount and settlement date or the monies have been received directly. In the event that a donation is subject to conditions that require a level of performance before the Foundation is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the Foundation and it is probable that those conditions will be fulfilled in the reporting period.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Foundation; this is normally upon notification of the interest paid or payable by the bank.



## Notes (continued)

### 1. Accounting policies (continued)

#### Donated services and facilities

Donated professional services and donated facilities are recognised as income when the Foundation has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from use of the item or service is probable and that economic benefit can be measured reliably.

On receipt, donated services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

#### Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds comprise the costs of commercial trading including the running of the Highgrove shops and Gardens through AG Carrick Ltd, and costs associated with administering the license agreement between Duchy Originals Ltd and Waitrose. Fundraising costs are also included relating to staff costs and consultancy fees.
- Expenditure on charitable activities includes the Foundations grant giving and the costs of running internal programmes and associated support costs.

All expenditure is accounted for on an accruals basis.

#### Grants payable

Grants payable are payments made to third parties in the furtherance of the charitable objects of the Foundation. In the case of an unconditional grant offer this is accrued once the recipient has been notified of the grant award. The notification gives the recipient a reasonable expectation that they will receive the one-year or multi-year grant. Grant awards that are subject to the recipient fulfilling performance conditions are only accrued when the recipient has been notified of the grant and any remaining unfulfilled conditions attaching to that grant are outside the control of the Foundation.

#### Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include administrative costs, finance, personnel, consultancy and governance. These have been allocated across the charitable activities on a pro-rata basis as set out in note 5.

## Notes (continued)

### 1. Accounting policies (continued)

#### Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided by the straight line method over the estimated useful lives of the assets at the following rates:

|   |                            |
|---|----------------------------|
| Leasehold premises and improvements     | over the life of the lease |
| Plant, machinery, tools and equipment   | two to four years          |
| Computers                               | five years                 |
| Fixtures, fittings and office equipment | two to four years          |

No depreciation is provided until the assets are brought into use.

#### Fixed asset investments

Investments are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date. This is determined as follows:

- i) Investments in subsidiary companies are valued at their net book value;
- ii) Investments in Social Impact Bonds are valued at the amount committed to be paid;
- iii) Investment portfolio is valued at the closing quoted market price

The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

#### Social investments

Unquoted equity, social investment funds and partnerships, and similar social investments are held at cost, less any provision for diminution in value, unless the Foundation is able to obtain a reliable estimate of fair value. Quoted investments are stated at market value at the balance sheet date.

#### Stock

Stocks are stated at lower of cost and net realisable value.

#### Debtors

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid net of any trade discounts due.

#### Creditors

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are recognised at their settlement amount.

**Notes** *(continued)*

**1. Accounting policies** *(continued)*

**Foreign currency**

Transactions in foreign currencies are recorded at the average rate of exchange for the year. Balances in foreign currencies are translated at the rate ruling at the balance sheet date and translation gains or losses are recorded in the Statement of Financial Activities.

**Funds**

Unrestricted funds are available to spend on activities that further any of the purposes of the Foundation. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the Foundations work or for specific grants to be awarded by the Foundation.

The Trustees have determined that realised and unrealised investment gains and losses should be recorded in the General Fund, or, where such gains and losses can be separately identified, to the restricted fund, together with the investment managers' fees. Transfers from the General Fund and specific receipts are recorded in the Designated Fund as determined by the trustees.



Notes (continued)

2. Voluntary income and income from charitable activities

|   | Group<br>2018<br>£000s | Foundation<br>2018<br>£000s | Group<br>2017<br>£000s | Foundation<br>2017<br>£000s |
|---|------------------------|-----------------------------|------------------------|-----------------------------|
| <b>Unrestricted Donations</b>           |                        |                             |                        |                             |
| Donations from subsidiary undertakings: | -                      | 3,769                       | -                      | 3,849                       |
| Miscellaneous donations                 | 516                    | 123                         | 530                    | 313                         |
| Grants                                  | 130                    | 130                         | 10                     | 10                          |
| Donated services                        | 49                     | 49                          | 50                     | 50                          |
| <b>Total unrestricted donations</b>     | <b>695</b>             | <b>4,071</b>                | <b>590</b>             | <b>4,222</b>                |
| <b>Restricted Donations</b>             |                        |                             |                        |                             |
| Miscellaneous donations                 | 335                    | 258                         | 1,478                  | 1,478                       |
| Grants                                  | 1,009                  | 1,009                       | 1,506                  | 1,506                       |
| Membership subscriptions                | 598                    | 598                         | 615                    | 615                         |
| Donated services                        | 366                    | 366                         | 274                    | 274                         |
| <b>Total restricted donations</b>       | <b>2,308</b>           | <b>2,231</b>                | <b>3,873</b>           | <b>3,873</b>                |
| <b>Total donations</b>                  | <b>3,003</b>           | <b>6,302</b>                | <b>4,463</b>           | <b>8,095</b>                |

During the year ended 31 March 2018, PWCF acquired 100% of the shares of The Prince's Countryside Fund and Countryside Fund Trading Limited. These were gifted to PWCF from Business in the Community on 1st July 2017. Total net assets at this date were £831,174 (unrestricted £432,448, restricted £398,726) which has been recognised as income on the SOFA.

Donated services relate to rent, secondees, support for events and stationery, all of which are provided free of charge.

Notes (continued)

3. Investment Income

|  | Group<br>2018<br>£000s | Foundation<br>2018<br>£000s | Group<br>2017<br>£000s | Foundation<br>2017<br>£000s |
|--|------------------------|-----------------------------|------------------------|-----------------------------|
| <b>General Fund</b>                      |                        |                             |                        |                             |
| Income from UK investments               | 63                     | 63                          | 6                      | 6                           |
| Income from cash & short term deposits   | 15                     | 14                          | 23                     | 20                          |
|  | <u>78</u>              | <u>77</u>                   | <u>29</u>              | <u>26</u>                   |
| <b>Restricted Fund</b>                   |                        |                             |                        |                             |
| Income from cash and short term deposits | -                      | -                           | 2                      | 2                           |
|  | <u>-</u>               | <u>-</u>                    | <u>2</u>               | <u>2</u>                    |
| <b>Total Investment Income</b>           | <u>78</u>              | <u>77</u>                   | <u>31</u>              | <u>28</u>                   |

Interest from cash and short term deposits from discontinued operations totalled £1,388.

Notes (continued)

4. Charitable activities

The Foundation charitable activities comprise:

|                                    | Activities<br>undertaken<br>directly<br>£000's | Grant<br>funding of<br>activities<br>£000's | Support<br>Costs<br>£000's | Total<br>2018<br>£000's | Total<br>2017<br>£000's |
|------------------------------------|--|---|----------------------------|-------------------------|-------------------------|
| <b>Unrestricted fund</b>           |  |   |                            |                         |                         |
| Children and youth                 | 23   | 728   | 143                        | 894                     | 156                     |
| Culture                            | 35   | 1,281                                       | 251                        | 1,567                   | 285                     |
| Education                          | 4  | 127   | 25                         | 156                     | 139                     |
| Environment                        | 16   | 538   | 105                        | 659                     | 1,112                   |
| Medical welfare                    | 4  | 105   | 21                         | 130                     | 18                      |
| Overseas                           | 25   | 162   | 36                         | 223                     | 275                     |
| Other                              | 4  | 108   | 21                         | 133                     | 336                     |
| <b>Total unrestricted fund</b>     | <b>111</b>                                     | <b>3,049</b>                                | <b>602</b>                 | <b>3,762</b>            | <b>2,321</b>            |
| <b>Designated fund</b>             |  |   |                            |                         |                         |
| Children and youth                 | -  | -   | -                          | -                       | 1                       |
| Culture                            | 6  | 49  | -                          | 55                      | 57                      |
| Education                          | -  | 43  | -                          | 43                      | 45                      |
| Environment                        | -  | 59  | -                          | 59                      | 860                     |
| Medical welfare                    | -  | 2   | -                          | 2                       | 12                      |
| Overseas                           | 11   | 198   | -                          | 209                     | 56                      |
| Other                              | -  | 26  | -                          | 26                      | 4                       |
| <b>Total designated fund</b>       | <b>17</b>                                      | <b>377</b>                                  | <b>-</b>                   | <b>394</b>              | <b>1,035</b>            |
| <b>Restricted fund</b>             |  |   |                            |                         |                         |
| Children and youth                 | -  | -   | -                          | -                       | 3                       |
| Culture                            | 12   | 61  | -                          | 73                      | 127                     |
| Education                          | 34   | 107   | -                          | 141                     | 69                      |
| Environment                        | 1,168  | 353   | -                          | 1,521                   | 2,025                   |
| Medical welfare                    | -  | 3   | -                          | 3                       | 14                      |
| Overseas                           | 111  | 52  | 3                          | 166                     | 128                     |
| Other                              | -  | 420   | -                          | 420                     | 613                     |
| <b>Total restricted fund</b>       | <b>1,325</b>                                   | <b>996</b>                                  | <b>3</b>                   | <b>2,324</b>            | <b>2,979</b>            |
| <b>Total charitable activities</b> | <b>1,452</b>                                   | <b>4,422</b>                                | <b>605</b>                 | <b>6,480</b>            | <b>6,335</b>            |



**Notes** (continued)

**4. Charitable activities (continued)**

Group charitable activity expenditure is as above with the following exceptions:

|                                    | Activities<br>undertaken<br>directly<br>£000's | Grant<br>funding of<br>activities<br>£000's | Support<br>Costs<br>£000's | Total<br>2018<br>£000's |
|------------------------------------|--|---|----------------------------|-------------------------|
| <b>Unrestricted fund</b>           |  |   |                            |                         |
| Environment                        | 414  | 876   | 105                        | <b>1,395</b>            |
| Overseas                           | 77   | 193   | 36                         | <b>306</b>              |
| <b>Designated fund</b>             |  |   |                            |                         |
| Overseas                           | 11   | 175   | -                          | <b>186</b>              |
| <b>Restricted fund</b>             |  |   |                            |                         |
| Environment                        | 1,390  | 362   | -                          | <b>1,752</b>            |
| <b>Total charitable activities</b> | <b>2,123</b>                                   | <b>4,778</b>                                | <b>605</b>                 | <b>7,506</b>            |

Notes (continued)

4. Charitable activities (continued)

As agreed with the Charity Commission, disclosure is made of the following donations over £10,000 made during the year:

|   | General<br>Fund<br>£000's | Designated<br>Fund<br>£000's | Restricted<br>Fund<br>£000's | Total<br>2018<br>£000's | Total<br>2017<br>£000's |
|---|---------------------------|------------------------------|------------------------------|-------------------------|-------------------------|
| The Prince's Foundation                       | 1,200                     | -                            | 60                           | 1,260                   | 152                     |
| The Prince's Trust                            | 500                       | -                            | -                            | 500                     | -                       |
| The Soil Association                          | 375                       | -                            | -                            | 375                     | 500                     |
| Business In the Community                     | -                         | -                            | 360                          | 360                     | 519                     |
| Prince's Countryside Fund                     | -                         | 1                            | 340                          | 341                     | 392                     |
| British Asian Trust                           | 150                       | -                            | -                            | 150                     | -                       |
| Youth United                                  | 150                       | -                            | -                            | 150                     | -                       |
| Prince's Teaching Institute                   | 35                        | -                            | 97                           | 132                     | -                       |
| Oxford Plant Sciences                         | 118                       | -                            | -                            | 118                     | -                       |
| Prime Cymru                                   | 69                        | -                            | -                            | 69                      | -                       |
| Turquoise Mountain                            | -                         | 50                           | -                            | 50                      | -                       |
| Step Up To Serve                              | 50                        | -                            | -                            | 50                      | 50                      |
| In Kind Direct                                | -                         | -                            | 48                           | 48                      | 120                     |
| The Prince of Wales's Hospice                 | 42                        | -                            | -                            | 42                      | -                       |
| Penny Brohn Cancer Care                       | 41                        | -                            | -                            | 41                      | -                       |
| Trees for Cities                              | 40                        | -                            | -                            | 40                      | -                       |
| ARTTA   | -                         | 37                           | -                            | 37                      | 12                      |
| Bumblebee Conservation Trust                  | 37                        | -                            | -                            | 37                      | -                       |
| UK Historic Building Preservation<br>Trust    | 34                        | -                            | -                            | 34                      | -                       |
| The Kalnocky Foundation                       | -                         | -                            | 27                           | 27                      | -                       |
| Sustainable Food Trust                        | -                         | 25                           | -                            | 25                      | 70                      |
| Aid to the Church in Need                     | -                         | 25                           | -                            | 25                      | -                       |
| INTBAU  | 11                        | 11                           | -                            | 22                      | -                       |
| Prince of Wales' Foundation<br>Romania        | -                         | 22                           | -                            | 22                      | 60                      |
| The Institute of Chartered Foresters          | -                         | 20                           | -                            | 20                      | -                       |
| British Red Cross                             | -                         | 20                           | -                            | 20                      | -                       |
| Prince's School of Traditional Arts           | 9                         | 9                            | -                            | 18                      | -                       |
| Dry Stone Walling Association                 | -                         | 10                           | 5                            | 15                      | -                       |
| The Silverline                                | -                         | -                            | 12                           | 12                      | -                       |
| Plantlife                                     | -                         | 5                            | 5                            | 10                      | -                       |
| UTASS   | -                         | 10                           | -                            | 10                      | -                       |
| Amatrice Commune Fund                         | -                         | -                            | 10                           | 10                      | -                       |
| Pro Patrimonio                                | -                         | -                            | 10                           | 10                      | -                       |
| Prince's Foundation for Building<br>Community | -                         | -                            | -                            | -                       | 545                     |
| Royal Drawing School                          | -                         | -                            | -                            | -                       | 93                      |
| Prince's Trust International                  | -                         | -                            | -                            | -                       | 72                      |
| Ballater RD                                   | -                         | -                            | -                            | -                       | 53                      |
| North Wales Wildlife Trust                    | -                         | -                            | -                            | -                       | 50                      |
| Royal Welsh College of Music &<br>Drama       | -                         | -                            | -                            | -                       | 28                      |

Notes (continued)

4. Charitable activities (continued)

|  | General<br>Fund<br>£000's | Designated<br>Fund<br>£000's | Restricted<br>Fund<br>£000's | Total<br>2018<br>£000's | Total<br>2017<br>£000's |
|--|---------------------------|------------------------------|------------------------------|-------------------------|-------------------------|
| Prince's Charities Canada                  | -                         | -                            | -                            | -                       | 25                      |
| Send a Cow                                 | -                         | -                            | -                            | -                       | 25                      |
| Carlisle Youth Zone                        | -                         | -                            | -                            | -                       | 20                      |
| Scottish Gamekeepers Association           | -                         | -                            | -                            | -                       | 15                      |
| Duchenne                                   | -                         | -                            | -                            | -                       | 14                      |
| Foundation for Rural & Regional<br>Renewal | -                         | -                            | -                            | -                       | 10                      |
| Others                                     | 188                       | 132                          | 22                           | 342                     | 241                     |
| <b>Total grants</b>                        | <b>3,049</b>              | <b>377</b>                   | <b>996</b>                   | <b>4,422</b>            | <b>3,065</b>            |

Support costs are allocated to the categories of charitable activities on a pro-rata basis as it is not possible to allocate the costs on a specific basis. Grants totalling £4,421,737 were made to 157 charity institutions (2017: £3,064,535 to 134 institutions).

5. Support costs

|   | General<br>Fund<br>£000's | Restrict<br>ed Fund<br>£000's | Total<br>2018<br>£000's | Total<br>2017<br>£000's |
|---|---------------------------|-------------------------------|-------------------------|-------------------------|
| <b>Support costs</b>                      |                           |                               |                         |                         |
| Salaries and employment                   | 408                       | 3                             | 411                     | 330                     |
| Travel and subsistence                    | 20                        | -                             | 20                      | 32                      |
| Consultancy                               | 68                        | -                             | 68                      | 127                     |
| Legal and professional                    | 29                        | -                             | 29                      | 64                      |
| Office costs                              | 72                        | -                             | 72                      | 77                      |
| Depreciation                              | 5                         | -                             | 5                       | 2                       |
| Miscellaneous                             | -                         | -                             | -                       | 16                      |
| <b>Total support and governance costs</b> | <b>602</b>                | <b>3</b>                      | <b>605</b>              | <b>648</b>              |

Included in the above are governance costs of £88,750 (2017: £116,511). Salaries and employment costs contain a recharge of £268,000 (2017: £267,000) from His Royal Highness The Prince of Wales and Duchess of Cornwall's Office for personnel supporting the Foundation in finance, payroll, administration and HR. The current year's recharge has been calculated as a percentage of staff time spent on the Foundation.

Donated goods and services of £49,344 (2017: £50,250) have been allocated to office costs above.

The audit fee of the group amounted to £33,120 (2017: £20,736).



**Notes (continued)**

**6. Staff costs**

The Foundation's salaries are allocated as follows:

|                                     | <b>Total<br/>2018<br/>£000's</b> | <b>Total<br/>2017<br/>£000's</b> |
|-------------------------------------|----------------------------------|----------------------------------|
| <b>Support and governance</b>       |                                  |                                  |
| Salaries and wages                  | 59                               | 50                               |
| Social security                     | 7                                | 6                                |
| Pension and healthcare              | 4                                | 5                                |
| <b>Total support and governance</b> | <b>70</b>                        | <b>61</b>                        |
| <b>Charitable activities</b>        |                                  |                                  |
| Salaries and wages                  | 1,155                            | 1,098                            |
| Social security                     | 138                              | 130                              |
| Pension and healthcare              | 89                               | 69                               |
| <b>Total charitable activities</b>  | <b>1,382</b>                     | <b>1,297</b>                     |
| <b>Total</b>                        | <b>1,452</b>                     | <b>1,358</b>                     |

Charitable activities include the International Sustainability Unit (ISU) and Accounting for Sustainability (A4S) which account for £811,383 (2017: £812,367) and £504,451 (2017: £398,683) respectively, of the total staff costs above. The ISU is now a discontinued operation.

Fundraising salaries of £65,158 (2017: £80,596) and redundancy costs, relating to the ISU, of £68,142 (2017: £nil) are not included above.

The Foundation employed a further 7 members of staff who work solely for The Prince's Countryside Fund, their staff costs totalled £224,551 and were charged in full to PCF.

The senior management team is comprised of both direct employees of the Foundation and employees of HRH The Prince of Wales and Duchess of Cornwall's Office as part of the recharge discussed in note 5. The total cost to the Foundation of the senior management team is £738,803 (2017: £793,147).

No salaries were paid to Trustees in the current or previous year. Travel expenses totalling £1,982 (2017: £2,452) were reimbursed to one Trustee during the year.

**Notes (continued)**

**6. Staff costs (continued)**

The average numbers of full-time equivalent employees for the Foundation are:

|   | <b>Total<br/>2018<br/>£000's</b> | <b>Total<br/>2017<br/>£000's</b> |
|---|----------------------------------|----------------------------------|
| <b>Support and governance</b>               | 1                                | 1                                |
| <b>Charitable activities:</b>               |                                  |                                  |
| International Sustainability Unit           | 11                               | 12                               |
| Accounting for Sustainability               | 10                               | 8                                |
| Other                                       | 2                                | 2                                |
| <b>Fundraising</b>                          | 1                                | 1                                |
| <b>Total full-time equivalent employees</b> | <u>25</u>                        | <u>24</u>                        |

The number of employees whose emoluments for the year were over £60,000 (including taxable benefits in kind but not employer pension contributions), fell within the following bands:

|                   | <b>Total<br/>2018<br/>£000's</b> | <b>Total<br/>2017<br/>£000's</b> |
|-------------------|----------------------------------|----------------------------------|
| £60,000-£69,999   | 1                                | 2                                |
| £110,000-£119,999 | 1                                | 1                                |
| £120,000-£129,999 | 1                                | -                                |
| £130,000-£139,999 | -                                | 1                                |
| £200,000-£209,999 | 1                                | 1                                |

**Pension contributions**

The Foundation paid £18,808 (2017: £23,228) into defined contribution schemes for 2 (2017: 3) higher paid employees.

Notes (continued)

7. Tangible Fixed Assets

| Group                                   | Plant &<br>Equipment<br>£000's | Computers<br>£000's | Fixtures &<br>Fittings<br>£000's | Leasehold<br>Improvements<br>£000's | Land &<br>Buildings<br>£000's | Total<br>£000's |
|---|--------------------------------|---------------------|----------------------------------|-------------------------------------|-------------------------------|-----------------|
| <b>Cost</b>                             |                                |                     |                                  |                                     |                               |                 |
| At 1 April 2017                         | 3                              | 291                 | 536                              | 338                                 | 198                           | <b>1,366</b>    |
| Additions                               | -                              | 12                  | 109                              | 13                                  | -                             | <b>134</b>      |
| Exchange Rate<br>Changes                | -                              | -                   | 4                                | -                                   | 1                             | <b>5</b>        |
| At 31 March 2018                        | <b>3</b>                       | <b>303</b>          | <b>649</b>                       | <b>351</b>                          | <b>199</b>                    | <b>1,505</b>    |
| <b>Depreciation</b>                     |                                |                     |                                  |                                     |                               |                 |
| At 1 April 2017                         | 1                              | 229                 | 407                              | 257                                 | -                             | <b>894</b>      |
| Charge for the year                     | -                              | 20                  | 25                               | 15                                  | 4                             | <b>64</b>       |
| At 31 March 2018                        | <b>1</b>                       | <b>249</b>          | <b>432</b>                       | <b>272</b>                          | <b>4</b>                      | <b>958</b>      |
| <b>Net book value 31<br/>March 2018</b> | <b>2</b>                       | <b>54</b>           | <b>217</b>                       | <b>79</b>                           | <b>195</b>                    | <b>547</b>      |
| Net book value 31<br>March 2017         | 2                              | 62                  | 129                              | 81                                  | 198                           | 472             |

| Foundation                              | Computers<br>£000's | Total<br>£000's |
|---|---------------------|-----------------|
| <b>Cost or valuation</b>                |                     |                 |
| At 1 April 2017                         | 23                  | <b>23</b>       |
| Additions                               | -                   | -               |
| At 31 March 2018                        | <b>23</b>           | <b>23</b>       |
| <b>Depreciation</b>                     |                     |                 |
| At 1 April 2017                         | 2                   | <b>2</b>        |
| Charge for the year                     | 4                   | <b>4</b>        |
| At 31 March 2018                        | <b>6</b>            | <b>6</b>        |
| <b>Net book value 31<br/>March 2018</b> | <b>17</b>           | <b>17</b>       |
| Net book value 31<br>March 2017         | 21                  | 21              |



Notes (continued)

8. Fixed asset investments

|                                     | Notes | Cost at<br>31<br>March<br>2018<br>£000's | Market<br>Value at<br>31 March<br>2018<br>£000's | Cost at<br>31<br>March<br>2017<br>£000's | Market<br>Value at<br>31 March<br>2017<br>£000's |
|-------------------------------------|-------|--|--|--|--|
| <b>Group</b>                        |       |  |  |  |  |
| Bridges Ventures Social Impact Bond |       | 250                                      | 209  | 250                                      | 224  |
| Other UK Investments                |       | 4,600                                    | 4,824  | 3,000                                    | 3,105  |
| <b>Total group investments</b>      |       | <b>4,850</b>                             | <b>5,033</b>                                     | <b>3,250</b>                             | <b>3,329</b>                                     |
| <b>Foundation</b>                   |       |  |  |  |  |
| Investment in subsidiary companies  | 13    | 1,577                                    | 2,393  | 746                                      | 1,396  |
| Bridges Ventures Social Impact Bond |       | 250                                      | 209  | 250                                      | 224  |
| Other UK investments                |       | 4,600                                    | 4,824  | 3,000                                    | 3,105  |
| <b>Total Foundation investments</b> |       | <b>6,427</b>                             | <b>7,426</b>                                     | <b>3,996</b>                             | <b>4,725</b>                                     |

The investments in subsidiary companies are stated at net asset value.

| Subsidiary                          | Company /<br>Charity Number | Registered Office  | Class of shares | Percentage of<br>shares held |
|-------------------------------------|-----------------------------|--|-----------------|------------------------------|
| Ecologic Transilvania SRL           | J40/16619/2006              | Strada Principala<br>163, Viscri, Comuna<br>Bunesti Jud Brasov,<br>Romania | Ordinary        | 100%                         |
| Prince of Wales' Foundation Romania | 17/293/2015                 | Strada Principala<br>163, Viscri, Comuna<br>Bunesti Jud Brasov,<br>Romania | Ordinary        | 100%                         |
| Duchy Originals Ltd                 | 02478770                    | Clarence House,<br>London, SW1A 1BA  | Ordinary        | 100%                         |
| AG Carrick Ltd                      | 2258628                     | Clarence House,<br>London, SW1A 1BA  | Ordinary        | 100%                         |
| The Prince's Countryside Fund       | 1136077                     | 137 Shepherdess<br>Walk, London, N1<br>7RQ                                 | Ordinary        | 100%                         |
| Countryside Fund Trading            | 07274582                    | 137 Shepherdess<br>Walk, London, N1<br>7RQ                                 | Ordinary        | 100%                         |

Notes (continued)

8. Fixed asset investments (continued)

Movements during the year

|   | Subsidiary<br>Undertakings<br>£000's | Social<br>Impact<br>Bond<br>£000's | UK<br>Investments<br>£000's | Total<br>2018<br>£000's | Total<br>2017<br>£000's |
|---|--------------------------------------|------------------------------------|-----------------------------|-------------------------|-------------------------|
| <b>Group</b>                              |                                      |                                    |                             |                         |                         |
| Opening market value                      | -                                    | 224                                | 3,105                       | <b>3,329</b>            | 1,000                   |
| Acquisition at cost                       | -                                    | -                                  | 1,800                       | <b>1,800</b>            | 2,250                   |
| Return of Capital                         | -                                    | (15)                               | (8)                         | <b>(23)</b>             | (26)                    |
| Management fee                            | -                                    | -                                  | (28)                        | <b>(28)</b>             | (4)                     |
| Realised and unrealised<br>(losses)/gains | -                                    | -                                  | (45)                        | <b>(45)</b>             | 109                     |
| <b>Closing market value</b>               | -                                    | 209                                | 4,824                       | <b>5,033</b>            | 3,329                   |
| <b>Foundation</b>                         |                                      |                                    |                             |                         |                         |
| Opening market value                      | 1,396                                | 224                                | 3,105                       | <b>4,725</b>            | 2,215                   |
| Acquisition at cost                       | 831                                  | -                                  | 1,800                       | <b>2,631</b>            | 2,250                   |
| Return of Capital                         | -                                    | (15)                               | (8)                         | <b>(23)</b>             | (26)                    |
| Management fee                            | -                                    | -                                  | (28)                        | <b>(28)</b>             | (4)                     |
| Realised and unrealised<br>gains/(losses) | 166                                  | -                                  | (45)                        | <b>121</b>              | 290                     |
| <b>Closing market value</b>               | <b>2,393</b>                         | <b>209</b>                         | <b>4,824</b>                | <b>7,426</b>            | <b>4,725</b>            |

Notes (continued)

9. Stock

| Group                    | Total<br>2018<br>£000's | Total<br>2017<br>£000's |
|--------------------------|-------------------------|-------------------------|
| Work in progress         | 14                      | 9                       |
| Finished goods           | 684                     | 648                     |
| <b>Total group stock</b> | <b>698</b>              | <b>657</b>              |

The Foundation holds no stock.

10. Debtors

| Group                                   | Total<br>2018<br>£000's | Total<br>2017<br>£000's |
|---|-------------------------|-------------------------|
| Trade debtors                           | 199                     | 1,173                   |
| Prepayments and accrued income          | 2,027                   | 1,242                   |
| Other debtors                           | 62                      | 29                      |
| <b>Total group debtors</b>              | <b>2,288</b>            | <b>2,444</b>            |
| <b>Foundation</b>                       |                         |                         |
| Amounts owed by subsidiary undertakings | 1,060                   | 2,054                   |
| Prepayments and accrued income          | 309                     | 482                     |
| Other debtors                           | 3                       | 5                       |
| <b>Total foundation debtors</b>         | <b>1,372</b>            | <b>2,541</b>            |



Notes (continued)

11. Creditors

|   | Total<br>2018<br>£000's | Total<br>2017<br>£000's |
|---|-------------------------|-------------------------|
| <b>Group</b>  |                         |                         |
| Trade creditors                                     | 494                     | 598                     |
| Taxation and social security                        | 214                     | 167                     |
| Accruals and deferred income                        | 2,397                   | 1,618                   |
| Other creditors                                     | 132                     | 149                     |
| Due to grant recipients                             | 1,164                   | -                       |
| Provision   | 30                      | -                       |
| <b>Total group creditors</b>                        | <b>4,431</b>            | <b>2,532</b>            |
| <b>Foundation</b>                                   |                         |                         |
| Trade creditors                                     | 154                     | 253                     |
| Accruals and deferred income                        | 1,429                   | 929                     |
| Other creditors                                     | 132                     | 149                     |
| <b>Total foundation creditors</b>                   | <b>1,715</b>            | <b>1,331</b>            |
| <b>Reconciliation of movement in SIB commitment</b> |                         |                         |
| Balance at 1 April 2017                             | 149                     | 178                     |
| Drawdowns made during the year                      | (17)                    | (29)                    |
| <b>Balance at 31 March 2018</b>                     | <b>132</b>              | <b>149</b>              |

The Foundation has committed to invest £250,000 with Bridges Social Impact Bonds. Payments totalling £17,351 were made during the year leaving a commitment of £131,418.

Notes (continued)

12. Analysis of movements in funds

| Group                          | Balance<br>at 1 April<br>2017<br>£000's | Incoming<br>resources<br>£000's | Resources<br>expended<br>£000's | Other<br>recognised<br>gains /<br>(losses)<br>£000's | Transfers<br>between<br>funds<br>£000's | Balance<br>at 31<br>March<br>2018<br>£000's |
|--------------------------------|---|---------------------------------|---------------------------------|--|---|---|
| <b>Unrestricted fund</b>       | 9,140                                   | 10,518                          | (9,408)                         | (45)   | (1,043)                                 | <b>9,162</b>                                |
| <b>Total unrestricted fund</b> | <b>9,140</b>                            | <b>10,518</b>                   | <b>(9,408)</b>                  | <b>(45)</b>  | <b>(1,043)</b>                          | <b>9,162</b>                                |
| <b>Designated funds:</b>       |   |                                 |                                 |  |   |   |
| Culture                        | 4                                       | -                               | (5)                             | -  | 1                                       | -   |
| Environment                    | 371                                     | -                               | (588)                           | -  | 217                                     | -   |
| Overseas                       | -                                       | -                               | (11)                            | -  | 90                                      | <b>79</b>                                   |
| Other                          | 278                                     | -                               | (355)                           | -  | 374                                     | <b>297</b>                                  |
| <b>Total designated fund</b>   | <b>653</b>                              | <b>-</b>                        | <b>(959)</b>                    | <b>-</b>   | <b>682</b>                              | <b>376</b>                                  |
| <b>Restricted funds:</b>       |   |                                 |                                 |  |   |   |
| Culture                        | 53                                      | 82                              | (72)                            | -  | 2                                       | <b>65</b>                                   |
| Education                      | 10                                      | 131                             | (136)                           | -  | -                                       | <b>5</b>                                    |
| Environment                    | 852                                     | 2,100                           | (2,714)                         | -  | 259                                     | <b>497</b>                                  |
| Overseas                       | 135                                     | 130                             | (170)                           | -  | 100                                     | <b>195</b>                                  |
| Other                          | 47                                      | 420                             | (467)                           | -  | -                                       | -   |
| <b>Total restricted fund</b>   | <b>1,097</b>                            | <b>2,863</b>                    | <b>(3,559)</b>                  | <b>-</b>   | <b>361</b>                              | <b>762</b>                                  |
| <b>Total funds</b>             | <b>10,890</b>                           | <b>13,381</b>                   | <b>(13,926)</b>                 | <b>(45)</b>  | <b>-</b>                                | <b>10,300</b>                               |

|                   | General<br>Fund<br>£000's | Designated<br>Fund<br>£000's | Restricted<br>Fund<br>£000's | Total<br>2017<br>£000's |
|-------------------|---------------------------|------------------------------|------------------------------|-------------------------|
| <b>Net Assets</b> |                           |                              |                              |                         |
| Fixed Assets      | 5,580                     | -                            | -                            | 5,580                   |
| Current Assets    | 7,433                     | 427                          | 1,432                        | 9,292                   |
| Liabilities       | (3,851)                   | (51)                         | (670)                        | (4,572)                 |
|                   | <b>9,162</b>              | <b>376</b>                   | <b>762</b>                   | <b>10,300</b>           |

Notes (continued)

| Foundation                     | Balance<br>at 1 April<br>2017<br>£000's | Incoming<br>resources<br>£000's | Resources<br>expended<br>£000's | Other<br>recognised<br>gains /<br>(losses)<br>£000's | Transfers<br>between<br>funds<br>£000's | Balance<br>at 31<br>March<br>2018<br>£000's |
|--------------------------------|---|---------------------------------|---------------------------------|--|---|---|
| <b>Unrestricted fund</b>       | 9,141                                   | 4,580                           | (3,797)                         | 115  | (930)                                   | 9,109                                       |
| <b>Total unrestricted fund</b> | 9,141                                   | 4,580                           | (3,797)                         | 115  | (930)                                   | 9,109                                       |
| <b>Designated funds:</b>       |   |                                 |                                 |  |   |   |
| Culture                        | 4                                       | -                               | (5)                             | -  | 1                                       | -   |
| Environment                    | 371                                     | -                               | (588)                           | -  | 217                                     | -   |
| Overseas                       | -                                       | -                               | (11)                            | -  | 90                                      | 79  |
| Other                          | 278                                     | -                               | (378)                           | -  | 374                                     | 274   |
| <b>Total designated fund</b>   | 653                                     | -                               | (982)                           | -  | 682                                     | 353   |
| <b>Restricted funds:</b>       |   |                                 |                                 |  |   |   |
| Youth and children             | -                                       | -                               | -                               | -  | -                                       | -   |
| Culture                        | 53                                      | 82                              | (72)                            | -  | 2                                       | 65  |
| Education                      | 10                                      | 131                             | (136)                           | -  | -                                       | 5   |
| Environment                    | 852                                     | 2,023                           | (2,483)                         | -  | 146                                     | 538   |
| Medical Welfare                | -                                       | -                               | -                               | -  | -                                       | -   |
| Overseas                       | 135                                     | 130                             | (170)                           | -  | 100                                     | 195   |
| Other                          | 47                                      | 420                             | (467)                           | -  | -                                       | -   |
| <b>Total restricted fund</b>   | 1,097                                   | 2,786                           | (3,328)                         | -  | 248                                     | 803   |
| <b>Total funds</b>             | 10,891                                  | 7,366                           | (8,107)                         | 115  | -                                       | 10,265                                      |

|                     | General<br>Fund<br>£000's | Designated<br>Fund<br>£000's | Restricted<br>Fund<br>£000's | Total<br>2018<br>£000's |
|---------------------|---------------------------|------------------------------|------------------------------|-------------------------|
| <b>Net Assets</b>   |                           |                              |                              |                         |
| Fixed Assets        | 7,443                     | -                            | -                            | 7,443                   |
| Current Assets      | 3,014                     | 404                          | 1,119                        | 4,537                   |
| Current Liabilities | (1,348)                   | (51)                         | (316)                        | (1,715)                 |
|                     | <b>9,109</b>              | <b>353</b>                   | <b>803</b>                   | <b>10,265</b>           |

**Notes** *(continued)*

**13. Subsidiary companies**

**Duchy Originals Limited** licenses the exclusive right to originate, manufacture, distribute and sell Duchy Originals products in the UK to Waitrose. All profits are donated to The Prince of Wales's Charitable Foundation.

**A.G. Carrick Limited** exploits intellectual property rights generated by The Prince of Wales and donated to the company as well as running the Highgrove shops. The company gift aids all of its taxable profits to The Prince of Wales's Charitable Foundation.

**Ecologic Transilvania SRL** is responsible for estate ownership and management of properties in Romania.

**Prince of Wales's Foundation Romania** brings skills to local communities through educational programmes and supports heritage preservation, agriculture and sustainable development.

**The Prince's Countryside Fund** helps to improve the sustainability of British farming and the rural communities that support, and are supported by, farming in the UK.

**Countryside Fund Trading** is the trading subsidiary of PCF and responsible for all commercial activity for the charity.

A summary of the profit and loss accounts and balance sheets for the above organisations can be seen on the page below.



| Profit & loss account for<br>the year ended 31 March<br>2018 | Duchy<br>Originals<br>Ltd £000's | AG Carrick<br>Ltd £000's | The Prince's<br>Countryside<br>Fund £000's | Countryside<br>Fund<br>Trading Ltd<br>£000's | Ecologic<br>Transilvania<br>SRL £000's | Prince of<br>Wales's<br>Foundation<br>Romania<br>£000's | Total 2018<br>£000's | Total 2017<br>£000's |
|--|----------------------------------|--------------------------|--|--|--|---|----------------------|----------------------|
| Turnover   | 3,375                            | 5,061                    | 1,597                                      | 910  | 34                                     | 103   | 11,080               | 8,615                |
| Cost of sales  | -                                | (1,924)                  | -  | -  | (12)                                   | -   | (1,936)              | (1,886)              |
| Gross profit   | 3,375                            | 3,137                    | 1,597                                      | 910  | 22                                     | 103   | 9,144                | 6,729                |
| Administration expenses                                      | (133)                            | (2,608)                  | -  | (114)  | (39)                                   | -   | (2,894)              | (2,706)              |
| Fundraising  | -                                | -                        | (29)                                       | -  | -                                      | -   | (29)                 | -                    |
| Charitable activities  | -                                | -                        | (1,359)                                    | -  | -                                      | (103)   | (1,462)              | -                    |
| Trading profit   | 3,242                            | 529                      | 209  | 796  | (17)                                   | -   | 4,759                | 4,023                |
| Interest receivable  | -                                | 1                        | 1  | -  | (1)                                    | -   | 1                    | 2                    |
| Profit/(loss) before tax<br>and donations                    | 3,242                            | 530                      | 210  | 796  | (18)                                   | -   | 4,760                | 4,025                |
| Donation to parent   | (3,240)                          | (530)                    | -  | (796)  | -                                      | -   | (4,566)              | (3,849)              |
| Exchange loss  | -                                | -                        | -  | -  | -                                      | -   | -                    | 1                    |
| Retained in subsidiary                                       | 2                                | -                        | 210  | -  | (18)                                   | -   | 194                  | 177                  |
| <b>Balance sheet at 31<br/>March 2018</b>                    |                                  |                          |  |  |  |   |                      |                      |
| Fixed assets   | -                                | 192                      | -  | -  | 200                                    | 138   | 530                  | 451                  |
| Current assets   | 1,498                            | 1,427                    | 2,890                                      | 986  | 16                                     | 90  | 6,907                | 4,198                |
| Liabilities  | (973)                            | (1,112)                  | (1,849)                                    | (985)  | (111)                                  | (14)  | (5,043)              | (3,253)              |
| <b>Total net assets at 31<br/>March 2018</b>                 | 525                              | 507                      | 1,041                                      | 1  | 105                                    | 214   | 2,393                | 1,396                |

Notes (continued)

14. Prior Year SOFA

|  | Note | General<br>Fund<br>£000's | Designated<br>Fund £000's | Restricted<br>Fund<br>£000's | Total<br>2017<br>£000's |
|--|------|---------------------------|---------------------------|------------------------------|-------------------------|
| <b>Income from:</b>                    |      |                           |                           |                              |                         |
| Donations                              | 2    | 590                       | -                         | 3,873                        | 4,463                   |
| Charitable activities:                 |      |                           |                           |                              |                         |
| Educational activities                 | 2    | -                         | -                         | -                            | -                       |
| Support activities                     | 2    | -                         | -                         | -                            | -                       |
| Investment income                      | 3    | 29                        | -                         | 2                            | 31                      |
| Other income                           | 2    | -                         | -                         | -                            | -                       |
| Other trading activities               |      | 8,398                     | -                         | -                            | 8,398                   |
| <b>Total incoming resources</b>        |      | <b>9,017</b>              | <b>-</b>                  | <b>3,875</b>                 | <b>12,892</b>           |
| <b>Expenditure on:</b>                 |      |                           |                           |                              |                         |
| <b>Raising funds:</b>                  |      |                           |                           |                              |                         |
| Expenditure on raising funds           |      | (91)                      | (26)                      | (41)                         | (158)                   |
| Other trading activities               |      | (4,543)                   | -                         | -                            | (4,543)                 |
| Investment management costs            |      | (10)                      | -                         | -                            | (10)                    |
| <b>Total cost of raising funds</b>     |      | <b>(4,644)</b>            | <b>(26)</b>               | <b>(41)</b>                  | <b>(4,711)</b>          |
| <b>Charitable activities:</b>          |      |                           |                           |                              |                         |
| Children and youth                     | 4    | (156)                     | (1)                       | (3)                          | (160)                   |
| Culture                                | 4    | (285)                     | (57)                      | (127)                        | (469)                   |
| Education                              | 4    | (139)                     | (45)                      | (69)                         | (253)                   |
| Environment                            | 4    | (1,112)                   | (860)                     | (2,025)                      | (3,997)                 |
| Medical welfare                        | 4    | (18)                      | (12)                      | (14)                         | (44)                    |
| Overseas                               | 4    | (322)                     | (56)                      | (128)                        | (506)                   |
| Other                                  | 4    | (336)                     | (4)                       | (613)                        | (953)                   |
| <b>Total charitable activities</b>     |      | <b>(2,368)</b>            | <b>(1,035)</b>            | <b>(2,979)</b>               | <b>(6,382)</b>          |
| <b>Other expenditure:</b>              |      |                           |                           |                              |                         |
| Other write offs                       |      | (4)                       | -                         | -                            | (4)                     |
| <b>Total other expenditure</b>         |      | <b>(4)</b>                | <b>-</b>                  | <b>-</b>                     | <b>(4)</b>              |
| <b>Total expenditure</b>               |      | <b>(7,016)</b>            | <b>(1,061)</b>            | <b>(3,020)</b>               | <b>(11,097)</b>         |
| <b>Net gain on investments</b>         |      | <b>109</b>                | <b>-</b>                  | <b>-</b>                     | <b>109</b>              |
| <b>Net income/(expenditure)</b>        |      | <b>2,110</b>              | <b>(1,061)</b>            | <b>855</b>                   | <b>1,904</b>            |
| <b>Other recognised (losses)/gains</b> |      |                           |                           |                              |                         |
| Exchange (loss)/gain                   |      | -                         | -                         | -                            | -                       |
| <b>Transfers between funds</b>         | 12   | <b>(701)</b>              | <b>701</b>                | <b>-</b>                     | <b>-</b>                |
| <b>Net movement in funds</b>           |      | <b>1,409</b>              | <b>(360)</b>              | <b>855</b>                   | <b>1,904</b>            |
| Fund balances brought forward          |      | 7,731                     | 1,013                     | 242                          | 8,986                   |
| <b>Fund balances carried forward</b>   | 12   | <b>9,140</b>              | <b>653</b>                | <b>1,097</b>                 | <b>10,890</b>           |

**Notes (continued)**

**15. Income and Expenditure from Discontinued Operations**

|                                    | Note | Designated<br>Fund £000's | Restricted<br>Fund £000's | Total 2018<br>£000's |
|------------------------------------|------|---------------------------|---------------------------|----------------------|
| <b>Income from:</b>                |      |                           |                           |                      |
| Donations                          | 2    | -                         | 129                       | 129                  |
| Grants                             | 2    | -                         | 26                        | 26                   |
| Investment income                  | 3    | -                         | 1                         | 1                    |
| <b>Total incoming resources</b>    |      | <b>-</b>                  | <b>156</b>                | <b>156</b>           |
| <b>Expenditure on:</b>             |      |                           |                           |                      |
| <b>Raising funds:</b>              |      |                           |                           |                      |
| Expenditure on raising funds       |      | -                         | (23)                      | (23)                 |
| <b>Total cost of raising funds</b> |      | <b>-</b>                  | <b>(23)</b>               | <b>(23)</b>          |
| <b>Charitable activities:</b>      |      |                           |                           |                      |
| Environment                        | 4    | (588)                     | (939)                     | (1,527)              |
| <b>Total charitable activities</b> |      | <b>(588)</b>              | <b>(939)</b>              | <b>(1,527)</b>       |
| <b>Total expenditure</b>           |      | <b>(588)</b>              | <b>(962)</b>              | <b>(1,550)</b>       |
| <b>Net income/(expenditure)</b>    |      | <b>(588)</b>              | <b>(806)</b>              | <b>(1,394)</b>       |

As part of an ongoing review of The Prince's charitable activities, undertaken to ensure his work is maintained over the long term, it was decided that as of the 31st March 2018 the International Sustainability Unit ceased operations.

**16. Related Parties Transactions**

A number of grants have been awarded to Charities of which His Royal Highness The Prince of Wales is President. These transactions were made on an arm's length basis and did not have any specific terms attached outside of the normal performance objectives attached to grants.

During the year the charity received £75,200 (2017: £112,000) from related parties without conditions attached.