

The Prince of Wales's Charitable Foundation

Trustees' Report and Consolidated Statutory Accounts for the Year Ended 31st March 2019

Charity number – 1127255

Company number - 06777589



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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 29-64) for the year ended 31 March 2019.

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, now trading as The Prince of Wales's Charitable Fund, ("PWCF" or "the Fund") 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 2019

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:

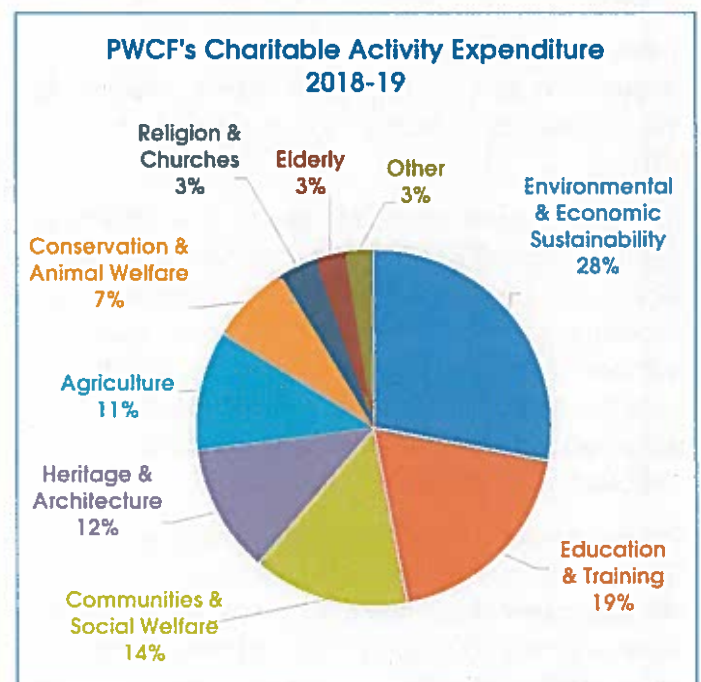
1. to endeavour to maximise charitable impact;
2. to support HRH The Prince of Wales's charitable interests;
3. to uphold best-practice governance, management and systems;
4. to leverage HRH The Prince of Wales's ability to convene and facilitate; and
5. whenever possible, to use its own grants to leverage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

Charitable Activities

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

The Fund 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 14). 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 12).

Expenditure has been reallocated across new charitable activity categories, which better reflects the impact of the Funds grant giving and other work. Prior year charitable activity expenditure has therefore been restated to show the re-allocation. The chart below shows 2018/19 charitable expenditure by category:



Environmental & Economic Sustainability, which includes the A4S, made up 28% of the total charitable expenditure. The next largest was Education & Training at 19%, due to large grants being awarded to The Prince's Foundation and The Prince's Trust.

Financial Performance

The Charitable Group reported an overall net increase in funds of £1.72m (2018: decrease of £2.74m). This is due to increases to both restricted and designated funds, with substantial donations being received in the year. Unrestricted funds have in fact fallen by £382,000 as the Trustees continue to spend down on free reserves. Continuing operations generated net income of £1.71m (2018: net expenditure of £1.35m).

Income for the Group totalled £14.8m, an increase of £1.73m on the prior year. This increase is mostly attributable to PWCF, income for the subsidiary organisations decreased by £219,000 in total. Income for the Fund only, increased to £9.13m (2018: £7.06m). This is due to a large restricted donation received in 2018/19 from HRH The Prince of Wales.

Duchy Originals Limited (DOL) and AG Carrick Limited (AGC) continued to support the charity donating a total of £3.90m (2018: £3.77m) which makes up 43% (2018: 52%) of the Fund's total income.

In the 2018/19 financial year, PWCF provided grants of £5.80m to 210 organisations compared to the restated £6.37m and 157 organisations in 2017/18.

The Trustees have agreed to spend down the free reserves, currently at £2.9m, to the new target of £2m by March 2022. Grant giving is therefore expected to rise over the next two years. The number of restricted grants awarded during the year has also increased, this is dependent on restricted income received and how this is directed by the donor.

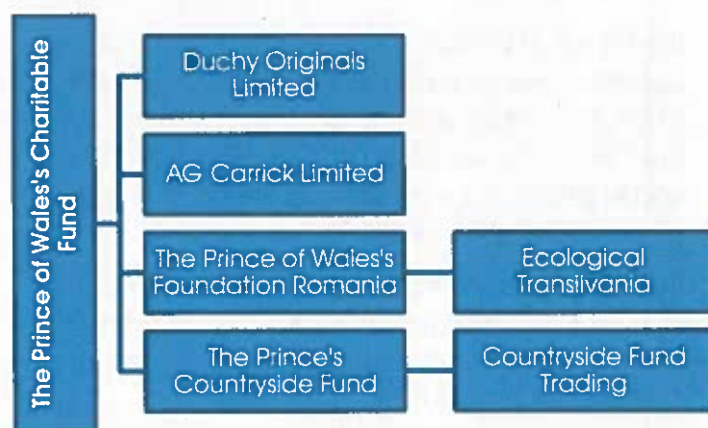
The Fund holds investments with Rathbones Greenbank Investments and Troy Asset Management; these have generated investment income of £111,000 and produced unrealised gains of £326,000 (2017/18: unrealised losses £45,000).

Overall unrestricted funds for the Group have fallen by £382,000. A significant restricted donation and designations to the 40th Anniversary Fund has caused the restricted and designated funds to increase by £1.08m and £1.03m respectively.

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 Fund has two charitable subsidiaries, The Prince of Wales's Foundation Romania and The Prince's Countryside Fund, each in turn, with its own trading arm, Ecological Transilvania and Countryside Fund Trading Ltd.

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 to meeting this demand and finding solutions through His Royal Highness's group of charities.

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.

Following the results of a review and restructuring of The Prince of Wales's charities in 2018, three core charities (The Prince's Trust Group, The Prince's Foundation, and The Prince of Wales's Charitable Fund) now work alongside the Royal Founding Patronage charities to support The Prince

of Wales's charitable work in the UK and overseas. The Prince's Trust group incorporates the Prince's international charitable interests. The Prince of Wales's built environment, heritage, culture and education charities are now part of The Prince's Foundation.

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

PWCF 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 Fund's charitable objectives and (3) the charity has the available means to do so. To see the awarding criteria in full, please go to

www.princeofwalescharitablefoundation.org.uk.

In total, PWCF awarded £5.80m to 210 charitable institutions (2018: restated £6.42m to 157 charitable institutions). Details and case studies of grants awarded can be found on the charity's website.

Major Grants

The total for Major Grants awarded was £5.25m (2018 £4.86m). There has been a significant decrease (50%) in the value of unrestricted grants awarded. Two large grants to The Prince's Foundation and The Prince's Trust of £1.5m each were awarded in the prior year. These were multiyear agreements covering 2017/18 to 2019/20.

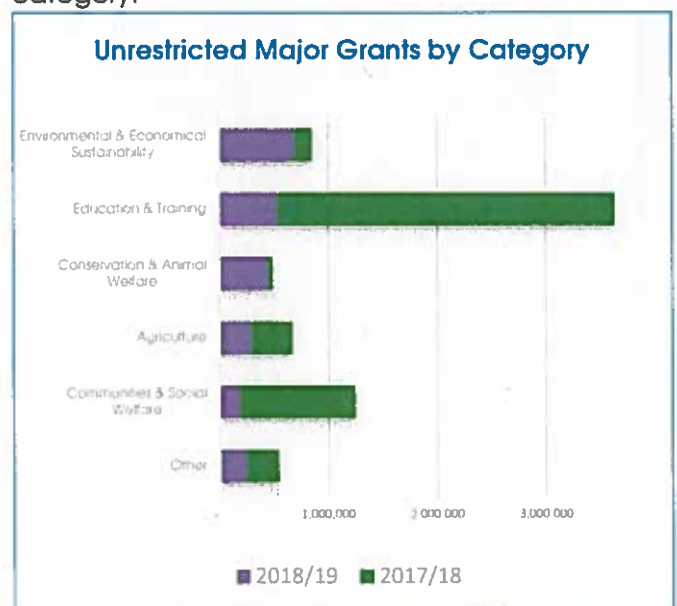
The major grant programme gives grants across a number of thematic areas. One current priority is to support charities which are working in the field of biodiversity and biosecurity by thinking at landscape scale. Thus PWCF made a grant to Woodland Heritage to support the core costs of the Action Oak campaign, which aims to raise awareness of the threats faced by Oak trees and find ways of protecting our much-loved iconic

tree. PWCF also made a multi-year grant to set up a new Tree Health Centre at the Yorkshire Arboretum (The Castle Howard Arboretum Trust) which will provide a variety of courses on tree health to a wide range of key stakeholders including those council employees responsible for trees in their local authority, managers of small woodlands, and the general public and schools.

As part of the Fund'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 a holistic approach to our priority themes. An example of this approach is the grants PWCF made to The Rivers Trust and The Cambridge Institute for Sustainability Leadership (CISL), who are working together on a joint three year project on water catchment management, which links into our interest in freshwater and marine issues. Under the Fund's health, wellbeing and social inclusion theme, a grant was made to Shared Lives Plus, a charity that promotes supportive shared living through Shared Lives and Homeshare schemes run in partnership with local and national governments.

The Fund 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.

The chart below shows the comparison year on year of PWCF's unrestricted major grant giving by category.



Education & Training remains an important theme for PWCF. The 2017/18 figures include the two grants to The Prince's Foundation and The Prince's Trust mentioned previously.

The current year has seen a more even distribution of grants, the majority of which have gone towards Environmental & Economic Sustainability. This includes a joint project by The Rivers Trust & CISL as well as grants to Woodland Heritage Trust, BITC and The Marine Conservation Society.

Restricted major grant giving for 2018/19 is £2.55m, a significant increase from the prior year of £1.60m. Grants to The Prince's Foundation, Turquoise Mountain, The Prince's Trust and The Prince's Countryside Fund, totalling £1.60m were awarded from the restricted donation received from HRH The Prince of Wales.

PWCF was delighted to once again receive funding from The People's Postcode Lottery. The Fund would like to thank the players of the Postcode Lottery for a grant of £850,000 (2017/18: £850,000). This grant was used to support work delivered by The Prince's Countryside Fund, The Professional Teaching Institute (PTI), The Prince's Foundation and Business in the Community.

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 £300,000 to this project in 2018/19 (2017/18: £375,000).

Major Grant Case Study – Plantlife

PWCF made a grant of £80,000 to Plantlife in support of their Road Verges campaign to transform the road network from something that slices up and divides landscapes into something that connects them by making their verges a haven for wildflowers and wildlife. Over 700 species of wild flower grow on the UK's road verges – nearly 45% of our total flora. When road verges are covered in wild flowers, these habitats will also support bees, butterflies, birds and bugs.



There are nearly 500,000 kilometres of rural road verge in the UK, with an area equal to half of the UK's remaining flower-rich grasslands and meadows: their potential is enormous but our road verges are under considerable pressure. Priorities for safety and access, alongside budget constraints, a desire for 'neatness' and difficulties with the collection of litter and grass clippings all mean that enhancing their wildlife value is often low on the list, even if managers are aware of the value.

Plantlife's Road Verges campaign aims to encourage councils and other highways authorities to 'cut less, cut later', which will significantly improve the health of our verges, allowing flowers time to bloom for pollinators and to set seed so that they will support wildlife year after year.



The grant has been used to appoint a Road Verges Campaign Manager who will work on three main priorities:

1. work with local authorities across the UK to roll out the new best practice management specification into practical action on the ground
2. show highway authorities and the road management industry how to create wildlife and wildflower habitats that can transform the way we manage road verges across the country
3. work with local communities to restore our road verges to a national network of flower-rich corridors supporting better biodiversity and enjoyed by all

As part of a working group including representatives from national highways agencies, industry, statutory organisations, and other wildlife charities work has begun on the production of new best practice management guidelines for highway engineers and contractors. The guidelines have been launched with eleven local authorities have shown an interest in working with Plantlife to implement these guidelines.

Plantlife has developed partnerships with councils and organisations, including East Sussex County Council and Transport for London. They have also been in discussion with several PhD researchers to develop the evidence base on the importance of road verge habitat to pollinators and separately the public perception of wilder, more wildlife friendly road verges.

Plantlife started a petition to councils to keep road verges safe for wildlife which has had over 65,000 signatures. The impact of this project can be seen across the country with Green Party Councillors in West Berkshire looking into improving verges for wildlife, Essex County Council in the process of developing a new Green Strategy which includes verge management, and Isle of Wight Council arranging an environmental forum for later this summer where Plantlife will be speaking about their management guidelines.



Verges can be wonderful roadside mini-meadows, a crucial habitat for wild flowers and the wealth of wildlife they support.

Small Grants

The value of small grants awarded has grown significantly over the last five years, a growth of 163%. The number of organisations helped by the Funds small grants programme has also increased over this time by 97%. In 2018/19 small grants totalling £277,036 were awarded to 124 organisations (2018: £188,474 to 81 organisations).



The small grants programme continues to be very successful having a significant impact on a number of smaller charities and local communities. The Trustees increased the funding available in 2018/19 and future years for this programme.

The diagram below shows the distribution of small grants awarded across the UK for 2018/19.



The Small grants committee aim to cover all areas of the UK and, when appropriate, international projects. All regions of the UK have received some funding from PWCF. The map shows the regions awarded the most grants were London, Wales and the South West.

Small Grant Case Studies

Wag & Company North East Friendship Dogs

PWCF awarded a small grant to Wag & Company to grow the number of volunteer befrienders making the difference to more and more elderly people's lives across the North East.



Wag & Company enables professionally assessed volunteers and their special dogs - Visiting Wag Teams - to regularly and safely visit and befriend older dog lovers in their own homes or in care and medical establishments across the 12 unitary authorities of the North East of England.

The expected outcomes of the project are:

- recruitment, deployment and support of 10 additional volunteers
- 2,400 friend visits to elderly friends per year
- Additional 160 people benefitting
- Improved wellbeing for the older people and friendships made with Visiting Wag teams
- Greater partnership work with referring agencies across the region

The grant from PWCF has allowed Wag to recruit, assess, induct, match, insure, deploy, equip and support 10 Visiting Wag Teams who now share their dogs and befriend the elderly.

As each Visiting Wag Team visits, on average, 8 elderly friends over 30 weeks each year, this grant has resulted in over 2,400 visits every year bringing friendship and the company of a dog to those who need it most. Volunteers report that on their visits they see people respond, walk, talk, smile and laugh for the first time in weeks or months even. Families have also fed back that Friendship Dogs have interacted with their loved ones who are at the end of their lives and have previously been unresponsive, and holding a furry paw has raised a smile. Every week the Visiting Wag Teams are brightening people's lives and making a huge difference all over the region.

Pauline and Sparkles visit Joan

Since May 2019, Pauline and her Miniature



Schnauzer, Sparkles, have visited Joan in her own home in Washington. Joan's husband has passed away and her family do not live close, although she talks to her daughter every day. She has always loved dogs and had one of her own but now this is no longer possible.

Joan was lonely and depressed and she no longer gained pleasure from reading or going out. Joan was referred to Wags & Company by her family via

Gateshead Health NHS Foundation Trust. Joan's daughter is thrilled with the impact the visits are having. She said "On the day that Pauline and Sparkles have been, my Mum is like a different person; she speaks more clearly and is much more upbeat. The improvement in her mood has been massive ever since they started visiting. I am eternally grateful as this has made my Mum's life better."

Visits are going really well, Pauline and Joan enjoy each other's company and Joan and Sparkles love to watch the birds together.

Learning Partnerships 'Let's Read' Programme

A grant for £1,450 was given to Learning Partnerships in order to fund a further 25 volunteers for their Let's Read programme.

The Let's Read Programme facilitates support for disadvantaged children to help them attain the literacy and language skills required for future educational and employment opportunities. This support is made possible through the provision of a rolling programme of recruitment, training and co-ordination for volunteers from local businesses and communities.

Volunteers attend schools on a weekly basis working with disadvantaged children to help increase their skills and attainment whilst having a positive impact on self-esteem, confidence, learning and well-being. Programme evaluation shows that the 1:1 volunteer support accelerates progress in reading and the achievement of age related targets.

Funding was given to expand the programme and be able to support a further 100 children. 26 new volunteers were recruited and trained over 3 training sessions.



The benefits of this support are:

- ❖ Increased reading, literacy and language skills
- ❖ Increased confidence and self-esteem
- ❖ Accelerated progress in reading and achievement of age related targets
- ❖ Increased interaction with professional people outside the boundaries of school
- ❖ Influence of positive role models and raised aspirations

School staff member on 'How do you feel the volunteers make a difference to your children?'

"The volunteers are great positive role models for the children - they make them feel valued by always taking the time to talk and listen to them on a 1:1 basis. The sessions give the children extra time to practice their phonic and comprehension skills allowing them to develop their reading ability." - Rebecca Machin, St Bartholomew's Primary Academy

Why the children like reading with the volunteers:

"When I have read my book we have a talk and she makes me laugh!"

"She helps me sound out difficult words and she always says well done!"

"They help me read better and learn the meaning of new words."

Why the volunteers enjoy reading with the children:

"It's rewarding getting to know each child and seeing their confidence grow."

"Seeing their faces light up when you tell them they are good at reading!"

"Seeing their improvement and their willingness to come read with us."

Accounting for Sustainability

Background

A4S was established by HRH The Prince of Wales in 2004 to mobilize action and leadership by the finance and accounting community to address the challenges to the economy and society posed by issues such as climate change, increasing depletion of, and demand for, natural resources, urbanization and inequality.

Climate change is increasingly recognised as an emergency and many of the natural systems upon which we depend are under considerable strain and at risk of collapse. The transformation of the global economy required to reverse these trends is unprecedented in human history. Finding solutions that support social and economic goals in parallel are essential if progress is to be made.

A4S's mission is to inspire action by finance leaders to drive a fundamental shift towards resilient business models and a sustainable economy by:

1. Inspiring finance leaders to adopt sustainable and resilient business models.
2. Transforming financial decision making to enable an integrated approach, reflective of the opportunities and risks posed by environmental and social issues.
3. Scaling up action across the global finance and accounting community.

A4S works across the following five core groups to achieve its aims:

- Chief Financial Officers (CFOs) and finance teams;
- The accounting community;
- Investors, capital markets & the wider finance community;
- Governments, regulators & policy makers;
- 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.

Our reach

200+	Countries and regions with a commercial presence by CFO leadership member organization
2.4 million	Accountants (almost 2/3 of the global total) represented by the Accounting Bodies Network (ABN)
181	Countries covered by the ABN
1,600	Organizations across 65 countries have adopted integrated reporting
\$2.1 trillion	Total assets of the organizations represented by CFOs who signed A4S's statements of support for the TCFD

Measuring impact

In November 2018 the A4S annual Summit presented an opportunity to celebrate The Prince of Wales's 70th birthday. The Prince of Wales was presented with a book of 70 letters sharing stories from individuals that have been inspired by His Royal Highness to take action to deliver resilient businesses and a sustainable economy. The stories highlighted the significant impact The Prince of Wales has had on the global finance and accounting community through A4S since its foundation in 2004. One example of the impact achieved is highlighted by the following quote from Governor of the Bank of England, Mark Carney:

"Four years ago Your Royal Highness highlighted to me that climate-related risks can, and will, have a significant financial impact. A year later this idea gained traction among G20 leaders who called on the Financial Stability Board to ensure that these risks were addressed. The Task Force on Climate-related Financial Disclosures followed... I'm pleased to say that a few years after Your Royal Highness planted the idea, the TCFD now has over 500 supporters around the world, responsible for managing US\$100 trillion in assets, with a total market cap of \$8 trillion."



2018-2019 activities

International outreach

Throughout 2018 A4S built up support within the US CFO community and this led to the successful launch of a US Chapter of the CFO Leadership Network in April 2019. A4S also launched two new CFO Circles of Practice in Singapore and Australia and started building towards the launch of a Circle of Practice in Brazil. Outreach events were held in Japan, India and Nigeria, and A4S has held initial discussions with potential partners in Hong Kong. A4S Ambassadors, each former members of the CFO Leadership Network, are now in place in Germany and Hong Kong to support regional engagement activities.

CFO Leadership Network projects

A4S added to its successful Essential Guide series in 2018 with a set of guidance and accompanying videos on [Finance Culture](#). A 'Measure What Matters' workshop was held in May to explore alignment between 'capitals accounting' approaches being adopted by governments, companies and investors, and how this links to measuring progress towards the Sustainable Development Goals.

Implementation workshops were held globally throughout the year and covered: Capex; Developing Methodologies in Natural, Social and Human Capital Accounting; Enhancing Investor Engagement; and Strategic Planning, Budgeting and forecasting.

The Canadian Chapter of the CFO Leadership Network developed its first set of outputs – a series of worked examples on implementing the A4S Essential Guide to Social and Human Capital Accounting. The project shone a light on the importance of valuing good mental health in the workplace having recognised that mental health problems are one of the leading causes of short and long-term disability in Canada, taking a significant toll on Canadian workplaces.

Accounting Bodies Network

In 2018 the A4S Accounting Bodies Network (ABN) celebrated its [10 year anniversary](#) at the World Congress of Accountants in Sydney. A4S and ABN members were able to engage with the 6,000 delegates on how "accountants can save the world". An ABN education project, aiming to embed sustainability into training and education, with resourcing support from ICAEW and involvement from a range of ABN members also commenced in 2018.

The 2018 Finance for the Future Awards were held in October in partnership with ICAEW and Deloitte. The Awards received 68 entries from 18 countries, the best response to date.



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

A4S has continued to deliver its programme of work to promote the recommendations of the TCFD. By financial year end, workshops had been attended by over 200 people in London, Sydney, Brussels, Singapore, India and the US. A ['Top Tips' guide](#) is available on the A4S website and information about the TCFD has been disseminated to the ABN's members.

Investors, capital markets and the wider finance community

In 2018, A4S launched its Asset Owners Network (AON) to enable Chairs of pension funds, their pooling partners, investment committees and endowments to come together to discuss key ESG considerations in a confidential setting. The 39 members include some of the CFO Leadership Network's own pension funds and A4S is now working with the AON members to get them to commit to tangible actions in 2019.



In July, A4S held a Finance Leaders' Summit which brought together over 60 CEOs, Chairs and CIOs of global financial institutions to share examples of key commitments that have been made to transform finance and contribute to global market reform. The Summit fed into A4S's 'Financing our Future' report, a holistic overview of the investment community's role in delivering against the SDGs and the goals of the Paris Agreement. The report was formally launched during the United Nations General Assembly in September.

The recommendations from Financing our Future were included in the Buenos Aires Call for Action agreed at the High Level Investors Forum on the eve of the Heads of State G20 meeting in Buenos Aires in November. The Forum involved investors with over US\$ 20 trillion in assets under management and A4S is committed to collaboration with the World Bank to take forward these recommendations during 2019 and beyond.

Creating an enabling context

A4S participated in the One Planet Summit convened by President Macron in September and will be following up engagement with both G7 and G20 over the coming year.

A4S continued to build engagement with the securities regulatory community, in particular with IOSCO and its various sub-committees, to support continued convergence in reporting requirements and the adoption of Integrated Reporting and the TCFD recommendations.

The Commonwealth Climate and Law Initiative (CCLI - a joint project between Oxford Smith School, ClientEarth and A4S) launched reports in 2018. These examine the legal basis for directors and trustees to consider, manage, and report on climate change related risk, and the circumstances in which they may be liable for failing to do so in the UK, Canada, Australia and South Africa.

Business schools and academia



The second annual A4S International Case Competition, sponsored by Brookfield, Ontario Teachers' Pension Plan and CPA Canada and hosted by Rotman Business School, was held in March. The Competition provides an opportunity for students from leading Business Schools across the globe to create a team and take part in a challenge to develop new, disruptive business and finance models which solve sustainability challenges and create the businesses of the future. The competition attracted 23 entrants and the winners were Rotapower, from John Molson School of Business in Canada.

In October 2018 a conference was held to discuss the research that has been developed in response to a call for proposals by The Review of Financial Studies, a leading financial economics journal. The call was inspired by the work of A4S and a Climate Finance volume of the journal is due for release in December 2019. This will be one of the first times that research on climate change has featured in a leading finance journal. The call and subsequent publication aim to trigger more academic interest in the topic.

A4S Survey

In 2018 A4S [surveyed](#) finance professionals from all industries and finance functions around the world, to understand latest perceptions and attitudes to sustainability. The results show that finance and accounting professionals see significant commercial benefits in embedding sustainability into their and their finance colleagues' work. However, more needs to be done to provide access to, or awareness of, the resources available to support their ability to integrate social and environmental factors into decision making. The results will help to inform A4S's work in the future.

THE PRINCE'S COUNTRYSIDE FUND

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 261 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.



The year continued to be characterized by the deep uncertainty for farming and rural communities, as they face far-reaching change. PCF responded through support in 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

Over the course of the year PCF continued to support grassroots community projects in 29 rural communities with projects ranging from community run pubs and shops to transport schemes reducing isolation in hard to reach areas, employability training for young people and digital support for rural businesses.

Isolation and Loneliness

PCF continues to be able to address issues of rural isolation and loneliness through funding from The People's Postcode Lottery. From this money a grant was awarded to Moorsbus. Since 2014, volunteers with Moorsbus have provided public transport services to communities across the North York Moors National Park. Their bus services reduce loneliness and isolation for people of all ages, from pensioners who have given up driving, to young people trying to get to school and work. The grant that Moorsbus received will allow them to expand their offering and support more people.

Emergency Support

One of the objectives is to support aid delivery in times of emergency while also building resilience to reduce vulnerability. PCF delivers on this in a number of ways, through work with Farming Help (Addington Fund, R.A.B.I., RSABI and FCN), the Emergency Fund in times of crisis, and providing grants to help communities build their resilience. Farming Help runs a telephone line which directs farmers to the best placed support for them.

The Fund also distributes emergency help to communities and grants to assist in strengthening their future ability to cope with emergency. The residents of Appleby in Cumbria for example, who have suffered many times from the Eden bursting its banks, received a grant to install a modern, remotely activated siren to warn the community of impending floods, allowing them vital time to protect their homes or evacuate if necessary. This is particularly crucial for elderly and vulnerable residents.

Farm Resilience Programme

The Prince's Farm Resilience Programme, now in its third year welcomed another 270 farming families through its workshops and one to one support in a further 15 locations. The programme provided definitive quantitative evidence of its success with over 80% of family farms who participated, making efficiency gains as a result of taking part in the programme, and of these, over 50% making efficiency gains of 10% or more. This matters as it has been found that crises have their most serious consequences for farms operating at low efficiency. On top of this, 91% of participating farmers felt they were better at communication as a family and 77% felt they were better at business planning. It is this ability to bring families together to instigate change that is so unique about the programme.

Alongside the programme, this year the Fund recognised the need for farming families to plan for the future but that there is a serious shortfall of trained professionals to help them achieve this. A series of "Training the Trainer" workshops was therefore organised in Northern Ireland, Cumbria and Devon with each giving up to 30 local professionals tips and ideas to facilitate and structure a family discussion which can often be a very difficult and emotional process. This will enable them to lead succession planning to ensure all family members share their visions and that they are properly guided through the next steps.

PCF raised total incoming resources of £1.55m (2018: £1.60m) and had a surplus of £179,000 (2018: £210,000).

During 2018/19 the charity awarded 30 grants totalling £703,430 (2018: 20 awarded totalling £536,067) bringing the total grants awarded over the nine 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 year was £888,000 (2018: £909,000), allowing the subsidiary to gift aid £609,000 (2018: £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 2018, The Prince of Wales's Foundation Romania in partnership with the University of Cluj, successfully delivered a business programme to benefit nearly 70 people. The programme was addressed primarily to ex-army personnel who are seeking transition to civilian life.

The Heritage Programme has continued as the Charity delivered a successful two-week Summer Programme in Heritage Preservation for the benefit of Romanian students, young practitioners and local crafts people.

The Farming Initiative concluded in the summer of 2018.

Farming

The farming programme aimed 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 was completed in the summer 2018.



In partnership, we put together a list of over 300 producers. Based on this wide range of contacts, we shortlisted 80 small and medium-scale artisan food producers and nominated six producers of high value food to attend Terra Madre Salone del Gusto, held in September 2018 in Turin, Italy.

The producers were able to bring their products to an international audience.

Military – Business Programme

PWFR offered in total four business courses. Each course was taught by qualified tutors from Babes Bolyai University (UBB) of Cluj. The courses took place at the Business School of UBB and the participants were hosted on the university's campus.

The participants were mostly active soldiers approaching retirement or ex-service personnel.



The courses delivered practical skills on how to write a business proposal, such as planning, budgeting, marketing/branding and how a new business would source funding for their enterprise.

"One of the merits of the course was the process of considering all the risks associated with any new business; the positives and doubts which can form the critical thinking."

A Moldovan - retired soldier

"Extremely well organised courses, tailored around the participants and their needs. I have got clarified a number of management, finance and bureaucratic aspects. The course was very practical and useful for any start up".

D Boanta – active soldier approaching retirement

Heritage

The Heritage Preservation Programme has been a flagship project for PWFR from the launch of the charity. The Heritage programme was designed to develop practical skills focused on restoring a section of a medieval wall, underpinned by a series of lectures on tools, materials, lime mortars, solutions to structural problems in historic buildings

and proportions. The students also had the opportunity to learn and practice measurements and drawings of local buildings.



Future

After a review of the activities of our Romanian Foundation and evaluating the achievements that had been accomplished in the early years, the Board has asked the executive team to evaluate the operations of the Foundation. This process is currently under review, looking at like-minded organisations who have synergies with the charitable work which forms the educational mission of The Prince of Wales's Foundation Romania, continuing projects in architectural heritage preservation, farming and sustainable development.

PWFR raised £79,000 in donations for 2018/19 and a surplus of £35,000 was achieved (2017/18: £101,000 with a surplus of £4,000).

Ecologic Transilvania

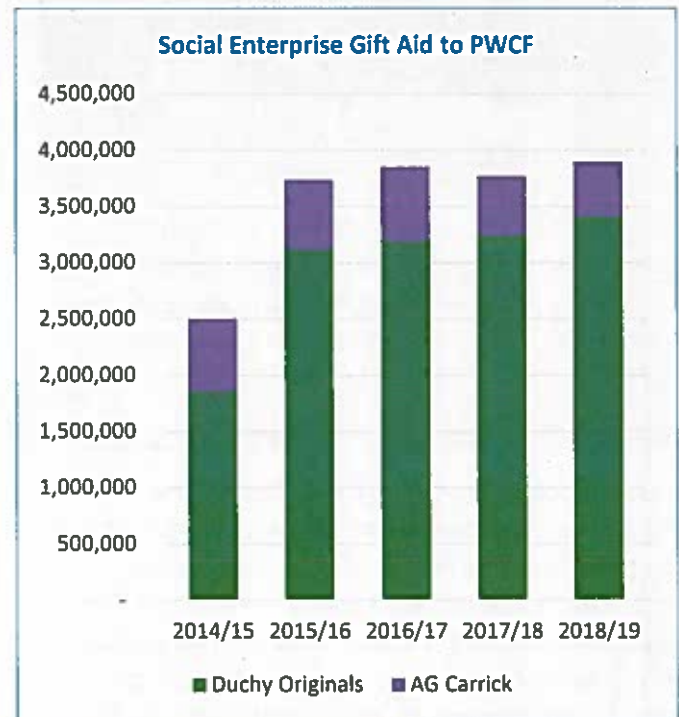
Ecologic Transilvania SRL (ET) is a subsidiary of PWFR. The company owns two properties in Transylvania. One is located in the small rural village of Zalanpatak and the other in the Saxon village of Viscri, now a World Heritage Site. The Zalanpatak property has generated a small profit as a bed and breakfast. 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 £29m to the Foundation.



Duchy Originals

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 £3.4m (2018: £3.2m). Royalties received from Waitrose continue to increase.

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.

The social enterprise performed well given the increasingly difficult retail environment. The

relationship with Fortnum & Mason continues to strengthen, with royalties increasing year on year.



AG Carrick has worked in collaboration with print designer Sally Kelly, who worked for over 20 years as a designer and buyer at Liberty creating some of Liberty's most popular patterns, and has now created an exclusive illustration for Highgrove, inspired by the gorgeous colours and myriad of flowers in the Meadow. This beautiful new design has been applied to a range of luxury products.

As AG Carrick approaches its 25th anniversary in 2019/20, it has raised over £7m for charitable causes. This year's donation from AGC to PWCF was £488,000 (2018: £530,000) a decrease of £42,000.

PLANS FOR FUTURE PERIODS

PWCF continues to develop its grant making strategy, seeking to deliver widespread and sustained impact through both its small and major grants programmes. Environmental issues, which are underserved by grant funders overall, will continue to be a key focus for the charity's grant making as will projects that support and amplify the impact of work being done by HRH's other charities and Patronages. The Trustees are particularly interested in funding work with "system-level" impact that generates interconnected outcomes across multiple areas such as environment, health and wellbeing.

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.

Building on the opportunity of the 40th Anniversary of the founding of PWCF by HRH The Prince of Wales in 2019, the charity will seek to improve the way we communicate our impact to stakeholders and raise awareness of the work of the charity with relevant audiences through, for example, a re-designed website.

In addition, the Trustees are committed to ensuring the charity's governance, structure and systems are fit for purpose and able to support delivery of our mission in an effective and efficient manner, both now and in the future.

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.

FUNDRAISING

The Trustees of the charity take their responsibility under the Charities (Protection and Social Investment) Act 2016 seriously and have considered the implications of the charity's activities.

PWCF are committed to achieving high standards in fundraising and ensure that our fundraising activities do not put undue pressure on the Fund's valued supporters and individuals, especially those that are vulnerable.

PWCF and PCF are registered with the Fundraising Regulator. The Development Committee ensures that fundraising activities comply with the Fundraising Regulator's Code of Fundraising, legal and regulatory requirements.

PCF works with companies and commercial participators who are reputable and whose activities do not have an adverse impact on the charity's core objectives and the Founder's vision for the charity.

The Trustees are not aware of any complaints made in respect of fundraising for the Group during the period.

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 23).

Investments for the Group have a total value of £5.25m (2018: £4.93m), which is a growth of 6%.

Bridges Social Impact Bond

A Social Impact Bond is an innovative public-private partnership that looks to drive more efficient, more effective social services using outcomes-based contracts. Government commissioners commit to paying for specific social outcomes, with a view to improving the lives of vulnerable people and/or achieving better value for public spending.

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 provides the working capital and operational support necessary for 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 sixth year of the Fund's life, with the portfolio of investments continuing to perform ahead of target. At year-end, the fund had made 17 investments, supporting a total of 32 projects – more than half of all those commissioned in the UK, and almost a quarter of the total commissioned worldwide. Six new contracts were launched during the year.

As of March 2018, Bridges' combined portfolio of SIB projects had collectively provided support to

almost 21,000 beneficiaries, and achieved about £46m in social outcomes payments, worth over £78m to Government. In total, these projects are forecast to achieve a total of £86m social outcomes payments, worth £130m to Government.

A summary of each investment from the Bridges Social Impact Bond Fund is below.

West London Zone, which supports struggling schoolchildren in West London, has now had over **700 young people** join its programme; it is now operating in **21 schools** and working with over **40 delivery partners**. It has earned **£1.8m** in outcomes payments to date and is now rolling out in nearby Kensington & Chelsea.

SEN Travel Training, a programme delivered by social enterprise HCT to help Special Educational Needs children travel independently on public transport, has now seen **56 young people** complete its training. It is now operating in Norfolk and Surrey as well as Lambeth, and has already achieved almost **£400,000** in outcomes payments.

Mayday Trust, a support programme for young homeless people in Northampton, has now worked with **108 young people**. 75 of these have sustained their accommodation for more than 3 months and 25 have moved into employment or education. Outcomes payments are **60% ahead of target**.

SHPS Brent, which works with single people in Brent who are homeless or at risk of becoming so, has already supported **over 900 people**. More than 300 have already been prevented from becoming homeless or have been moved into accommodation. The programme may now be expanded into other London boroughs.

Greater Manchester Rough Sleeping has already worked with **447 rough sleepers** since its launch in December 2017, ahead of its original forecast for the whole contract period. Almost 300 have been successfully housed, while 27 have now been off the streets for over 12 months. The service has now been expanded in light of the early demand.

Lewisham DfE Care Leavers has now worked with **86 care leavers** in London since its launch in October 2018; 12 of these young people have already begun education, training and employment.

Family Therapy: This family therapy programme to support children on the edge of care in North Somerset has now worked with **97 families**. **56 children** have completed the programme to date, successfully remaining with their families (rather than being taken into care) for over **15,000 days**.

Healthier Living Partnerships is a two-year programme of sustained support for those most at risk of developing Type 2 diabetes in Devon. It went live in November 2018 and has had **56 starts** to date.

Positive Families Partnerships is a family therapy programme to help children on the edge of care in a number of London boroughs. It has worked with **133 families** to date, with **95 children** completing the course – successfully remaining with their families (rather than being taken into care) for over **13,500 days**. Post-intervention stability rates are ahead of forecast, and five additional boroughs have now joined or are about to join the original five.

Healthy Lives Together is a social prescribing programme for people living with long-term health conditions in NE Lincolnshire. It launched on August 2018, with the aim to work with 400 patients; **61 have started** the programme 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 2019, it engaged in dialogue with 34 individual companies on social and environmental issues and voted on over 4,800 resolutions across 375 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; sustainable food systems and a protection of key habitats.

The performance figures for the period to 31 March 2019 are as follows:

Performance One Year	31 March 2018 – 31 March 2019	
	Total Return	Capital Return
PWCF Portfolio	7.02%	5.22%
Benchmark (MSCI WMA Balanced Index)	6.73%	3.91%

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%

strongly over the first three months of 2019 and this is reflected in the return figures.

Portfolio holdings continue to reflect a broad range of responsible business and sustainability attributes. Major themes represented in the portfolio include: investments responding to the challenge of climate change, for example renewable energy and other mitigation technologies; the provision of basic needs such as affordable housing, water and sanitation, and educational services; and products and services that promote physical and mental health and wellbeing.

With respect to climate change, Rathbones adopt a range of approaches to align the portfolio with a low carbon pathway that will help to avoid the worst effects of global warming. This involves reducing or eliminating exposure to companies with a high carbon impact, increasing exposure to industries and companies which are contributing to climate change mitigation and adaptation, engaging with companies and policy-makers to encourage actions consistent with a low carbon transition, and assessing the exposure of investment portfolios and their holdings to climate risk. One of the tools employed to assess the climate impact of the portfolio is an analysis of the carbon footprint of equity holdings. This showed that, as at 31 March 2019, the portfolio 'owned' 49 tonnes of CO2 equivalent per million pounds invested. This is 78% lower than if the same amount were invested passively in the FTSE 350 index and 66% lower than the MSCI All World Index.

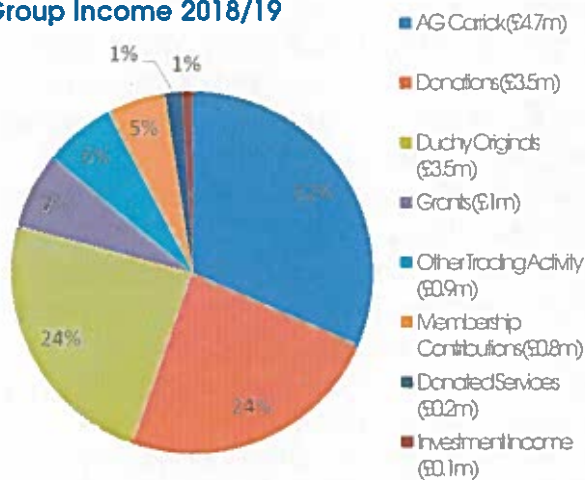
The portfolio has performed well over the past quarter and over a 1 year period to 31st March. Following the worst US stock market fall in a December since 1931, stock markets rebounded

FINANCIAL REVIEW

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

Total consolidated Group income for the year was £14.8m (2018: £13.1m). Voluntary Income was £5.5m (2018: £2.8m), which includes donated services of £219,000 (2018: £415,000). AG Carrick and Duchy Originals achieved a turnover of £4.7m and £3.5m respectively.

Group Income 2018/19

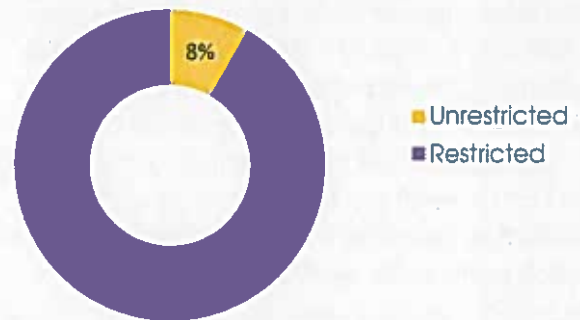


The two Social Enterprise companies have contributed 55% (2018: 64%) of the total group income. Donations account for 24% of this year's income due to a significant restricted donation. Other trading activity relates to income generated by Countryside Fund Trading Limited (CFT) and Ecological Transilvania (ET). CFT receive their income from commercial participators who support the charity's brand on a wide range of products and materials, they have contributed £888,000 (2018: 866,000) to the Group's total income.

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

Donations for the Group total £3.5m of which 92% is restricted (2018: £3.0m 77% restricted).

Group Donation Income 2018/19



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 decreased to £13.4m (2018: £14.4m). The prior year expenditure included two large multi-year grants of £1.5m each. The Trustees continue to spend down free reserves.

Due to the receipt of donations that will be granted in future years, the Group's total assets under continuing operations increased by £1.7m (2018: a deficit of £1.3m).

Reserves

The Group holds unrestricted, designated and restricted reserves. Total funds for the Group are £9.9m (2018: £8.2m). Unrestricted reserves are available to use as the Trustees see fit, to further PWCF's charitable impact. The Groups unrestricted reserves decreased by £382,000 in 2018/19 and now stand at £5.4m (2018: £5.8m).

Designated reserves are funds set aside, by the Trustees, from the unrestricted fund for specific purposes. The balance has increased by £1m and stood at £1.4m at the end of the financial year.

These designated funds have been described in the table below:

Description	Balance at 31.03.19	Expected to be spent by
Grants in keeping with His Royal Highness's interests	£295,000	March 2020
Romanian activities (now discontinued)	£107,000	September 2019
PWCF's 40 th Anniversary Fund	£1,000,000	December 2019
Total Designated Funds	£1,402,000	March 2020

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 increased by £1.1m in 2018/19 and now stands at £3.1m. The majority of this fund relates to a restricted donation from HRH The Prince of Wales which will be spent in 2019/20.

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 2019, free reserves for the Foundation were £2.9m and for the Group, £4.2m. 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 2022. 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.

The royalty agreement with Waitrose includes a minimum annual royalty of £2.5m. If sales were to fall and the Fund received only this amount, a free reserves balance of £2m would allow the charity to cover its core costs of £615,000 as well as continue

its current grant making programmes and commitments for at least one year.

In the current year, 2019/20, 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.

Post Balance Sheet Events

The US Foundation

The Prince of Wales Foundation in the USA was established in 1992 and has donated in excess of \$30 million to charitable causes around the world, primarily in the areas of education, the arts, the built environment and health. The PWCF trustees agreed to take sole management responsibility for the newly converted LLC. In July 2019, PWCF became the sole member of the dormant US company, POWF LLC.

Prince of Wales's Foundation Romania

After a review of the activities of our Romanian Foundation and evaluating the achievements that had been accomplished in the early years, the Board has asked the executive team to evaluate the operations of the Foundation. This process is currently under review, looking at like-minded organisations who have synergies with the charitable work which forms the educational objectives of The Prince of Wales's Foundation Romania, continuing projects in architectural heritage preservation, farming and sustainable development. Due to this evaluation, the Romanian activities have been discontinued as at 31st March 2019 until a future strategy has been put in place.

GOVERNANCE & MANAGEMENT

Trustees

There are currently five Trustees of the Foundation as set out on page 24.

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 four 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 running of PWCF is 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

The Funds unrestricted income is generally derived 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 which will allow the charity to continue its operations and honour its current grant commitments for at least one year.

REFERENCE AND ADMINISTRATIVE DETAILS

Founder

His Royal Highness, The Prince of Wales

Trustees

Sir Ian Cheshire - Chairman
Clive Alderton LVO
Dr Kenneth Wilson
Dame Julie Moore
Dame Louise Casey

Key Management Personnel

Andrew Wright (Executive Director) (*until 27th June 2019*)
Jessica Fries (Executive Chairman – A4S)
Paula Wilson (Finance Director)
Yvonne Abba-Opoku (Company Secretary)
James Williams (Operations Director)
Claire Saunders (Executive Director)

Registered Charity Number

1127255

Registered Company Number

06777589

Registered Address

Clarence House
London
SW1A 1BA

Professional Advisers

Bankers

Coutts & Co
440 Strand
London
WC2R 0QS

Auditors

Saffery Champness LLP
71 Queen Victoria Street
London
EC4V 4BE

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

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.

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.

The Trustees' annual report, which includes the Strategic Report for the purposes of the Companies Act 2006, was approved by the Trustees on 2nd December 2019



Sir Ian Cheshire
Chairman

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 for the year ended 31 March 2019 which comprise the Group Statement of Financial Activities, Group and Parent Charitable Company Balance Sheet, Group Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the charitable company's state of affairs as at 31 March 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Annual Report which includes the Directors' Report and the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report which includes the Directors' Report and the Strategic Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 25, the trustees (who are also directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under the Companies Act 2006 and report in accordance with that Act.

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

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

Use of our report

This report is made solely to the charitable company's members and the trustees, 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, the charitable company's members and trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Liz Hazell (Senior Statutory Auditor)

for and on behalf of Saffery Champness LLP

Chartered Accountants

Statutory Auditors 71 Queen Victoria Street

London

EC4V 4BE

Date: 4 December 2019

Saffery Champness LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Consolidated Statement of Financial Activities
(incorporating the Consolidated Income and Expenditure account)
For year ended 31 March 2019

	Note	General Fund £000's	Designated Fund £000's	Restricted Fund £000's	Total 2019 £000's	Total 2018 Restated £000's
Income from:						
Voluntary Income	2	231	-	5,308	5,539	2,824
Gifts		-	-	-	-	831
Other		3	-	-	3	-
Investment income	3	122	-	6	128	103
Other trading activities		8,244	-	888	9,132	9,313
Total incoming resources		8,600	-	6,202	14,802	13,071
Expenditure on:						
Raising funds:						
Expenditure on raising funds		(6)	-	(99)	(105)	(72)
Other trading activities		(4,260)	-	(280)	(4,540)	(4,763)
Investment management costs		(37)	-	-	(37)	(30)
Total cost of raising funds		(4,303)	-	(379)	(4,682)	(4,865)
Charitable Activities	4	(3,463)	(501)	(4,773)	(8,737)	(9,507)
Total charitable activities		(3,463)	(501)	(4,773)	(8,737)	(9,507)
Total expenditure		(7,766)	(501)	(5,152)	(13,419)	(14,372)
Net gain/(loss) on investments	8	326	-	-	326	(45)
Net income/(expenditure) from continuing activities		1,160	(501)	1,050	1,709	(1,346)
Net income/(expenditure) from discontinued activities	16	-	(26)	19	(7)	(1,394)
Transfers between funds	13	(1,552)	1,553	(1)	-	-
Other Write offs		7	-	-	7	-
Exchange loss on deposits		3	-	9	12	-
Net movement in funds		(382)	1,026	1,077	1,721	(2,740)
Restated Fund balances brought forward	13	5,759	376	2,015	8,150	10,890
Fund balances carried forward 2019	13	5,377	1,402	3,092	9,871	8,150

The income and expenditure incurred above which relates to discontinued operations is set out in note 16.

Consolidated Balance Sheet
at 31 March 2019

	Note	2019 £000s	2018 Restated £000s
Fixed assets			
Tangible fixed assets	7	629	547
Investments	8	<u>5,245</u>	<u>4,931</u>
Total fixed assets		5,874	5,478
Current assets			
Stock	9	576	698
Debtors	10	3,229	2,109
Cash at Bank		<u>5,628</u>	<u>6,306</u>
Total current assets		9,433	9,113
Creditors: amounts falling due within one year	11	<u>(5,206)</u>	<u>(5,300)</u>
Net current assets		4,227	3,813
Creditors: amounts falling due after one year	12	(230)	(1,141)
Total net assets		<u>9,871</u>	<u>8,150</u>
Funds			
General - unrestricted	13	5,377	5,759
Designated	13	1,402	376
Restricted	13	<u>3,092</u>	<u>2,015</u>
Total funds		<u>9,871</u>	<u>8,150</u>

The notes on pages 33 to 64 form part of these financial statements

Approved on behalf of the Trustees on 2nd December 2019



Sir Ian Cheshire
Trustee

Company number: 06777589

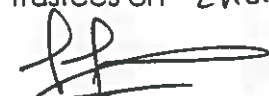
Charity number: 1127255

Foundation Balance Sheet
at 31 March 2019

	Note	2019 £000s	2018 Restated £000s
Fixed assets			
Tangible fixed assets	7	12	17
Investments	8	5,245	4,931
Investments in subsidiaries	8	2,639	2,393
Total fixed assets		7,896	7,341
Current assets			
Debtors: amounts falling due within one year	10	1,867	1,193
Cash at Bank		2,905	3,165
Total current assets		4,772	4,358
Creditors: amounts falling due within one year	11	(2,798)	(2,584)
Net current assets		1,974	1,774
Creditors: amounts falling due after one year	12	-	(1,000)
Total net assets		9,870	8,115
Funds			
General - unrestricted	13	6,060	6,496
Designated	13	1,379	353
Restricted	13	2,431	1,266
Total funds		9,870	8,115

As permitted by section 408 of the Companies Act 2006, a Statement of Financial Activities for the Foundation only has not been presented. The income of the Foundation for the year was £9,132,000 (2018: £7,056,000) and its net movement in funds was £1,755,000 (2018: £(2,776,000)).

The notes on pages 33 to 64 form part of these financial statements. Approved on behalf of the Trustees on 2nd December 2019



Sir Ian Cheshire
Trustee

Company number: 06777589

Charity number: 1127255

Consolidated Cash Flow Statement
for the year ended 31 March 2019

		Total 2019 £000's	Total 2018 Restated £000's
Cash flows from operating activities:			
Net cash provided by operating activities	<i>Table 1</i>	(529)	1,573
Cash flows from investing activities:			
Proceeds from the sale of property, plant and equipment		-	-
Purchase of property, plant and equipment		(173)	(139)
Purchase of investments		12	(1,648)
Net cash provided used in investing activities		(161)	(1,787)
Change in cash and cash equivalents in the reporting period		(690)	(214)
Cash and cash equivalents at the beginning of the reporting period	<i>Table 2</i>	6,306	6,520
Change in cash and cash equivalents due to exchange rate movements		12	-
Cash and cash equivalents at the end of the reporting period	<i>Table 2</i>	5,628	6,306

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

Net (expenditure)/income for the period	1,702	(2,740)
Adjustments for:		
Depreciation charges	91	64
Losses/(gains) on investments	(326)	45
Non-cash write offs	7	-
(Increase)/decrease in stock	122	(41)
Decrease/(increase) in debtors	(1,120)	335
Increase in creditors	(1,005)	3,910
Net cash provided by operating activities	(529)	1,573

Table 2: Analysis of cash and cash equivalents

Cash in hand	4,606	4,540
Notice deposits (less than 3 months)	1,022	1,766
Total cash and cash equivalents	5,628	6,306

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 applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £000's.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the charity's accounting policies, which are described below, Trustees are required to make judgements, estimates, and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

In the view of the Trustees, no assumptions concerning the future or estimation uncertainty affecting assets and liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

Prior year comparisons of the re-stated accounts are shown in note 18.

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.

Notes (continued)

1. Accounting policies (continued)

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 and investment income from UK investments, is included when receivable and the amount can be measured reliably by the Fund; this is normally upon notification of the interest paid or payable by the bank or investment managers.

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

Notes (continued)

1. Accounting policies (continued)

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.

Pensions

PWCF operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Charity in an independently administered fund. The amount charged to the SOFA represents the contributions payable to the scheme in respect of the accounting period.

Taxation

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part II Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes. In addition, because the subsidiary is bound by deed of covenant to transfer all its taxable profit to the Fund, it incurs no liability to tax. Consequently, PWCF has no liability to tax and no deferred tax.

Notes (continued)

1. Accounting policies (continued)

Financial Instruments

The Prince of Wales's Charitable Fund has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost using the effective interest method (equating to the present value). Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors and accrued income. Financial liabilities held at amortised cost comprise trade and other creditors and accrued expenditure.

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, the Trustees have taken the judgement that this is equal to their fair 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.

Notes (continued)

1. Accounting policies (continued)

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.

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. Group voluntary income and income from charitable activities

	2019 £000s	2018 Restated £000s
Unrestricted Donations		
Donations from subsidiary undertakings:	-	-
Miscellaneous donations	183	200
Grants	-	130
Donated services	48	49
Total unrestricted donations	231	379
Restricted Donations		
Miscellaneous donations	3,344	651
Grants	1,008	1,009
Membership subscriptions	785	419
Donated services	171	366
Total restricted donations	5,308	2,445
Total donations	5,539	2,824

Donated services relate to rent, support for events, travel and subsistence and stationery, which have been provided free of charge.

Restricted income from discontinued activities of £115,000 (2018: £156,000) has not been included in the above. See note 16 for details.

Notes (continued)

3. Group Investment Income

	2019	2018
	£000s	Restated £000s
Unrestricted Investment Income		
Income from UK investments	111	88
Income from cash & short term deposits	11	14
Total Unrestricted Investment Income	122	102
Restricted Investment Income		
Income from cash & short term deposits	6	1
Total Restricted Investment Income	6	1
Total Investment Income	128	103

Notes (continued)

4. Charitable activities

The Group charitable activities comprise:

	Activities undertaken directly £000's	Grant funding of activities £000's	Support Costs £000's	Total 2019 £000's	Total 2018 Restated £000's
Unrestricted fund					
Music & the Arts	-	8	2	10	27
Heritage & Architecture	48	100	22	170	142
Religion & Churches	1	23	5	29	-
Education & Training	21	594	134	749	3,586
Agriculture	9	299	64	372	1,114
Environmental & Economical Sustainability	20	698	155	873	179
Conservation & Animal Welfare	14	473	106	593	47
Health & Mental Health	3	24	6	33	70
Disability	1	37	8	46	40
Communities & Social Welfare	9	288	65	362	1,248
Elderly	5	177	40	222	10
Other	-	3	1	4	68
Total unrestricted fund	131	2,724	608	3,463	6,531
Designated fund					
Heritage & Architecture	1	33	-	34	84
Religion & Churches	-	240	-	240	60
Education & Training	-	144	-	144	103
Agriculture	-	10	-	10	12
Environmental & Economical Sustainability	-	1	-	1	12
Conservation & Animal Welfare	-	5	-	5	20
Health & Mental Health	-	13	-	13	20
Disability	-	3	-	3	-
Communities & Social Welfare	-	29	-	29	6
Disasters & Appeals	-	16	-	16	43
Other	-	6	-	6	11
Total designated fund	1	500	-	501	371

Notes (continued)

4. Charitable activities (continued)

	Activities undertaken directly £000's	Grant funding of activities £000's	Support Costs £000's	Total 2019 £000's	Total 2018 Restated £000's
Restricted fund					
Music & the Arts	-	-	-	-	1
Heritage & Architecture	191	493	-	684	150
Religion & Churches	-	-	-	-	10
Education & Training	34	591	-	625	147
Agriculture	800	464	26	1,290	622
Environmental & Economical Sustainability	1,095	250	7	1,352	1,577
Conservation & Animal Welfare	-	-	-	-	13
Health & Mental Health	-	9	-	9	3
Communities & Social Welfare	-	750	-	750	-
Elderly	-	-	-	-	12
Disasters & Appeals	-	10	-	10	10
Other	53	-	-	53	60
Total restricted fund	2,173	2,567	33	4,773	2,605
Total charitable activities	2,305	5,791	641	8,737	9,507

Grants totalling £5,791,336 were made to 210 charity institutions (2018: £6,374,821 to 175 institutions) from the Group.

The website for PWCF is currently being updated and will include case studies of grants awarded during the year. This can be found at www.pwcf.org.uk.

Notes (continued)

5. Group Support costs

	General Fund £000's	Restricted Fund £000's	Total 2019 £000's	Total 2018 £000's
Support costs				
Salaries and employment	484	33	517	417
Travel and subsistence	3	-	3	20
Consultancy	14	-	14	68
Legal and professional	27	-	27	29
Office costs	74	-	74	72
Depreciation	5	-	5	5
Miscellaneous	1	-	1	-
Total support and governance costs	608	33	641	611

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.

Included in the above are governance costs of £96,342 (2018: £88,750). Salaries and employment costs contain a recharge of £296,000 (2018: £268,000) from His Royal Highness The Prince of Wales and Duchess of Cornwall's Office for personnel supporting the Fund in finance, communications, administration and HR. The current year's recharge has been calculated as a percentage of staff time spent on PWCF.

Salaries and employment costs also include £7,227 (2018: £3,504) relating to the Romania programme which is now a discontinued operation.

Donated goods and services of £48,865 (2018: £49,344) have been allocated to office costs above.

The audit fee of the group amounted to £47,940 (2018: £33,120).

Notes (continued)

6. Staff costs

The Group's Staff Costs are allocated as follows:

	Total 2019 £000's	Total 2018 £000's
Salaries and wages	2,263	2,708
Social security	201	263
Pension and healthcare	133	157
Redundancy Costs	53	68
Total Staff Costs	<u>2,650</u>	<u>3,196</u>

The ISU and Romania are now discontinued operations with staff costs totalling £nil (2018: £811,383) and £41,164 (2018: £49,249) respectively.

The redundancy costs relate to the Romania programme, which is in the process of being transferred to The Prince's Foundation. The 2018 costs relate to the ISU programme which ended on 31st March 2018.

The Foundation employed a further 8 members of staff (based on average headcount) who work solely for The Prince's Countryside Fund, their staff costs totalled £325,247 (2018: £224,551) and were charged in full to PCF.

The key management personnel comprises of both direct employees of the Foundation and its subsidiaries as well as 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 Group of the key management personnel is £487,289 (2018: £810,439).

No salaries were paid to Trustees in the current or previous year. Travel expenses totalling £824 (2018: £1,982) were reimbursed to one Trustee during the year.

Notes (continued)

6. Staff costs (continued)

The average number of employees for the Group are:

	Total 2019	Total 2018
Support and governance	2	1
Charitable activities:		
International Sustainability Unit	-	11
Accounting for Sustainability	11	10
PCF & CFT	8	6
Other	3	3
Fundraising	1	1
Trading Activities	107	118
Total average number of employees	<u>132</u>	<u>150</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:

	Total 2019	Total 2018
£60,000-£69,999	-	2
£90,000-£99,999	2	-
£100,000-£109,999	1	1
£110,000-£119,999	-	1
£120,000-£129,999	1	1
£130,000-£139,999	-	-
£200,000-£209,999	-	1

Pension contributions

The Fund paid £15,633 (2018: £18,808) into defined contribution schemes for 2 (2018: 2) higher paid employees.

Notes (continued)

7. Tangible Fixed Assets

Group	Plant & Equipment £000's	Computers £000's	Fixtures & Fittings £000's	Leasehold Improvements £000's	Land & Buildings £000's	Total £000's
Cost						
At 1 April 2018	3	303	649	485	199	1,639
Additions	1	29	38	99	-	167
Disposals	-	-	-	(134)	-	(134)
Exchange Rate Changes	-	-	3	-	3	6
At 31 March 2019	4	332	690	450	202	1,678
Depreciation						
At 1 April 2018	1	249	432	406	4	1,092
Charge for the year	-	22	45	20	4	91
Depreciation on disposals	-	-	-	(134)	-	(134)
At 31 March 2019	1	271	477	292	8	1,049
Net book value 31 March 2019	3	61	213	158	194	629
Net book value 31 March 2018	2	54	217	79	195	547

Foundation

Cost or valuation

	Computers £000's	Total £000's
At 1 April 2018	23	23
Additions	-	-
At 31 March 2019	23	23

Depreciation

	Computers £000's	Total £000's
At 1 April 2018	6	6
Charge for the year	5	5
At 31 March 2019	11	11
Net book value 31 March 2019	12	12
Net book value 31 March 2018	17	17

Notes (continued)

8. Fixed asset investments

	Notes	Cost at 31 March 2019 £000's	Market Value at 31 March 2019 £000's	Cost at 31 March 2018 Restated £000's	Market Value at 31 March Restated 2018 £000's
Group					
Bridges Ventures Social Impact Bond		139	139	107	107
Other UK investments		4,769	5,106	4,787	4,824
Total group investments		4,908	5,245	4,894	4,931
Foundation					
Investment in subsidiary companies	14	2,914	2,639	2,914	2,393
Bridges Ventures Social Impact Bond		139	139	107	107
Other UK investments		4,769	5,106	4,787	4,824
Total Foundation investments		7,822	7,884	7,808	7,324

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

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

The Trustees are currently looking to transfer the ownership of PWFR and ET to a like-minded organisation who has synergies with the charitable work of PWFR. This has not been finalised at the time of signing the accounts however, it is likely the transfer will take place in the 2019/20 financial year.

Notes (continued)

8. Fixed asset investments (continued)

Movements during the year

	Subsidiary Undertakings £000's	Social Impact Bond £000's	UK Investments £000's	Total 2019 £000's	Total 2018 Restated £000's
Group					
Opening market value	-	107	4,824	4,931	3,329
Acquisition at cost	-	32	636	668	1,647
Disposals at market value	-	-	(9)	(9)	-
Capital account movement	-	-	(671)	(671)	-
Realised and unrealised (losses)/gains	-	-	326	326	(45)
Closing market value	-	139	5,106	5,245	4,931
Foundation					
Opening market value	2,393	107	4,824	7,324	4,725
Acquisition at cost	-	32	636	668	2,478
Disposals at market value	-	-	(9)	(9)	-
Capital account movement	-	-	(671)	(671)	-
Realised and unrealised gains/(losses)	246	-	326	572	121
Closing market value	2,639	139	5,106	7,884	7,324

PWCF are committed to invest a total of £500,000 with two Bridges Social Impact Bonds. Fund I for £250,000 was entered into in 2013 and has a brought forward commitment of £143,983. Payments totalling £31,780 were made during the year leaving a commitment of £112,203.

Fund II was entered into at the end of 2018/19 for £250,000 with no payments made during the year. The total commitment at 31st March 2019 is therefore £362,203.

Notes (continued)

9. Stock

Group	Total 2019 £000's	Total 2018 £000's
Work in progress	-	14
Finished goods	<u>576</u>	<u>684</u>
Total group stock	<u>576</u>	<u>698</u>

The Foundation holds no stock.

10. Debtors

	Total 2019 £000's	Total 2018 Restated £000's
Group		
Trade debtors	1,335	199
Taxation and Social Security	10	-
Prepayments and accrued income	1,880	1,848
Other debtors	<u>4</u>	<u>62</u>
Total group debtors	<u>3,229</u>	<u>2,109</u>
Foundation		
Amounts owed by subsidiary undertakings	1,128	1,060
Prepayments and accrued income	736	130
Other debtors	<u>3</u>	<u>3</u>
Total foundation debtors	<u>1,867</u>	<u>1,193</u>

Notes (continued)

11. Creditors: amounts falling due within one year

	Total 2019 £000's	Total 2018 Restated £000's
Group		
Trade creditors	817	494
Taxation and social security	221	214
Accruals and deferred income	3,380	2,397
Other creditors	28	1
Due to grant recipients	760	2,164
Provision	-	30
Total group creditors	5,206	5,300
Foundation		
Trade creditors	455	154
Accruals	2,315	2,429
Other creditors	28	1
Total foundation creditors	2,798	2,584

Movement in deferred income for the Group

Balance at 1 April 2018	109,583
Released during the year	(109,583)
Income resources deferred during year	43,958
Balance at 31 March 2019	43,958

12. Creditors: amounts falling due outside of one year

	Total 2019 £000's	Total 2018 Restated £000's
Group		
Due to grant recipients	230	1,141
Total group creditors	230	1,141
Foundation		
Accruals and deferred income	-	1,000
Total foundation creditors	-	1,000

Notes (continued)

13. Analysis of movements in funds

Group	Balance at 1 April 2018 Restated £000's	Incoming resources £000's	Resources expended £000's	Other recognised gains / (losses) £000's	Transfers between funds £000's	Balance 31 March 2019 £000s
Unrestricted fund	5,759	8,600	(7,766)	336	(1,552)	5,377
Total unrestricted fund	5,759	8,600	(7,766)	336	(1,552)	5,377
Designated funds:						
ISU	-	-	(21)	-	21	-
HRH Special Fund	244	-	(251)	-	302	295
Philanthropy Medal	30	-	-	-	(30)	-
Romania	102	-	(5)	-	10	107
The Prince of Wales Fund for Islamic Communities	-	-	(200)	-	200	-
Innovation Fund	-	-	(50)	-	50	-
40 th Anniversary Fund	-	-	-	-	1,000	1,000
Total designated fund	376	-	(527)	-	1,553	1,402
Restricted funds:						
Speeches & Articles	49	5	(38)	-	-	16
Initiative Project	-	2	(4)	-	2	-
The Prince's Foundation	-	60	(60)	-	-	-
A4S	(37)	1,132	(1,116)	9	-	(12)
ISU	-	1	-	-	(1)	-
HRH Special Fund	-	71	(26)	-	-	45
Duchy Home Farm Education	-	34	(34)	-	-	-
Temenos Academy	5	-	(5)	-	-	-
Romania	176	314	(264)	-	-	226
Postcode Lottery	-	850	(575)	-	(275)	-
Other	15	2,594	(1,477)	-	(2)	1,130
PCF:						
General Fund	703	233	(784)	-	(215)	(63)
Designated Fund	-	-	-	-	12	12
Restricted Fund	375	190	(644)	-	478	399
CFT	729	890	(280)	-	-	1,339
Total restricted fund	2,015	6,376	(5,307)	9	(1)	3,092
Total funds	8,150	14,976	(13,600)	345	-	9,871

	General Fund	Designated Fund	Restricted Fund	Total 2019	Total 2018 Restated	
	£000's	£000's	£000's	£000's	£000's	
Net Assets						
Fixed Assets	5,874	-	-	5,874	5,478	
Current Assets	3,732	1,626	4,075	9,433	9,113	
Liabilities	(4,229)	(224)	(983)	(5,436)	(6,441)	
	5,377	1,402	3,092	9,871	8,150	
Foundation	Balance at 1 April 2018 Restated £000's	Incoming resources £000's	Resources expended £000's	Other recognised gains / (losses) £000's	Transfers between funds £000's	Balance at 31 March 2019 £000's
Unrestricted fund	6,496	4,184	(3,461)	392	(1,551)	6,060
Total unrestricted fund	6,496	4,184	(3,461)	392	(1,551)	6,060
Designated funds:						
ISU	-	-	(21)	-	21	-
HRH Special Fund	244	-	(251)	-	302	295
Philanthropy Medal	30	-	-	-	(30)	-
Romania	79	-	(5)	-	10	84
The Prince of Wales's Fund for Islamic Communities	-	-	(200)	-	200	-
Innovation Fund	-	-	(50)	-	50	-
40 th Anniversary Fund	-	-	-	-	1,000	1,000
Total designated fund	353	-	(527)	-	1,553	1,379
Restricted funds:						
Speeches & Articles	49	5	(38)	-	-	16
Initiative Project	-	2	(4)	-	2	-
The Prince's Foundation	-	60	(60)	-	-	-
A4S	(37)	1,132	(1,116)	9	-	(12)
ISU	-	1	-	-	(1)	-
HRH Special Fund	-	71	(26)	-	-	45
Duchy Home Farm Education	-	34	(34)	-	-	-
Temenos Academy	5	-	(5)	-	-	-
Romania	193	314	(276)	-	-	231
Postcode Lottery	-	850	(850)	-	-	-
Other	15	2,594	(1,677)	-	(3)	929
PCF	1,041	-	-	181	-	1,222
Total restricted fund	1,266	5,063	(4,086)	190	(2)	2,431
Total funds	8,115	9,247	(8,074)	582	-	9,870

Notes (continued)

	General Fund	Designated Fund	Restricted Fund	Total 2019	Total 2018 Restated
	£000's	£000's	£000's	£000's	£000's
Net Assets					
Fixed Assets	7,896	-	-	7,896	7,340
Current Assets	478	1,603	2,691	4,772	4,358
Current Liabilities	(2,314)	(224)	(260)	(2,798)	(3,584)
	6,060	1,379	2,431	9,870	8,115

A description of the restricted funds has been provided below:

Speeches & Articles: PWCF received restricted donations to fund the production of Volumes One, Two and Three of the speeches and articles of His Royal Highness The Prince of Wales. This is a collaborative project by the University of Wales, the University of Maryland and the University of Wales Trinity Saint David. A selection of speeches and articles by The Prince of Wales covering a period of over 40 years has been brought together under headings that cover his principal interests and activities: the natural environment, climate change, architecture and the built environment, integrated medicine and health, society religion and tradition and education. The books can be purchased from the University of Wales.

Initiatives Project: HRH The Prince of Wales has, over some forty years, established a number of significant charitable initiatives and organisations covering a wide range of issues. The objective of the Initiatives Project is to produce a series of narratives describing the establishment and maintenance of the individual charitable projects and organisations in order to create a permanent written record of these charitable endeavours for reference and to inform current charitable projects of work previously undertaken and their achievements.

The Prince's Foundation: PWCF receives an annual restricted donation of £60,000 per annum to go towards the fixed overheads of The Prince's Foundation's which includes the salary of the CEO. The Prince's Foundation supports people to create community. Whether through championing a sustainable approach to how we live our lives and build our homes, teaching traditional arts and skills and restoring historic sites, or by looking after places to visit for everyone to enjoy, The Prince's Foundation is leading the way forward.

Accounting for Sustainability: A4S is a project within PWCF which aims to inspire action by finance leaders to drive a fundamental shift towards resilient business models and a sustainable economy. Income is through membership contributions and restricted donations and grants which exclusively fund the activities of A4S. The fund is currently in a deficit position however it is expected to make profits in the next financial year.

International Sustainability Unit: The ISU is now a discontinued activity.

HRH Special Fund: Restricted donations have been made to PWCF to be used for grants in keeping with His Royal Highness charitable engagements and interests.

Notes (continued)

Duchy Home Farm Education Programme: A contribution is made to Duchy Home Farm toward the cost of educational farm visits and to support organic farming. This is covered by a restricted donation.

Temenos Academy: A restricted donation was made to PWCF in 2016 to cover a three-year grant to The Temenos Academy. The final payment was made 2018.

Romania: PWCF received restricted donations to cover the costs of running the Romanian programme. This is alongside the activities of its charitable subsidiary PWFR and covered costs of specific projects in Romania as well as the salary costs of its Executive Director.

Postcode Lottery: The People's Postcode Lottery awarded a restricted grant to PWCF to be distributed to the following charities: The Prince's Countryside Fund (recognised as a transfer), The Prince's Trust, The Prince's Foundation, Business in the Community and The Prince's Teaching Institute.

Other: A large restricted donation was received in 2019/20 with the donor requesting grants being made to The Prince's Foundation, Turquoise Mountain Foundation, The Prince's Trust and The Prince's Countryside Fund. PWCF also received a restricted donation to cover the costs of the Patronage Party held in May 2018.

PCF & CFT: Relates to unrestricted, designated and restricted funds held in the subsidiary organisations. These are considered restricted for the Group given the narrow objectives of PCF in comparison to PWCF. Please see PCF and CFT financial statements for more details.

The designated funds are described within the trustees' annual report on page 21.

14. 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 the year ended 31 March 2019	Duchy Originals Ltd £000's	AG Carrick Ltd £000's	The Prince's Countryside Fund £000's	Countryside Fund Trading Ltd £000's	Ecologic Transilvani a SRL £000's	Prince of Wales's Foundation Romania £000's	Total 2019 £000's	Total 2018 £000's
Turnover	3,525	4,668	1,544	888	51	79	10,755	11,080
Cost of sales	-	(1,649)	-	-	(23)	-	(1,672)	(1,936)
Gross profit	3,525	3,019	1,544	888	28	79	9,083	9,144
Administration expenses	(107)	(2,532)	-	(280)	(49)	-	(2,968)	(2,894)
Fundraising	-	-	(79)	-	-	-	(79)	(29)
Charitable activities	-	-	(1,290)	-	-	(46)	(1,336)	(1,462)
Trading profit	3,418	487	175	608	(21)	33	4,700	4,759
Interest receivable	-	1	4	1	-	-	6	1
Profit/(loss) before tax and donations	3,418	488	179	609	(21)	33	4,706	4,760
Donation to parent	(3,408)	(488)	-	(609)	-	-	(4,505)	(4,566)
Other write offs	-	-	-	-	6	-	6	-
Exchange loss	-	-	-	-	3	(1)	2	-
Retained in subsidiary	10	-	179	-	(12)	32	209	194
Balance sheet at 31 March 2019								
Fixed assets	-	278	1	-	200	138	617	530
Current assets	1,589	1,418	2,550	712	36	126	6,431	6,907
Liabilities	(1,053)	(1,189)	(1,329)	(712)	(109)	(17)	(4,409)	(5,043)
Total net assets at 31 March 2019	536	507	1,222	-	127	247	2,639	2,393

Notes (continued)

15. Prior Year Comparisons

SOFA

	General Fund £000's	Designated Fund £000's	Restricted Fund £000's	Total 2018 £000's
Income from:				
Donations	379	-	2,445	2,824
Gifts	-	-	831	831
Investment income	102	-	1	103
Other trading activities	8,470	-	843	9,313
Total incoming resources	8,951	-	4,120	13,071
Expenditure on:				
Raising funds:				
Expenditure on raising funds	(1)	-	(71)	(72)
Other trading activities	(4,649)	-	(114)	(4,763)
Investment management costs	(30)	-	-	(30)
Total cost of raising funds	(4,680)	-	(185)	(4,865)
Charitable activities:				
Children and youth	(894)	-	-	(894)
Culture	(1,567)	(55)	(73)	(1,695)
Education	(156)	(43)	(141)	(340)
Environment	(2,609)	(59)	(2,538)	(5,206)
Medical welfare	(130)	(2)	(3)	(135)
Overseas	(306)	(186)	(166)	(658)
Other	(133)	(26)	(420)	(579)
Total charitable activities	(5,795)	(371)	(3,341)	(9,507)
Other expenditure:				
Other write offs	-	-	-	-
Total other expenditure	-	-	-	-
Total expenditure	(10,475)	(371)	(3,526)	(14,372)
Net gain/(loss) on investments	(45)	-	-	(45)
Net income/(expenditure) from continuing activities	(1,569)	(371)	594	(1,346)
Net income/(expenditure) from discontinued activities	-	(588)	(806)	(1,394)
Transfers between funds	(1,812)	682	1,130	-
Net movement in funds	(3,381)	(277)	918	(2,740)
Fund balances brought forward	9,140	653	1,097	10,890
Fund balances carried forward	5,759	376	2,015	8,150

Notes (continued)

15. Prior Year Comparisons (continued)

Analysis of movement in funds

Group	Balance at 1 April 2017 Restated £000's	Incoming resources £000's	Resources expended £000's	Other recognised gains / (losses) £000's	Transfers between funds £000's	Balance 31 March 2018 £000s
Unrestricted fund	9,140	8,951	(10,475)	(45)	(1,812)	5,759
Total unrestricted fund	9,140	8,951	(10,475)	(45)	(1,812)	5,759
Designated funds:						
ISU	336	-	(588)	-	252	-
HRH Special Pot	248	-	(355)	-	351	244
Philanthropy Medal	30	-	-	-	-	30
Romania	-	-	(11)	-	113	102
Florilegium	4	-	(5)	-	1	-
Other	35	-	-	-	(35)	-
Total designated fund	653	-	(959)	-	682	376
Restricted funds:						
Speeches & Articles	52	5	(8)	-	-	49
Initiative Project	-	2	(4)	-	2	-
The Prince's Foundation	-	60	(60)	-	-	-
A4S	47	949	(1,180)	-	147	(37)
ISU	806	156	(962)	-	-	-
HRH Special Fund	47	-	(47)	-	-	-
Duchy Home Farm Education	-	34	(34)	-	-	-
Temenos Academy	10	-	(5)	-	-	5
Romania	135	110	(169)	-	100	176
Postcode Lottery	-	845	(505)	-	(340)	-
PCF Gift	-	831	-	-	(831)	-
Other	-	27	(12)	-	-	15
PCF:						
General Fund	-	317	(766)	-	1,152	703
Designated Fund	-	-	-	-	-	-
Restricted Fund	-	97	(622)	-	900	375
CFT	-	843	(114)	-	-	729
Total restricted fund	1,097	4,276	(4,488)	-	1,130	2,015
Total funds	10,890	13,227	(15,922)	(45)	-	8,150

	General Fund	Designated Fund	Restricted Fund	Total 2018
	£000's	£000's	£000's	£000's
Net Assets				
Fixed Assets	5,478	-	-	5,478
Current Assets	6,180	427	2,506	9,113
Liabilities	(5,899)	(51)	(491)	(6,441)
	5,759	376	2,015	8,150

Foundation	Balance at 1 April 2018 Restated £000's	Incoming resources £000's	Resources expended £000's	Other recognised gains / (losses) £000's	Transfers between funds £000's	Balance at 31 March 2019 £000's
Unrestricted fund	9,141	4,173	(5,793)	(95)	(930)	6,496
Total unrestricted fund	9,141	4,173	(5,793)	(95)	(930)	6,496
Designated funds:						
ISU	336	-	(588)	-	252	-
HRH Special Fund	248	-	(355)	-	351	244
Philanthropy Medal	30	-	-	-	-	30
Romania	-	-	(34)	-	113	79
Florilegium	4	-	(5)	-	1	-
Other	35	-	-	-	(35)	-
Total designated fund	653	-	(982)	-	682	353
Restricted funds:						
Speeches & Articles	52	5	(8)	-	-	49
Initiative Project	-	2	(4)	-	2	-
The Prince's Foundation	-	60	(60)	-	-	-
A4S	47	949	(1,179)	-	146	(37)
ISU	806	156	(962)	-	-	-
HRH Special Fund	47	-	(47)	-	-	-
Duchy Home Farm Education	-	34	(34)	-	-	-
Temenos Academy	10	-	(5)	-	-	5
Romania	135	130	(172)	-	100	193
Postcode Lottery	-	845	(845)	-	-	-
Other	-	27	(12)	-	-	15
PCF	-	831	-	210	-	1,041
Total restricted fund	1,097	3,039	(3,328)	210	248	1,266
Total funds	10,891	7,212	(10,103)	115	-	8,115

Notes (continued)

	General Fund	Designated Fund	Restricted Fund	Total 2019
Net Assets	£000's	£000's	£000's	£000's
Fixed Assets	7,341	-	-	7,341
Current Assets	2,193	404	1,761	4,358
Current Liabilities	(3,038)	(51)	(495)	(3,584)
	6,496	353	1,266	8,115

Notes (continued)

16. Income and Expenditure from Discontinued Operations

	Note	General Fund £000's	Designated Fund £000's	Restricted Fund £000's	Total 2019 £000's	Total 2018 £000's
Income from:						
Donations & Grants		-	-	115	115	155
Investment Income		-	-	-	-	1
Total incoming resources		-	-	115	115	156
Expenditure on:						
Raising funds:						
Expenditure on raising funds		-	-	-	-	(23)
Charitable activities:						
Heritage & Architecture		-	(5)	(96)	(101)	-
Environmental & Economic Sustainability	4	-	(21)	-	(21)	(1,527)
Total expenditure		-	(26)	(96)	(122)	(1,550)
Net income/(expenditure) from discontinued activities		-	(26)	19	(7)	(1,394)
Transfers between funds		(20)	21	(1)	-	-
Net income/(expenditure)		(20)	(5)	18	(7)	(1,394)

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 the Romanian charity and trading subsidiary, PWFR and ET, would be transferred to The Prince's Foundation. This transfer is currently taking place and will be complete in the 2019/20 financial year. As such, the Romanian activities running through PWCF ceased from 31st March 2019. The prior year figures relate to the ISU which ceased activities on 31st March 2018.

17. 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 £2,397,722 (2018: £75,200) from trustees or other related parties, part of which is restricted for ongoing activities. There are no specific additional conditions attached.

Notes (continued)

18. Prior Year Adjustments

The financial statements include five prior year adjustments, which affect fund balances at 31st March 2018. The first adjustment (A) relates to accrued income; the second adjustment (B) is for grants awarded; the third adjustment (C) relates to the charities investment in Bridges Social Impact bond and the fourth (D) is a reallocation of PCF and CFT on consolidation

The effect on PWCF's consolidated funds of each of these adjustments is shown below.

	Unrestricted Funds £000's	Designated Funds £000's	Restricted Funds £000's	Total Funds £000's
Funds at 31 st March 2018 as previously reported	9,162	376	762	10,300
A: Accrued income adjustment	-	-	(179)	(179)
B: Adjustment for grants awarded	(2,000)	-	-	(2,000)
C: SIB adjustments	29	-	-	29
D: Reallocation of PCF & CFT	(1,432)	-	1,432	-
Funds at 31 st March 2018 as restated	5,759	376	2,015	8,150

Adjustments A, B and C have had the same impact on the Foundation only funds.

A – Accrued income adjustment: further detail

The accrued income balance at 31st March 2018 included £179,000 in relation to membership contributions for A4S. These contributions are donations towards A4S activities, a restricted programme of PWCF. As such income is to be recognised on receipt of cash, the adjustment therefore removed the accrued income from the 2017/18 financial statements.

B – Adjustment for grants awarded

PWCF awarded two grants of £1.5m each to The Prince's Foundation and The Prince's Trust in the financial year 2017/18. These were payable over three years at equal instalments of £500,000. Only the first instalments were recognised in 2017/18, a total of £1m. These grants were awarded unconditionally and as such should have been recognised in full in 2017/18. An adjustment of £2m has been made to accrue these costs in 2017/18.

Notes (continued)

18. Prior Year Adjustments (continued)

C – SIB adjustments

In 2017/18 PWCF had a commitment of £250,000 to invest in Social Impact Bonds (held by Bridges). Initially this was recorded as an investment and a liability. It has since been confirmed that a liability does not arise until Bridges send a drawdown notice. Therefore, an adjustment of £131,000 has been made to remove the liability and an adjustment of £103,000 to reduce the value of the investment to correspond to the amount drawdown by Bridges.

An additional £25,000 of investment income has been recognised covering the period from the start of the investment (February 2013). Management fees were also found to be overstated by £4,000.

D – Reallocation of PCF & CFT

PWCF acquired PCF on the 1st July 2017. This was recognised as a gift in the SOFA at the value of PCF's net assets. This was restricted income to PWCF and the Group however, £432,000 of the gift was recognised as unrestricted income. This has been corrected affecting both the Group and Foundation's SOFA.

Given that PCF's objects are narrow in comparison to PWCF's all transactions relating to PCF and CFT on consolidation should have been treated as restricted in the Group accounts. Therefore income totalling £1,160,000 has been moved from unrestricted to restricted and expenditure totalling £929,000 has been moved in the same way.

This has also resulted in an adjustment to transfer between funds to correctly reflect the PCF fund balances. Overall the transfer from unrestricted to restricted funds has increased by £769,000.

Notes (continued)

18. Prior Year Adjustments (continued)

The effect the above adjustments have on the SOFA are:

	As previously reported £'000	Adjustment 2017/18 £000's	As restated £000's
Unrestricted Income			
Donations	695	(316)	379
Gifts	432	(432)	-
Investment income	78	24	102
Other trading activities	9,313	(843)	8,470
Total unrestricted income	10,518	(1,567)	8,951
Restricted Income			
Donations	2,308	137	2,445
Gifts	399	432	831
Investment income	-	1	1
Other trading activities	-	843	843
Total restricted income	2,707	1,413	4,120
Unrestricted Expenditure			
Expenditure on raising funds	(30)	29	(1)
Other trading activities	(4,763)	114	(4,649)
Investment management costs	(34)	4	(30)
Charitable activities	(4,581)	(1,214)	(5,795)
Total unrestricted expenditure	(9,408)	(1,067)	(10,475)
Designated Expenditure			
Charitable activities	(371)	-	(371)
Total unrestricted expenditure	(371)	-	(371)
Restricted Expenditure			
Expenditure on raising funds	(42)	(29)	(71)
Other trading activities	-	(114)	(114)
Charitable activities	(2,555)	(786)	(3,341)
Total restricted expenditure	(2,597)	(929)	(3,526)
Transfers between funds			
Unrestricted Funds	(1,043)	(769)	(1,812)
Designated Funds	682	-	682
Restricted Funds	361	769	1,130

Notes (continued)

18. Prior Year Adjustments (continued)

The effect the above adjustments have on the consolidated balance sheet are:

	As previously reported £000's	Adjustment 2017/18 £000's	As restated £000's
Fixed Assets			
Tangible fixed assets	547	-	547
Investments	5,033	(102)	4,931
Current Assets			
Stock	698	-	698
Debtors	2,288	(179)	2,109
Cash at bank	6,306	-	6,306
Creditors: amounts falling due within one year	(4,431)	(869)	(5,300)
Creditors: amounts falling due after one year	(141)	(1,000)	(1,141)
Total net assets	10,300	(1,588)	8,150