

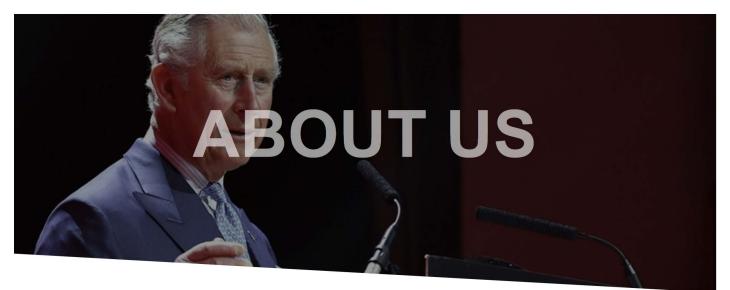
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# Prince's Trust America



# **OUR VISION**

The Trust was founded on the vision that every young person should have the chance to succeed – a vision that remains unchanged today.

### **OUR MISSION**

There are three significant global challenges that drive the work of The Trust – the rising levels of youth unemployment (over 70 million); the low levels of secondary education completion (264 million children and young people out of school) and the world's rapidly changing populations (over half of the global population is now under 30).

In the light of that, the main priority is to help young people to improve their lives through partnerships delivering practical solutions that lead to improved confidence. These help skill young people for work, support them in education or help them set up businesses.

## **OUR HISTORY**

44 years ago, The Trust was established by HRH The Prince of Wales against a backdrop of widespread unemployment – today, it's work has transformed the lives of nearly one million vulnerable young people in the UK.

The Trust helps thousands of young people every day who are facing tremendous hardships, from unemployment to social exclusion, to poverty, mental health issues, disability, or abuse. Without the right help, they would struggle to move forward in education or employment, and consequently become increasingly at risk of to poverty, ill health, exploitation in their adult lives.

- → Over 75% of The Trust's beneficiaries transform their life chances by reengaging with education, securing employment, or even starting their own business and creating jobs for others.
- → The Trust in the UK has returned over \$1.7 billion in value to society in the last decade.

"The Prince's Trust group of charities includes the work of The Prince's Trust in the UK alongside Prince's Trust International, Prince's Trust Australia, Prince's Trust New Zealand, Prince's Trust Canada and now Prince's Trust America.

The establishment of The Prince's Trust Group represents an immensely exciting opportunity to build on the decades of experience of The Prince's Trust in the UK, to exchange learning between partners across the world, and to make a tangible difference to thousands more lives.

We plan to deliver support to young people in the following countries: Australia, Barbados, Canada, Ghana, Greece, India, Jamaica, Jordan, Kenya, Malaysia, Malta, New Zealand, Pakistan, Rwanda, Serbia, Trinidad & Tobago and the United Kingdom. We aim to realise HRH's vision to shape a better future for young people by helping them to build their confidence, to access education and training, and to move into employment and self-employment."



# **Start Something**

With your help, we can realise HRH The Prince of Wales' vision to shape a better future for young people by helping them build their confidence, access education and training, and move into employment and self-employment at a time of exceptional global need.

DONATE NOW 🖺

# WHO WE ARE



Jeremy Green

**Board Chair** 

Jeremy Green is the Founder and Portfolio Manager of Redmile Group, LLC, an investment firm that focuses on the health care sector. Prior to founding Redmile, Jeremy was cofounder and director of research at Steeple Capital and an analyst at Andor Capital. Prior to moving to the US in 2004, Jeremy was a managing director at Citigroup and head of the European Healthcare Research Team covering medical technology, biotech, and health care services. Jeremy has a master's degree (biological sciences) from Oxford University. Having previously been a Trustee and non-executive director of Prince of Wales Foundation, he

https://princestrust.us/about-us/#whoweare

currently serves as a chairman of Prince's Trust America. Jeremy previously served on the board of directors of Alder Biopharmaceuticals (ALDR). Jeremy is a Fellow of the fourth class of the Health Innovators Fellowship and a member of the Aspen Global Leadership Network. Jeremy and his family currently live in Paris.



Dame Martina Milburn

### DCVO CBE

Martina is Group Chief Executive of The Prince's Trust and was previously Chief Executive of The Prince's Trust UK. She joined The Prince's Trust in May 2004, having been Chief Executive of the BBC Children in Need Appeal since 2000. In July 2018, Dame Martina was appointed Chair of the Social Mobility Commission by the UK Government. Martina trained and began her career as a journalist. She established the Press and Communications function for the Catholic Fund for Overseas Development (CAFOD). She then held the post of Chief Executive of the Association of Spinal Injury Research, Rehabilitation and Reintegration (ASPIRE). Dame Martina received a CBE for services to charity in 2013. In the 2017 New Year Honours list, she received the honour of Dame Commander of the Royal Victorian Order (DCVO).



### Romero Britto

### **Board Member**

Romero is an international artist known for his vibrant work, which has been exhibited in galleries and museums in over 100 countries, including the Carrousel de Louvre and MuseoSoumaya. He has created public art installations for the O2 Dome in Berlin, New York's John F. Kennedy Airport, Cirque Du Soleil at Super Bowl XLI, and has been credited with the largest monumental sculpture in London's Hyde Park history. He has also collaborated with international brands such as Audi, Bentley, Coca-Cola, Walt Disney, Evian, Hasbro, Hublot, and Universal Pictures. Britto has donated time, art, and resources to more than 250 charitable organizations. He holds a seat on several boards including The Prince's Trust America, The Best Buddies International and St. Jude's Children's Research Hospital. A believer in that role of an artist as an agent of positive change, Romero Britto is committed to developing and supporting the role art will continue to play in world issues.

Photo by Sergey Bermeniev



### Kate James

### **Board Member**

Kate worked for three decades in communications and branding most recently as Chief Corporate Affairs & Global Marketing Officer for Pearson where she lead their efforts to build a global education brand and an innovation driven culture. A passionate advocate for the private sector's role in tackling some of the world's toughest development challenges she also oversaw the Pearson Affordable Learning Fund and the company's social impact work.

Prior to joining Pearson, Kate was Chief Communications' Officer for the Bill & Melinda Gates Foundation. Before Gates she held senior leadership roles in the financial services industry including global head of communications at Citibank and leading the advocacy and sustainability practice at Standard Chartered Bank.

Kate serves on the boards of the National Audubon Society, World Reader, Unreasonable Group and chairs the Vital Voices' Board.

A graduate of Cambridge University, Kate moved to the US in 2005 and currently lives in California.

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### **Roll of Patrons**

The extraordinary contribution of our Patrons is acknowledged by our President, HRH The Prince of Wales, who takes a keen interest in those who give so generously to his Trust.

We value the bespoke nature of our relationship with our most significant supporters, and we work collaboratively to achieve the greatest impact possible for our young people. We provide detailed reporting to our supporters on the impact of their giving every year. Of the many benefits, the most compelling is the opportunity to see our work in action and understand the significant difference that patronage makes to the lives of disadvantaged young people across the UK.

To become a Patron of The Prince's Trust, please contact us and we would be delighted to discuss this further and answer any questions.

Please contact Kat Farram, Director of Philanthropy on 020 7543 1360 or email **Kat.farram@princestrust.org.uk** (mailto:Kat.farram@princes-trust.org.uk)

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### We would also like to thank the enormous contribution of the following

- → The Built Environment Leadership Group
- → The Enterprise Fellowship
- → Digital, Media and Marketing Leadership Group
- → The Invest in Futures Committee
- → The Leadership Dinner Committee
- → The Lunch With an Old Bag Committee
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# THE PRINCE'S TRUST GROUP ANNUAL REPORT

**AND ACCOUNTS 2018/19** 





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# **THANK YOU**

"I was bullied at school and felt ugly, worthless and talentless. Being overweight, people didn't take me seriously when I said I wanted to pursue fashion and this, alongside my caring responsibilities, affected my education. I ended up with only three GCSEs to my name and suffering from depression.

"I grew up in a creative household; lots of people in my family are artists. After I lost my mother at the age of seven, I went to live with my grandmother and it was then that I began to use creativity to express myself. My grandmother taught me to sew from a young age and my grandfather always encouraged me to draw, paint and create.

"When my grandmother passed away, I felt I had hit rock bottom. I was still having issues with my self-image, but my creativity helped me realise that there is room for everyone, including me. "That's when I developed the idea for Plus Equals, which redefines what it means to be fashionable and plus size. Getting a place on The Prince's Trust Enterprise programme helped me see the bigger picture and make a business out of my passion.

"With the support of my amazing Enterprise mentor, Mary, who believed in me, I have reached a much better place in my life with a bright future. Her unwavering support has been life-changing. Now, I'd tell anyone who wants to start their own business, don't hesitate and put yourself out there, because everyone deserves that chance.

"To everyone who donates to and supports the work of The Prince's Trust, I want to say a heartfelt thank you. Thank you for hearing young voices in a world that frequently writes us off, thank you for seeing the light in people who might have lost their way and thank you for believing we can reach our potential. Thank you for helping me reach goals I never believed were possible, and for believing I can reach many more."

Jazmin



# **FOREWORD**

from John Booth, Chairman



The vision and leadership of our Founder and President. His Royal Highness The Prince of Wales continue to inspire all that we do. Over many years as a supporter of this extraordinary charity, I have never failed to be impressed by the incredible young people who, with our support, have managed to overcome significant challenges and turned their lives around.

The Prince's Trust is committed to providing the support young people need to fulfil their potential whether they want to get more out of their education, break out of unemployment or start a business.

Our dedicated staff, volunteers, supporters and partners, all passionately believe in this cause and are committed to helping young people transform their prospects and live their best lives. Without them, we simply could not have supported more than 950,000 young people in the UK since 1976: nor could we hope to realise our ambition to support a million more over the next ten years.

The power of our Prince's Trust community has enabled us to extend our reach far beyond the UK to make a difference to young people's lives around the world through the network of organisations which now form The Prince's Trust Group. You can learn more about international operations and our sister charities in Canada, Australia and New Zealand from the Group Chief Executive, Dame Martina Milburn, on page 39.

I would like to thank His Highness The Aga Khan for becoming our Global Founding Patron, and Lionel Ritchie for joining us as our first Global Ambassador. Their support is hugely appreciated.

Most of all our thanks go to His Royal Highness The Prince of Wales for his visionary leadership and tireless support. The inspiration and guidance he gives us remain essential to our success and effectiveness.

It's a privilege to be involved in the work of an organisation which sees the potential in every young person – whoever they are, whatever their circumstances. I look forward to working with our Trustees, Executive Committee, staff and volunteers over the coming year as we redouble our efforts to help even more young people to improve their lives.

John

John Booth Chairman The Prince's Trust

# **WELCOME**

from Nick Stace, UK Chief Executive



opportunity to make the most of their talents. Without the right support, there is a risk that some young people will find themselves overwhelmed by challenges in their lives or lacking in the skills they need to reach their full potential. that every year from now on,

I firmly believe that when

young people succeed, our

country succeeds, and that it

is up to all of us to ensure that

young people are given every

One of the many issues that affects a worrying number of the young people we support is violent crime. While we work to steer young people away from situations where they may be impacted by violent crime through initiatives such as our Team programme, I believe there is more we can do, and having young people's voices in the conversation around the potential solutions is absolutely key.

In December, I attended an event hosted by Their Royal Highnesses The Prince of Wales and The Duke of Sussex where we heard from young people, their families and community groups about their personal experiences of the devastating effects of violent crime. I was struck by the stories I heard and the impact it can have on young people and their families.

Something else we know from our own research is that the confidence young people have in their emotional health remains at its lowest ever levels, and that in their early twenties, many begin to give up on their hope of achieving their dreams.

We want to change this and that's why our UK2030 Taskforce, which has the express purpose of increasing opportunities for young people, is working with business leaders and communities across the country to find ways of breaking down any barriers young people may be facing. Our vision is that by 2030, we live in a country that puts the needs of young people first, so that young people can meet the needs of their country.

It is encouraging to think that we have such a strong legacy to build on; The Prince's Trust has helped over 950,000 young people to date and supports over 100 more each day. In the last 12 months, we have helped more young people than in any of the last 43 years and it is our endeavour

we will be able to say that.

Through investing in new centres we're able to ensure our courses are delivered in inspiring spaces, in the areas where they are needed the most.

Our new Birmingham and Manchester centres and our soon to be opened London centre are excellent examples of our commitment to provide first class facilities to help even more young people succeed.

It is our enduring commitment that we will never give up on young people who want to live, learn and earn more.



**Nick Stace UK Chief Executive** The Prince's Trust

# THE REALITY FOR YOUNG PEOPLE TODAY

We believe that every young person deserves the chance to succeed. Yet every year hundreds of thousands of young people across the UK don't get this chance and face daily struggles that can seem insurmountable.

They may not be able to find work or may be struggling at school. This can be even harder for those facing challenges such as homelessness, poor mental health or being caught up in youth violence. Without your support, these young people will lose hope and the self-belief to turn their lives around, impacting not only their lives but also the nation's future prosperity.

Our research is increasingly showing that the young people we support feel under extraordinary pressures in these uncertain times. The need for our work has never been greater.

→ More than a third

of young people don't feel in control of their lives\*

→ Almost a fifth

feel like their 'life will amount to nothing' no matter how hard they try\*

→ 40 per cent of young people say

of young people say they don't believe in themselves\*



# **JAY'S STORY**

"When I was 14, I realised I felt different to other girls my age and I began to question my gender. I made the difficult decision to come out as transgender a couple of years later, which my family struggled to accept as I began to live as a man.

"This, coupled with struggles with my mental health, meant I didn't get the grades I wanted at GCSE. When I was studying to retake them my mental health deteriorated further and I was hospitalised for four months.

"I was so anxious — I didn't want to leave the house and the thought of using public transport to get anywhere was terrifying. I was self-harming regularly and couldn't see a future for myself.

### In the spotlight...

- Q: Is there a particular quote or motto that inspires you?
- A: "Just keep swimming".
  I even have it tattooed
  on my arm!

"The Prince's Trust was suggested to me and I saw it as an opportunity to change things for the better. I was nervous to begin with, but the programme pushed me outside my comfort zone and helped me start to believe in myself again.

"I'm now on a path I never dreamed I'd be on. I no longer self-harm, my relationship with my family has improved and I've moved to London to study Mental Health Nursing at university. I'm really excited for what's next!"

Jay

# **OUR UK STRATEGY**

### When our young people succeed, our country succeeds.

Young people are the key to a positive and prosperous future for all of us. That is why The Prince's Trust believes every young person should be given the chance to flourish.

Since 1976, we've achieved a great deal, supporting more than 950,000 young people across the UK. Yet, this still represents only a small proportion of the young people who might benefit from our support.

That is why we have a bold ambition to extend the reach and impact of our work. This is vital, as the need has never been greater.

According to our Youth Index, young people's happiness and confidence are at their lowest levels since we began our survey in 2009. Young people have to cope with increasing levels of complexity and uncertainty in their lives; 61 per cent say they regularly feel stressed, with a quarter feeling hopeless.

As a new economy develops due to technological change and the UK's evolving place in the world, new uncertainties, insecurities and opportunities are arising. Young people want decent jobs while industry demands a skilled and motivated workforce.

# We believe we have a crucial role to play.

The Prince's Trust's strategy sets out our ambitious plans to help one million more young people to transform their lives over the next ten years. We will help them develop the confidence and skills to live, to learn and to earn, giving them an increasing stake in our economy and society.

We will make ourselves more accessible to the young people who need us most. With an increasingly flexible, blended approach to online and face to face delivery, we will provide tailored support that better meets individual young people's needs.

To achieve this, we must become the best organisation that we can be. We want to be the best place to work and volunteer, unlocking people's full potential and unleashing their entrepreneurial spirit. We will focus on innovation, to ensure we adapt and remain relevant in a rapidly changing world.

We also know we can achieve more when we work in partnership, so we will redouble our efforts to build mutually beneficial partnerships with our network of organisations in business, in government, in education and in the voluntary sector. By mobilising this Prince's Trust community – along with our colleagues and volunteers – we will maximise the support available to young people today and in the future.

All the young people we meet at The Prince's Trust have their own challenges and setbacks to deal with, but also have incredible talent.

### **OUR MISSION**

# EVERY YOUNG PERSON SHOULD HAVE THE CHANCE TO SUCCEED

### **OUR VALUES**

# Our values are at the heart of everything we do. We operate in a way which is:

- → Approachable We are open-minded and value diversity
- → Non-judgemental We focus on the potential not the past
- → Inspiring We lead by example
- → Empowering We enable positive change
- → Passionate We are absolutely committed to supporting young people



### **OUR GOALS**

# 1) GIVE YOUNG PEOPLE AN INCREASING STAKE IN OUR ECONOMY AND SOCIETY

### We will:

- → Work with a UK2030 taskforce to identify practical solutions for young people
- → Help young people prepare for the new economy and society by creating highly relevant services through strong partnerships
- → Listen to young people and involve them in shaping our and their future
- → Mobilise our society behind young people as a force for good, inspiring our expanding community of supporters

### 2) HELP ONE MILLION MORE YOUNG PEOPLE OVER THE NEXT 10 YEARS

### We will:

- → Maximise our positive impact on young people's lives; understand and report this impact
- → Become a more youth relevant brand
- → Be the first point of contact for young people who need us most
- → Develop a Prince's Trust passport for every young person we progress
- → Increase the speed and effectiveness of support, with a more flexible mix of online and face-to-face delivery
- → Move from a programme-driven to young person-led approach

# 3) BE THE BEST ORGANISATION

### We will:

- → Become the best place to work, volunteer and support
- → Build a long-term financially sustainable organisation
- → Move to fewer and better quality properties to support an efficient and flexible delivery model
- → Unleash our entrepreneurial spirit
- → Be the partner of choice

### **OUR PURPOSE**

The primary objective of The Prince's Trust (The Trust), as defined by its Royal Charter, is:

To promote by all charitable means the mental, spiritual, moral and physical development and improvement of young people, and to provide opportunities for them to develop to their full capacities and enable them to become responsible members of society so that their conditions of life may be improved.

### **Public benefit**

In accordance with Charity Commission guidance on public benefit (section 17 of Charities Act 2011) The Trust achieves this by:

- → Helping young people aged 11 to 30 who are unemployed and those at risk of unemployment because they have struggled at school.
- → Bringing young people together from different backgrounds, cultures and faiths, so that they can make a positive difference in their communities.
- → Providing practical support, enabling them to overcome their problems and get their lives on track.
- Delivering proven, high quality programmes and basic financial support, which help young people to develop the confidence and skills they need to get a job or start a business.

# CHANGING YOUNG LIVES

**OUR PROGRAMMES** 

The Trust exists to support young people aged 11 to 30 to move into work, education or training. Our programmes are designed to help young people raise their aspirations and move forwards with their lives, regardless of any challenges they may be facing. The breadth of what we offer means we can address a wide range of needs, helping young people to develop their skills, boost their confidence, build their motivation, explore different industries and even realise their dream of becoming their own boss.

### **HOW WE SUPPORTED YOUNG PEOPLE**

Delivery of quality assured, proven programmes is at the heart of our work. These programmes deliver high positive outcomes, helping young people to make the most of their talents. Our programme portfolio is one of our key strengths but we also recognise that it can constrain our delivery. As a result, during 2018/19 we embarked on a major restructuring plan to ensure we continue to develop our programmes while at the same time deliver a flexible model that allows our regional teams to meet the needs of local young people. This needs-based approach which reflects regional requirements will start to positively impact our delivery during 2019/20.

# OUR CURRENT PROGRAMME MIX INCLUDES EIGHT CORE PROGRAMMES:



### **ACHIEVE**

The Achieve programme is now our largest programme in terms of participants. Delivered by schools as well as in Prince's Trust Centres, it traditionally helps young people who may be struggling with mainstream education or who may have been excluded. Increasingly schools are using the Achieve programme for a broader range of pupils as part of their life skills curriculum. The fun, informal atmosphere helps young people to engage with learning.



### **ENTERPRISE**

The Enterprise programme helps young entrepreneurs to determine if self-employment could be for them, whether they have a business idea or not. The programme offers training, mentoring and funding to help young people generate business ideas, test them, write business plans, and ultimately start their own business.



### **DEVELOPMENT AWARDS**

Development Awards are small cash awards which help young people gain access to education, training or employment by removing financial barriers that may be holding them back. For example, we help people with course fees, childcare costs and equipment for their job.



### **FAIRBRIDGE**

Fairbridge is a flexible programme that offers one-toone support and group activities for young people who need support to bring structure and stability into their lives. The programme is tailored to each individual's needs and can offer long-term support. Throughout this year, we have been piloting different entry models for this programme to enable a young person to join immediately rather than have to wait for a fixed start date.



### **GET INTO**

Get into has been developed and run with employers and training providers. This programme gives young people the chance to gain vital training and experience in a career path they're interested in, while at the same time demonstrating to the employer that they have the attitude to succeed. Retail and hospitality have been the cornerstones of our delivery. We are working to further diversify this to ensure we are offering young people entry level opportunities in a broad range of sectors including transportation, healthcare, security and logistics.



### MOSAIC

The Mosaic programme is a school-based mentoring programme. It gives young people access to inspirational and relatable role model mentors that they wouldn't otherwise have access to. In this way it has been proven to boost their confidence, self-efficacy and long-term employability. Mosaic seek to improve young people's resilience and inspire the next generation of role models.

The Enterprise Challenge is a part of Mosaic.



### **GET STARTED**

Get Started are short courses that engage young people through themes such as the arts or sport and supports them into further education, training or employment. The programme energises young people, helping them gain the confidence and motivation to move forward with their lives. Increasingly we have used STEM (Science, technology, engineering and mathematics) based activities in this area, such as Get Started in Robotics.



### **TEAM**

Team is a 12-week personal development programme which includes outdoor activities, work experience and a community project. Young people meet new friends, gain leadership skills and develop their self-confidence.

# IN ADDITION TO THESE CORE PROGRAMMES, WE LAUNCHED TWO NEW EMPLOYABILITY PROGRAMMES:



### **GET HIRED AND READY FOR WORK**

These are short programmes that support young people through the interview and selection process, providing one-to-one coaching and the opportunity to meet employers prior to interview. We intend to expand this delivery in the coming year.



### PRINCE'S TRUST ONLINE

An additional offer for young people is Prince's Trust Online, a digital learning and mentoring platform. Over 2,600 young people have participated in online learning; many of these young people would not have been able to access our traditional support. Moving forward, we are looking at a blended approach where each individual young person receives a tailored mix of online and face-to-face support.

# **OUR DELIVERY IN 2018/19**



# ACHIEVEMENTS AND PERFORMANCE – UK

### At The Prince's Trust, we monitor and evaluate our work, to make sure we are providing the best support we can to young people.

During 2018/19 we supported 65,138 young people,

including 43,379 who were new to The Trust and 21,759 who received ongoing support from previous years.

Of those young people who were new to The Trust, 1,958 took part in more than one programme in order to give them the maximum opportunity of a positive outcome, so we provided a total of 68,167 course places compared to 66,116 the year before.

This represents year on year growth of

3.1 per cent

We track the young people we support on Prince's Trust programmes to help us understand the young people we help, the type of support they receive and what they achieve as a result.

We measure young people's personal progress, such as how much they develop in areas including confidence, communication and setting & achieving goals. We also measure the success of our programmes through the tracking of young people's progress into education, training, employment or volunteering, which are the positive outcomes we strive for.

74 per cent of young people achieved one or more of these outcomes

(2017/18: 78 per cent), including 47 per cent of young people who got a job or went into self-employment (2017/18: 49 per cent).

Here is a breakdown of the young people we supported across the UK in 2018/19; and the Prince's Trust courses they took part in:

	Individual young people	Course Places*
Young people who participated in one programme in 2018/19	41,421	41,421
Young people who participated in more than one programme in 2018/19	1,958	4,987
Total new young people/course places 2018/19	43,379	46,408
Young people receiving ongoing support in 2018/19	21,759	21,759
Grand total in 2018/19	65,138	68,167
Comparative in 2017/18	63,486 2.6% growth	66,116 3.1% growth

### The breakdown of Prince's Trust courses during 2018/19 is as follows:

Programme	New Course Places	Young people continuing a course	Total course places provided
Achieve	11,740	8,824	20,564
Development Awards	3,507	_	3,507
Enterprise	5,323	7,951	13,274
Fairbridge	1,394	1,170	2,564
Get into	4,067	1,862	5,929
Get Started	2,143	855	2,998
Local and Pilots	2,768	859	3,627
Mosaic	4,377	_	4,377
Team	8,278	238	8,516
Prince's Trust Online	2,811	_	2,811
Grand Total in 2018/19	46,408	21,759	68,167

<sup>\*</sup>Some of the young people we support, participate in more than one programme, which is why participation numbers are higher than individual young people in some cases.

### **PROGRAMME**

The Trust's programmes help young people at risk of exclusion to stay in school and continue to learn; they develop the confidence and motivation of unemployed young people to turn their lives around; and they support young people to develop their skills to find work or start their own business. Maintaining the quality of these programmes, to maximise the benefit to young people, remains a priority. Our key measure of success is the proportion of young people who achieve a positive outcome: moving into education, employment, training or volunteering three months after completing a Trust programme. In 2018/19 74% of young people achieved one or more of these outcomes (2017/18: 78%), including 47% who got a job or went into self-employment (2017/18: 49%).

### **HEALTH AND SAFETY**

In support of our focus on maintaining high safety and quality standards, we continue to be accredited to BS OHSAS 18001:2007 (Occupational Health and Safety Standard) and licensed by the Adventure Activity Licensing Authority (AALA).

### **PEOPLE**

The Prince's Trust is committed to being a great organisation to work and volunteer for. To achieve this, we have a clear people strategy, which empowers our people to be their best.

We continue to have a strong focus on performance management, with our new approach prioritising regular feedback and development.

This has helped enhance our work on pay and reward, with a greater emphasis on recognition. In addition, we have secured funding specifically for Leadership Development. We now deliver Leadership and Management Development programmes which support our leaders in delivering The Trust's ambitious new strategy.

This year we launched a dynamic new people management system which has greatly enhanced all of our processes. At the same time, we are developing a more agile culture, with modern new Centres offering fantastic places to work.

The Trust is committed to supporting improved mental health and wellbeing and has signed the Time to Change pledge. In addition we have a number of staff networks that support colleagues to bring their true self to work – these include our LGBT+ network and networks focusing on women, ethnicity and religion.

We benefit from the time, skills and expertise of more than 5,500 volunteers and secondees who deliver our programmes, mentor our young people, fundraise and support a range of strategic development projects and head office functions.

Over the past year we have developed and launched a new digital approach to recruit and train volunteers. This has been embedded within Prince's Trust Online, and we will look to develop elements of this approach across all volunteering – enabling us to reach and engage more volunteers than ever before.

We have continued to grow our offer across uniformed partnerships – including delivery with the Fire & Rescue Service and developing outreach with the Police. Up until the end of 2018 we continued our partnership with seconded/volunteer support alongside Help for Heroes. Together, these partnerships have delivered impactful gift-in-kind resourcing to all our programmes across the UK.

### REPUTATION

The Prince's Trust continues to take great care in the management of its reputation. This begins with effective risk management; taking good decisions around the partners we choose to work with and keeping our promises to young people and partners.

We continue to raise awareness and understanding amongst the public through regular media campaigns around the issues that affect young people. Our Prince's Trust eBay Youth Index. now in its ninth year, attracted significant media attention when it was released in January 2019. Highlighting the mental health challenges that young people face in an increasingly uncertain world, the Index is gaining a reputation as a key indicator of young people's happiness and confidence.

Demonstrating the outstanding achievements of young people, we refreshed our Prince's Trust Awards and focussed on telling the life-changing stories of our inspirational young people, and for the first time, we worked in partnership with ITV's 'Good Morning Britain' to highlight the key role that our mentors play in helping shape young lives.

On social media, we have also been engaging The Prince's Trust community. Thanks to our network of Young Ambassadors and a growing list of social media influencers, we use digital media to spread positive messages and engage young people who we might struggle to reach through traditional channels.

Through our public affairs work, we help Ministers, MPs and representatives of devolved administrations to better understand the experiences of young people. We achieve this through visits to our programmes, targeted focus groups and sharing expertise to support policy development in areas such as youth employment and apprenticeships.

### **INVESTMENT AND RESERVES**

# **Investment Policy** and Performance

The Prince's Trust Council is empowered through its Royal Charter to invest funds appropriately if not immediately required for operational purposes. The mix of investments is maintained to ensure that there are sufficient liquid funds to cover working capital needs, any future cash calls and to provide capital growth within an agreed risk profile. The investments of The Trust are held in a diversified portfolio for the medium to longerterm. The Trust has appointed Cazenove Capital Management Limited as its investment advisers to work with The Trust to maximise the total return within a given level of risk.

The Trust's portfolio produced a return of 4.3 per cent (2017/18 -0.3 per cent) during the year. Cazenove are provided a target to achieve Retail Price Index +3 per cent, with an investment objective 'To protect and grow the real value of the assets'.

The investment portfolio stood at a value of £13.4m as at 31 March 2019 (2017/18: £14.8m), excluding cash held for investment purposes. The value and composition of investments are summarised in Note 16 to the financial statements.

### **Reserves Policy**

The total funds of The Prince's Trust Group currently stand at £58.0m (2017/18: £56.6m). The free reserves of The Prince's Trust Group are £31.1m (2017/18: £29.4m).

The Trustees review the reserves policy annually and target a level of free reserves of between four to six months of operational expenditure. Reserves are held to cover unforeseen circumstances including any unplanned reduction to income. Included within free reserves are the equity value of

freehold land and buildings and the value of programme related investments net of a discount to estimate realisable value. The land and buildings are realisable to cash as they are held in prime and prominent locations, are kept in good marketable conditions and could be used for multiple purposes. Free reserves are within this target range and The Trust continues to manage its free reserves on a regular basis.

The adjustments to determine the free reserves of The Trust are set out below:

	2019 £m	2018 £m
Total funds of The Prince's Trust Group	58.0	56.6
Deduct:		
Restricted Funds	(13.4)	(12.6)
Intangible and Tangible Fixed Assets (excluding Freehold Land and Buildings)	(13.2)	(14.2)
Realisable value discount on programme related investments	(0.3)	(0.4)
Free Reserves	31.1	29.4

### **UK PERFORMANCE SUMMARY**

OR PERI ORMANOE GOMMART	The Prince's Trust	
	2019 £m	2018 £m
Income	59.6	65.1
Expenditure	(61.9)	(66.0)
Other Gains	4.0	0.9
Retained profit for the year	1.7	-
Assets	77.5	72.9
Liabilities	(22.1)	(19.2)
Net assets	55.4	53.7

### **REGIONAL AND COUNTRY BREAKDOWN**

### **Design and Delivery**

During the year we undertook a major restructuring programme, moving the delivery function from a programme-led model to a place-based model. This will ultimately enable us to respond more effectively to the needs of many more young people and to better engage earlier in their journey. Overall, our support to young people has increased with a total of 68.167 course places provided - an increase of 3.1 per cent. This comprises of 46,408 new course places and 21,759 ongoing.

This year the growth across our education programmes, Achieve, Mosaic and Enterprise Challenge, is particularly notable. In addition, a focus on our online resources has allowed us to support another 2,639 young people in this way. This growth would not have been possible without the focus of our teams on the ground, who have embraced our new delivery model to support more young people to live, learn and earn more.

# THE PRINCE'S TRUST IN ENGLAND

### North

10,103 New young people and 4,031 Ongoing

The five hubs across Greater Manchester, Lancashire, the North East, Yorkshire and the Humber, and Merseyside have continued to establish themselves while closer team working promoted wellbeing and boosted morale, which was evident in the improved service we began to offer to young people.

In response to feedback from young people and referral agencies we have made some changes to our delivery times and locations, enabling a wider range of young people to access our opportunities. We have also worked closely with partners to understand their needs and create tailored opportunities.

Partnership delivery is a strength in the region. We continued to focus on deepening our relationships and we had an extremely successful first year in our Newcastle Centre, growing our reputation and reach across the North East. New partnerships with Newcastle United Foundation and Newcastle College Group, both organisations with national reach and profile, have been excellent examples of how collaboration can really enhance our work.

### South

8,262 New young people and 4,370 Ongoing

The work of our colleagues, partners and volunteers reached more young people this year than last.

A highlight of the year was seeing four South region young people win their category at the National Prince's Trust and TK Maxx & Homesense Awards in March 2019. Jazmin Lee, Dylan England, Grace Graham and Jay Kelly all received recognition for their courage and determination in the face of adversity.

The team has developed new activity to meet the needs of young people across the region including Future Leaders in London, prison delivery in Southampton and Portsmouth, and new engagement days across every centre. These new opportunities are creating pathways for young people to engage outside of a normal structured programme entry point.

### Central

8,147 New young people and 4,848 Ongoing

A new leadership team supports the four hubs in Birmingham, the West Midlands, the East Midlands and the East of England. Our new Birmingham Centre has allowed us to deliver sessions for young people in creative spaces, as well as engage organisations and individuals who want to support The Trust.

In response to feedback from young people and referral agencies, we have adapted delivery to enable a broader range of young people to participate and engage them in our Youth Forums. Our Mosaic leaders have also been instrumental in helping us reach new communities.

We have seen great success building local partnerships within communities. This includes teaming up with Reach PLC to create Brum 30under30. We now have a network of inspirational speakers, young businesses and role models. We are working with trusted organisations like Inspire Suffolk and Inspire and Achieve in Nottinghamshire and delivery partners like West Midlands Police. Warwickshire college group, Lincolnshire Co-op and South East Essex college on a range of Trust programmes.

# THE PRINCE'S TRUST IN SCOTLAND

6,676 New young people and 3,717 Ongoing

The appointment of the new Executive Management Team helped to support a culture of collaboration and cross team working which has enabled us to deliver more flexible and improved services to meet the needs of young people.

Annual highlights have included Rachel Smyth becoming a winner at the National Prince's Trust and TK Maxx & Homesense Awards, where the Scottish Government First Minster, Nicola Sturgeon endorsed Rachel and our NHS programmes in a video message. Additionally, this year Scottish Health Minister, Jeane Freeman, announced a £400k grant investment in our NHS health and social care activities. Scottish Ministers also endorsed our series of Enterprise Showcase events and we look forward to supporting Scottish Government's Employability Stakeholder Group with their consultation on the future of employability provision across Scotland.

Fundraising events were also successful with the 10th anniversary of "Lunch with an Old Bag" raising an astonishing £1 million and our Clay Pigeon Shoot, Financial Lunch and Art Auction raising vital additional funds.



# THE PRINCE'S TRUST IN WALES

2,623 New young people and 1,287 Ongoing

The momentum of our growth in 17/18 has continued in Wales. Of note is the expansion of our Achieve programme, which now delivers transformational work in 90 schools, an increase of almost 200 per cent in two years. A more innovative and young person-centred approach has also allowed new groups of young people to find employment, set up in business or simply improve their self-confidence or life-skills. Stronger links with our public and private sector stakeholders and partners has strengthened our income pipeline.

The achievements of some amazing young people on our Get into Rural Skills programmes in the Brecon Beacons provided a special operational highlight in the year, with one group able to demonstrate their newly acquired skills in person to our President, His Royal Highness The Prince of Wales.

# THE PRINCE'S TRUST IN NORTHERN IRELAND

# 4,929 New young people and 3,506 Ongoing

Our teams are now embedded in every major town and city across the region and are better placed than ever to mobilise The Prince's Trust community to help young people access the help they need, when and where they need it most

In terms of our overall reach in Northern Ireland, The Prince's Trust now works in over half of all post-primary schools and supported an estimated 14 per cent of the 21,000 pupils who will sit their GCSEs this summer.

Mental health continues to be a prevalent issue among young people from all walks of life. A quarter of the young people that we supported this year told us that they were experiencing issues around their well-being. In response, we have teamed up with a Northern Ireland mental health charity, uHub, to pilot an in-house service that gives young people instant access to specialist support.



# PRINCE'S TRUST ONLINE

In addition, we supported 2,639 new young people through our Prince's Trust Online platform.

# **FUNDRAISING FOR OUR WORK**

Each year, The Trust must raise at least £60 million to help tens of thousands of young people develop the skills and confidence they need to live, learn and earn. None of this work is possible without the generosity of our valued supporters who believe in young people. Their time, money and energy help transform young lives and make change possible in our economy and society.

We are incredibly lucky to have a broad community of supporters who donate, fund or support our work in a variety of different ways.

### **Corporate Partnerships**

We partner with a broad range of UK businesses who provide funding, work experience, training and job opportunities to help young people succeed. We also engage their workforce to fundraise on our behalf and volunteer their time and expertise.

### **Public Sector**

We work with national and local government to deliver quality assured, evidence-based interventions for young people in communities across the UK. The extent of our public sector contracts demonstrate that we are trusted to deliver against local needs and work collaboratively to create long term impact.

### **Philanthropy**

We work with a collective of engaged and committed highnet worth individuals, trusts and foundations who believe in young people. They generously give their time, money and support to enable young people across the UK to reach their potential.

### **Individual Supporters**

We benefit from the generous support of those who support us personally through a regular gift, one-off donations, fundraising on our behalf or leaving a gift in their will. Their support enables us to continue helping even more young people each year through their generous donations and fundraising efforts.

### **Events**

We run a range of fundraising and stewardship events across the country such as Palace to Palace and Invest in Futures, designed to appeal to a wide range of audiences and generate funds which can be directed to help young people where it's needed most.

# Prince's Trust Trading and Additional Activities

We deliver income generating activities through our trading subsidiary, Prince's Trust Trading Limited, including ticketed events, sponsorship opportunities and commercial partnerships. We also secure resources by sourcing gift-in-kind products, services and pro-bono expertise from existing partners and supporters.

There are also occasions when we will work with third parties such as event companies and our corporate partners to carry out fundraising activities. Alongside our fundraising activities, we also have some other income sources such as our programme fees and investments.

### Raising Funds for International Activities

Prince's Trust International, Prince's Trust Australia, Prince's Trust Canada and Prince's Trust New Zealand fund their work through their own fundraising efforts, which focus on philanthropy gifts and local corporate investment in their projects. 28 The Prince's Trust Group Trustees' Report
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## **FUNDRAISING GOVERNANCE**

# Maintaining the highest professional fundraising standards

We strive to achieve the highest possible standards of fundraising and undertake a number of measures to ensure we are accountable for our practices.

The Prince's Trust is registered with the Fundraising Regulator who holds the Code of Fundraising Practice for the UK. We endeavour to carry out our fundraising activities in line with the Code of Fundraising Practice and the expectations of our supporters. We are signed up to the Fundraising Preference Service, which gives the public control over the fundraising communications they receive, as well as the Gambling Commission for fundraising lotteries that our supporters take part in.

#### Fundraising on our behalf

We require signed terms and conditions from those who fundraise on our behalf, before being able to use our logo and branding to fundraise. Where we work with third parties, such as event companies, we have agreements in place and regularly monitor their performance in line with these agreements.

#### Protecting vulnerable people

The Prince's Trust is committed to protecting vulnerable people and other members of the general public from unreasonable intrusion on a person's privacy, unreasonably persistent fundraising approaches and placing undue pressure on a person to give money. Our fundraising activities follow both the Code of Fundraising Practice and our own ethical fundraising policy.

To help protect vulnerable people, we have a field on our fundraising database which records a potentially vulnerable person and we exclude anyone flagged on the database as vulnerable from all our fundraising appeals.

# Managing our supporters' complaints and communications

The Prince's Trust is committed to providing a high-quality service to all of its service users, partners and supporters. We have a clear complaints policy that instructs us to thoroughly investigate any complaints, communicate results, record results and review our work, enabling improvements to be made, if required. In 2018/2019, we received 21 complaints about our fundraising activities, compared to 19 we received in 2017/2018.

During the year we sent two direct mail fundraising appeals and one supporter newsletter. Further to our complaints policy, we make a pledge to our supporters whose generous support is vitally important to transforming young lives. As a supporter of The Prince's Trust, we make a pledge that:

- → You can expect The Trust to use your donations wisely, and to help young people in the most effective and efficient manner.
- → You can expect The Trust to hold your information securely and responsibly, and we will not share any of your details for use by any other organisation.
- → If you have supplied your name and address, we will send you communications you have asked for, or agreed to receive, so you know how your donation is helping to transform young lives. You can choose the frequency of these communications or opt to stop hearing from us at any time.
- → We would love to hear your feedback about any aspect of our work, our fundraising, or your experience as a supporter. Simply email getinvolved@ princes-trust.org.uk

# THE FUTURE PLANS OF THE PRINCE'S TRUST IN THE UK

#### THE FUTURE

During 2019/20 we will support our millionth young person from when The Trust was established in 1976. By embracing technology, supporting delivery partners, continued investment in our delivery teams, developing referral networks and mobilising our volunteers to do more, we believe we can support a further one million over the next 10 years.

The Trust receives thousands of enquiries every month of which a small proportion then move onto a Prince's Trust programme. Our ambition is that by connecting with The Prince's Trust we will be able to help a young person progress. By understanding each and every enquiry and with a ruthless focus on customer service we believe we can support many more young people both directly via our programmes and indirectly by providing qualified, appropriate referrals to other organisations.

Increasingly young people want to talk to us via social media platforms and web chat. This is an area that we will further develop and explore and the focus of our digital strategy will be on that early stage engagement and retention to ensure we can provide a young person with the appropriate support.

#### **Confidence and Resilience**

At the heart of every Prince's Trust programme is the development of confidence and resilience. This will not change. We are concerned that our 12-week personal development programme, Team, has seen a reduction in young people numbers over the last five years. This is as a result of

funding and therefore programme availability rather than demand. Our challenge is to see how we can expand this foundational programme in a continually demanding environment.

A young person's experience of mental health problems is also likely to have an impact on the rest of their lives. NHS England state that half of all mental health problems are established by the age of 14 and that 75% are established by the age of 24. We will continue to ensure that all our delivery staff have mental health first aid training and further embed mental wellbeing in all our programmes.

#### Education

During 2018/19 The Prince's Trust supported over 16,000 young people who were of school age. Our education programmes include Achieve, Mosaic and the Enterprise Challenge. It is our intention to further develop and enhance these programmes. With support from our Education Advisory Group and input from young people, we will continue to co-design new content for our Achieve programme that will enable schools to deliver relevant content, from social media safety to mental wellbeing.

We will grow our delivery to young people of school age across all our programmes and we will further explore how we can support schools to reduce the increasing number of young people who are being permanently excluded from school.

#### **Jobs and Unemployment**

Youth unemployment is at a record low, but this is masking the

challenges of underemployment, health and disability.

The Trust recognises its role, not only in helping a young person secure a job, but equipping them with the skills and the resilience to get a better job and develop a career.

We will continue to develop partnerships with major employers and deliver programmes that help a young person secure relevant experience and appropriate qualifications to secure a job. Additionally, we will grow our short employability interventions such as Get Hired and Ready for Work that bring together employers with jobs and young people.

A major area of growth will be developing our work with the NHS and social care sector. In Scotland and England we have established a number of very successful partnerships with Health Trusts to train and support young people into a variety of entry level roles in the NHS and healthcare sector. Our new contract with the Department of Health and Social Care will see us support 10,000 young people into health and social care careers over the next four years. This is an area of significant opportunity across the UK and we have appointed a dedicated director to lead on our work across health and care.

Young people are concerned about the future and they need to know The Prince's Trust will never give up on them. We are committed to listening to our young people and working in partnership to co-design and co-deliver solutions that will support a young person who wants to live, learn and earn more.



## TRUSTEE RISK STATEMENT

#### **RISK MANAGEMENT**

It is impossible to remove all risk, but effective practical risk management helps to ensure that The Prince's Trust maximises opportunities and minimises the risks, thereby improving outcomes and the ability to deliver on its priorities.

The Prince's Trust Council (the Council) retains overall responsibility for risk management → Safeguarding – young people and 'sets the tone' by deciding on the level of risk they are prepared to accept for specific and combined risks.

Significant risks are discussed at each Council meeting during which the Trustees seek assurances that they are being adequately controlled and managed.

'Risk' features within the agenda of both the Finance Committee, Audit and Risk Committee and Young Persons Committee. The Senior Head of Group Risk and Assurance attends the Audit and Risk Committee and provides an overview of the risk landscape and assurance arrangements.

#### The Council receives reports from the Committees on:

- → Financial management and performance of The Trust
- → Significant risks and an evaluation of the steps taken to minimise likelihood and impact
- → Internal controls, risk management, regulatory reporting and compliance
- → Ethical fundraising
- → Health and Safety
- and children

The Committees work closely with the Management Team to ensure that across the organisation, staff and volunteers feel empowered and encouraged to highlight risks and issues so that appropriate actions are taken and, if significant, reported to the Council. Learning lessons from risk events and near misses is an important component of The Trust's approach to risk management.

#### **PRINCIPAL RISKS** IN 2018/19

The Council recognise the inherent risks in working with young people, and particular care and consideration is given to risks directly linked to financial sustainability, health and safety, safeguarding and protecting young people's data. Maintaining high levels of integrity and honesty in all decision making and activities carried out internally and by external parties are key to preserving the hard-earned reputation of The Prince's Trust.

Many areas of risk within The Trust are managed as part of day-to-day operations. There are several measures in place to help reduce the likelihood of events occurring and to minimise the financial and reputational damage if risk events occur, which include:

- → Strategic planning
- → Prudent management of reserves, debt and cash flow positions
- → Engaging experienced and skilled staff, volunteers and delivery partners
- → Training
- → Risk reporting systems
- → Robust policies, procedures and controls
- → Performance monitoring
- → Risk assurance programmes including internal and external audits
- → Insurance cover for known and potential risks

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## The principal risks in 2018/19 were:

- → Continued relevance of programmes and services to young people
- → Safeguarding children and young people
- → Health and Safety beneficiaries, staff and volunteers
- → Organisational change ensuring adequate financial resources and staffing to deliver the UK Strategy and meet our charitable objectives
- → Data Protection / General
  Data Protection Regulation
  (GDPR) compliance with UK
  and European legislation to
  keep personal data safe from
  unauthorised access/use
- → Cyber Security minimising cyber threats and enhancing resilience in the event of an attack
- → Digital Solutions and Automation – extending our 'reach' to young people, minimising manual errors and increasing efficiency
- → Property Strategy acquiring new premises and dispensing with old premises whilst maintaining business as usual
- → Fairbridge support provided to the Independent Inquiry into Child Sexual Abuse (IICSA) and The Scottish Child Abuse Enquiry (SCAI) via access to archived records

# NEW APPROACH TO RISK MANAGEMENT

The Prince's Trust is in an exciting era in its history as it embarks on bold and ambitious plans for the UK, international programmes and overseas territories. Recognising the importance of managing and controlling risks for 2019/20, and the years ahead, a Senior Head of Group Risk and Assurance was appointed during 2018/19. She is working with the Trustees and senior management to enhance current arrangements and help shape a new risk management and assurance architecture so that best practice can be shared throughout The Prince's Trust Group.

#### **Scottish Child Abuse Inquiry**

On 26 September 2018 the Scottish Child Abuse Inquiry contacted The Prince's Trust asking it to provide certain information in relation to the youth charity Fairbridge and its past involvement in child migration in the twentieth century.

In 2011 Fairbridge (which had long ceased to have any involvement in child migration programmes) became part of The Prince's Trust. At the time The Prince's Trust inherited the archives. Fairbridge was subsequently dissolved in 2013.

Since being approached by the Scottish Child Abuse Inquiry The Prince's Trust has cooperated fully with the Inquiry's important work.

The Prince's Trust is committed to supporting former child migrants and we will continue to do all we can to enable them to access any information contained in the archives of Fairbridge.

The Prince's Trust is also currently in discussions with the Commonwealth of Australia about redress for a number of former child migrants of Fairbridge.

# ORGANISATIONAL STRUCTURE, GOVERNANCE AND MANAGEMENT

The Prince's Trust is incorporated by Royal Charter (with Royal Charter number RC000772) and is registered with the Charity Commission for England and Wales (with registered number 1079675) and the Office of the Scottish Charity Regulator (with registered number SC041198). Its objects and powers are set out in the Royal Charter and Byelaws. The Royal Charter, the Byelaws and The Handbook (a document that sets out The Trust's internal governance structure) are the documents that govern The Trust's administration.

# TRUSTEE RECRUITMENT, APPOINTMENT AND TRAINING

Trustees are appointed in accordance with the Byelaws and are collectively known as the Council. On joining the organisation, new trustees receive a personalised wide-ranging induction which covers the values and purpose of The Trust and includes sections on strategy, finance, fundraising, programmes, operations and governance. During induction, trustees meet young people and members of The Trust's Management Team to help fully understand their role as a trustee.

In addition, they are invited to attend Trust programmes to see them in action and are asked to take an interest in a particular area of The Trust's work via membership of one of the committees, to be ready to contribute to The Prince's Trust Council as required.

Trustees receive ongoing support and up to date guidance to enable them to fulfil their responsibilities to the organisation. They regularly meet with beneficiaries at events and on programme visits. The Council meets six times a year with occasional additional meetings as needed. The trustee role is unremunerated but trustees are able to claim expenses where relevant.

#### The Council

The Prince's Trust Council is accountable for the work of The Trust. The matters reserved for The Prince's Trust Council include the approval of strategy, the budget and business plan and the Annual Report and Accounts. The Prince's Trust Council also retains oversight of management controls and corporate governance, along with the appointment of trustees. the Group Chief Executive, the UK Chief Executive and senior volunteers. Appointment of directors/trustees of The Prince's Trust subsidiaries is a matter for their boards.

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#### **Sub Committees**

The Prince's Trust Council has appointed six committees to help with the execution of its responsibilities. Members are appointed by The Prince's Trust Council. The committees meet regularly and members during 2018/19 were:

Finance, Audit and Risk: Shabir Randeree CBE (Chair), Sir Nigel Knowles, Alistair Summers

#### Investment:

Michael Marks CVO, CBE (Chair), Sandra Robertson, Ian Mukherjee, John Booth

Fundraising Advisory Board: Ian Mukherjee (Chair), Richard Huntingford, Steve Sealey, Jeremy Green, James Bennet MBE, Sir James Wates CBE, Uzair Bawany, John Booth

## Nominations and Remuneration Committee:

John Booth (Chair), Alison Brittain CBE, Michael Marks CVO, CBE

Young Persons Committee: Michelle Pinggera (Chair), Alistair Summers, Blondel Cluff CBE, Sir Nigel Knowles

#### Mosaic:

Shabir Randeree CBE (Chair), Yasmin Waljee OBE, Saker Nusseibeh, Harris Bokhari OBE, Professor Farida Fortune CBE, Bushra Nasir CBE, Mohamed Amersi, Tariq Shah, Farouq Sheikh, Professor Aaqil Ahmed, Sarah Khan-Bashir MBE, Uzair Bawany, Varinder Dhaliwal, Dr Haseena Lockat, Wakkas Khan, Atif Bashir.

The Prince's Trust Council appoints Advisory Committees in Wales, Scotland and Northern Ireland, Development Committees in the English regions and Development Committees for our Industry and Leadership Groups. These are composed of senior volunteers, whose role is to provide fundraising support and guidance.

The Prince's Trust Council has delegated authority to the Group Chief Executive for oversight of The Prince's Trust and its subsidiaries. The Council has also delegated authority to the UK Chief Executive and a Management Team for the day-to-day management of The Trust. The Management Team comprises the UK Chief Executive, the Deputy CEO (Design and Delivery), Deputy CEO (Income and Innovation) and the Chief Operating Officer.

The Management Team has delegated authority from the Council for the design and delivery of programmes and income generation, along with the administrative functions of finance, people and learning, health and safety, internal audit, evaluation, management information systems, marketing and communications. Designated staff may commit The Trust to expenditure within defined limits.

During the financial year
Council reviewed and agreed
organisational pay and the
Nominations and Remuneration
Committee considered and
approved the appointment
and remuneration of new roles
in the Management Team in
consideration of good practice in
the charity sector.

#### **The Charity Governance Code**

The Council fully supports the Charity Governance Code, whilst the Code is voluntary and aspirational the Council recognises its importance in promoting good governance. The Prince's Trust does, and will continue to, improve its own governance where necessary in accordance with the Code.

#### **SUBSIDIARIES**

The Prince's Trust has the following charitable subsidiaries, being;

Prince's Trust International Prince's Trust Australia Prince's Trust Canada Prince's Trust New Zealand Prince's Trust America

Each charitable subsidiary is registered in its country of incorporation and has its own Board of Trustees which is responsible for managing its affairs and appointing its Chief Executive. The Group Chief Executive has delegated authority from the Council of The Prince's Trust to work with the UK Chief Executive and Chief Executives of the charitable subsidiaries to co-ordinate the activities of the Group.

For more detailed information about the activities, achievements and future plans of The Trust's charitable subsidiaries, see pages 43–50.

In addition to the charitable subsidiaries listed above. The Prince's Trust has a whollyowned non-charitable subsidiary; Prince's Trust Trading Limited. which undertakes The Prince's Trust's commercial activities. Prince's Trust Trading Limited is incorporated as a company to conduct trading activities to support The Prince's Trust's charitable objectives. It passes all of its taxable profits to The Trust via Gift Aid. The payment under deed of covenant from Prince's Trust Trading Limited to The Trust in 2018/19 was £2.1m (2017/18 £1.8m). Prince's Trust Trading Limited is incorporated in England and Wales (with company number 03161821).

Prince's Trust America received its corporate incorporation in April 2018. It did not carry out any fundraising or programme delivery during the period of this Annual Report. Since receiving its 501(c) (3) status in April 2019, Prince's Trust America has been putting in place the required infrastructure to enable it to operate as a not for profit in the United States before it is publicly launched.

The Group Consolidated Statements include The Trust, the charitable and non-charitable subsidiaries. The financial results for 2018/19 of all subsidiaries are summarised in Note 17 to the Financial Statements. 36 The Prince's Trust Group Trustees' Report

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# STATEMENT OF THE TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales and Scotland requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and the group and of the incoming resources and application of resources of the group for that period.

In preparing these financial statements, the Trustees are required to:

- → select suitable accounting policies and then apply them consistently;
- → observe the methods and principles in the Charities SORP:
- → make judgments and estimates that are reasonable and prudent;
- → state whether applicable accounting standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements: and
- → prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## Statement of disclosure of information to auditors

In so far as the Trustees are aware,

- → there is no relevant audit information of which the charity's auditors are unaware; and
- → they have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

John Booth Chairman 24th September 2019

# REFERENCE AND ADMINISTRATIVE DETAILS

#### Principal Address

Prince's Trust House 9 Eldon Street London EC2M 7LS

Telephone: 020 7543 1384 info@princes-trust.org.uk www.princes-trust.org.uk

Charity Registration Number: England and Wales 1079675, Scotland SC041198

Royal Charter Number: RC000772

#### **Governing Document**

The Prince's Trust is a company incorporated by Royal Charter. The Royal Charter is the governing document of The Trust.

#### President

His Royal Highness The Prince of Wales

Global Founding Patron His Highness The Aga Khan

Chairman of The Prince's Trust Council John Booth

Vice President
Michael Marks CVO, CBE

## Trustees and Members of The Prince's Trust Council

John Booth (appointed Chairman 1 August 2018) Alison Brittain CBE Blondel Cluff CBE (retired August 2019)

Sir Nigel Knowles Michael Marks CVO, CBE (retired July 2019) Ian Mukherjee

Richard Oldfield OBE DL (appointed January 2019) Michelle Pinggera Shabir Randeree CBE Alistair Summers (appointed June 2018) Wendy Becker (resigned

June 2018)
Sir Lloyd Dorfman CBE (retired August 2018)

Nick Stace, UK Chief Executive

Thierry Henry (resigned October 2018)

#### Management

Tara Hull (Leathers), Deputy CEO (Income and Innovation) Ian Jeffers, Deputy CEO (Design and Delivery) Wayne Orr, Chief Operating Officer Dame Martina Milburn DCVO CBE, **Group Chief Executive** Simon Major, Group General Counsel and Company Secretary Paul Brown, Director - Chief Marketing Officer (left January 2019) Richard Chadwick. Director -Programmes and Development (left June 2018) Martyn Dicker, Director - People and Learning (left August 2018) David Ivell, Chief Information Officer (left June 2018)

#### **Independent Auditors**

PricewaterhouseCoopers LLP 1 Embankment Place, London WC2N 6RH

#### **Principal Solicitors**

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

#### **Bankers**

National Westminster Bank plc 3rd Floor, 280 Bishopsgate, London EC2M 4RB

Coutts and Co Villiers Branch, 440 Strand, London WC2R 0QS

#### **Investment Advisers**

Cazenove Capital Management Ltd 12 Moorgate, London EC2R 6DA



## INTRODUCTION

from Dame Martina Milburn DCVO CBE, Prince's Trust Group CEO



His Royal Highness The Prince of Wales is passionate about transforming lives and building sustainable communities, across the Commonwealth and beyond. In recent years, we have established the wider Prince's Trust Group to help do just that.

During 2018/19, we welcomed The Prince's Trust New Zealand to our growing network of Prince's Trust charities, alongside our existing operations in the UK, Australia and Canada. At the same time we have already established Prince's Trust International, which currently works in Barbados, Greece, India, Jamaica, Jordan, Malta and Pakistan.

Together, we are supporting young people on their journey from education to employment. Many of our Prince's Trust programmes from the UK are now being delivered globally, equipping young people with the confidence and skills they need to succeed in life. We are also looking to support sustainable communities and environmental programmes.

Our Get into employability programme is enabling young people to access meaningful employment in Canada, Jordan and India. Our Achieve education programme is helping school-age young people to re-engage with their education in Malta and New Zealand. Our Team confidence-building programme is engaging young people in Barbados, and we are supporting young entrepreneurs in Greece and Pakistan.

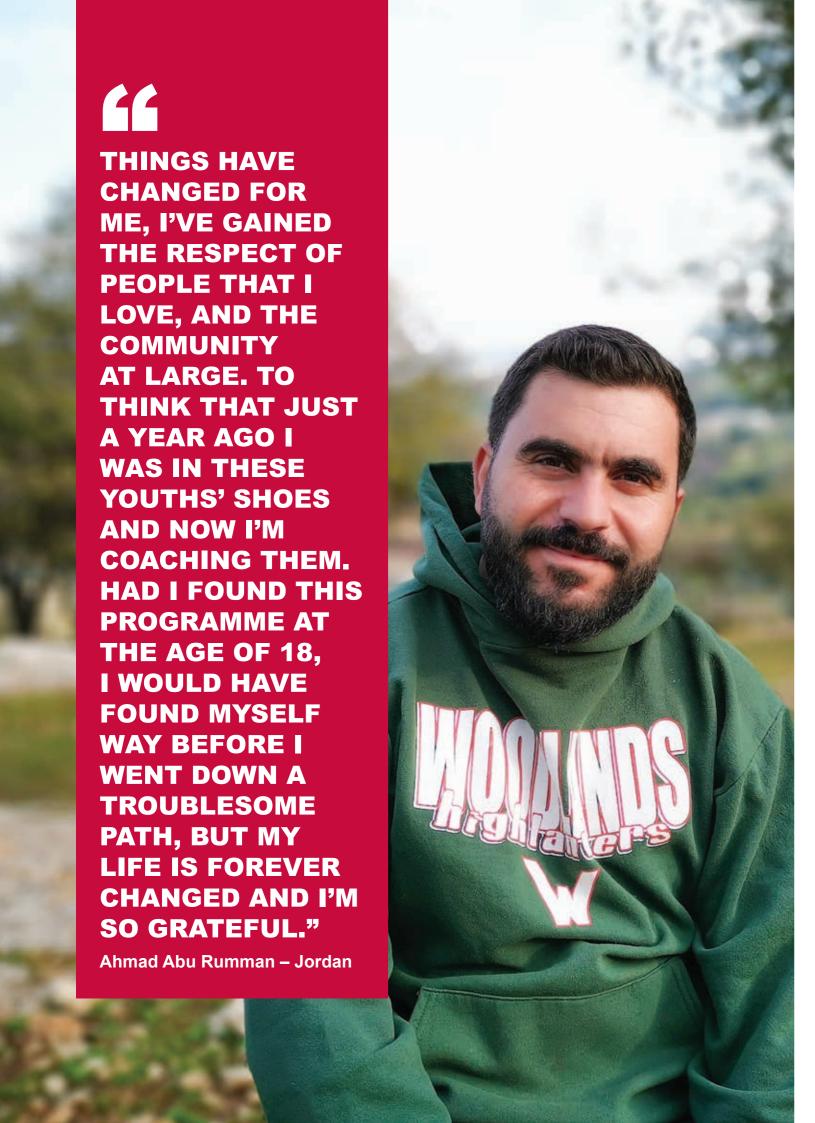
In Canada and Australia, we are also enabling military veterans to start up their own businesses; furthering His Royal Highness's interest in building sustainable communities; and enabling indigenous communities to preserve and celebrate their own languages.

In the year ahead, we plan to establish new delivery in Sub-Saharan Africa, including in Ghana, Rwanda and Kenya, and we look forward to the public launch of Prince's Trust America. We will continue to grow and deepen our impact across the Commonwealth.

We are truly grateful to His Highness The Aga Khan, who this year became our Global Founding Patron. With the support of His Highness and our other generous and committed supporters, we will be able to transform more lives and build sustainable communities in the years to come.

Dame Martina Milburn





## PRINCE'S TRUST INTERNATIONAL

The Prince's Trust is the sole member of Prince's Trust International. Prince's Trust International is a company limited by quarantee (with company number 09090276) and International aims to provide is registered with the Charity **Commission for England and** Wales (with registered number 1159815). Jonathan Townsend is the Chief Executive. The **Prince's Trust International Board of Trustees is chaired** by Sir Lloyd Dorfman CBE. The Group Chief Executive sits on the board of Prince's Trust International as a trustee.

Prince's Trust International delivered support for 4,322 young people with delivery partners across a range of programmes in nine countries during 2018/19. These countries are Australia, Barbados, Canada, Greece, India, Jordan, Malta, New Zealand and Pakistan.

In Australia, Prince's Trust International worked in partnership with Prince's Trust Australia, which joined The Prince's Trust Group in July 2017. In Canada. Prince's Trust International worked in partnership with Prince's Trust Canada, which joined The Prince's Trust Group in February 2018. In New Zealand, Prince's Trust International worked in partnership with Prince's Trust New Zealand, which ioined The Prince's Trust Group in August 2018.

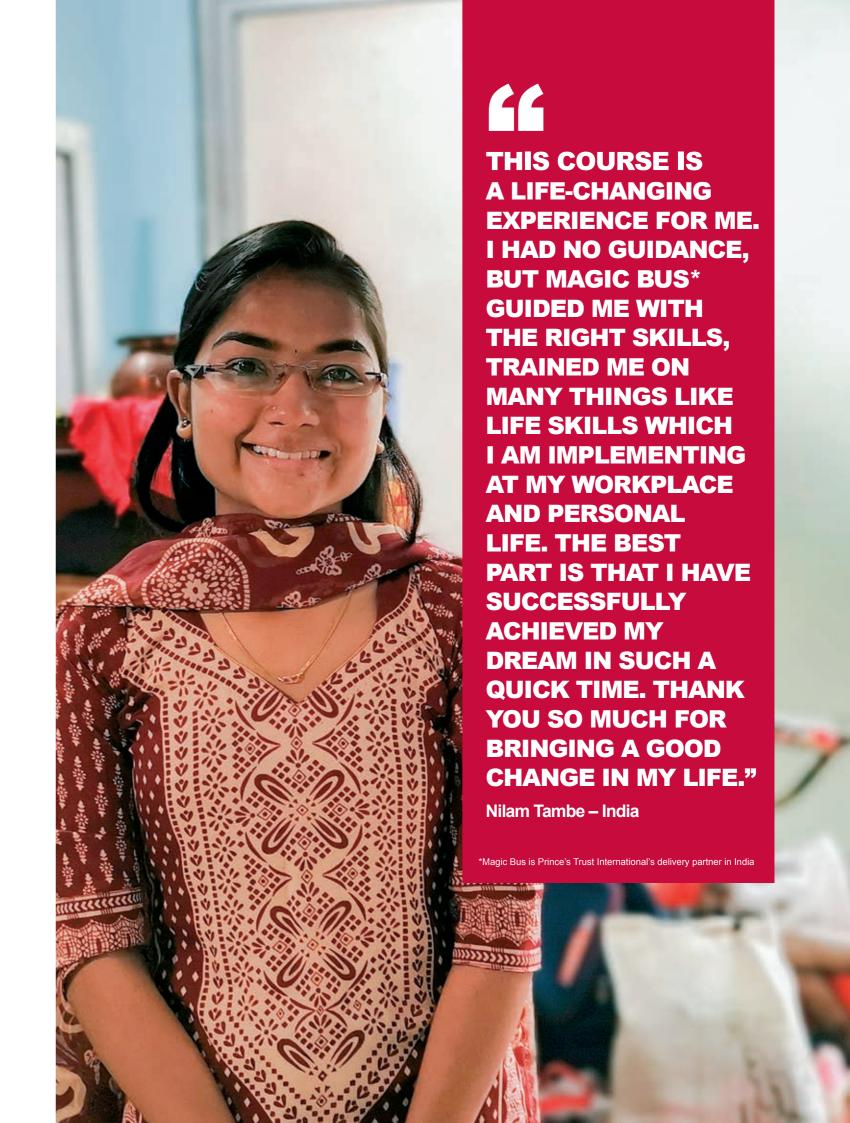
The programmes co-delivered by Prince's Trust International help young people to gain the confidence and skills to live. learn and earn. Prince's Trust opportunities for unemployed and disengaged young people to bridge the gap between education and employment, to allow them to contribute to their local economy and engage as active members of society. The breakdown of the 4,322 participation total by programme during 2018/19 was Enterprise Challenge 2,863 (in Jordan and Pakistan); and 1,459 young people on other programmes, including Get into 719: Team 75: Enterprise 20: and Achieve 645. We continued the delivery of international programmes formerly delivered by Mosaic.

This compared to a total of 2,210 young people in 2017/18, which included 1,581 on the Enterprise Challenge and 629 young people on the other programmes.

#### THE KEY **ACHIEVEMENTS DURING 2018/2019 WERE:**

- → Supporting 4,322 young people in the year across nine countries. The total number of young people supported since the start of Prince's Trust International is now 10.861.
- → To deliver an employability pilot in Athens, Greece; this was completed successfully with plans to roll out and double delivery in the next financial year.
- → To further grow delivery of Achieve in schools in Malta, in addition to the traditional Achieve clubs we also introduced standalone modular delivery in schools that all students could benefit from.
- → Continued growth of Enterprise Challenge in Jordan, overachieving in this financial

- → Following the roll out for Get into in Jordan there has been significant achievement in increasing the positive outcome rate to a current average of 88 per cent employed and a total of 92 per cent in positive outcomes, just a month after programme end. This has been a real achievement for our partners in Jordan – who experienced only 37 per cent positive outcomes just 1.5 years ago – and is a testament to Prince's Trust International's investment of time and focus in Jordan.
- → Continued successful delivery of Team and Get into in Barbados with plans to increase delivery of both programmes substantially; the Get into programme were able to increase the positive outcomes by 14 per cent to 59 per cent. This is an achievement particularly considering the current economic climate
- → We had our first Global Award winners at the National Prince's Trust and TK Maxx & Homesense Awards in London; Get into young person Nilam Tambe and Team young person Ahmad Abu Rumman both travelled to the UK to collect their award and took part in a workshop to adopt a gender lens approach for Enterprise Challenge delivery.
- → Get into delivery in India has been strong with 263 young people, 100 of which were young women supported over 12 programmes and engaged with 50 employers. As of April 2019, 65 per cent of people who completed the programme moved into employment at the end of the work placement. 95 per cent started employment within three months from finishing the programme.
- → Completing a consultant led gap analysis for health, safety and security to strengthen our offer and frameworks, this has led to additional training and processes to support staff and delivery partners.



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# FINANCIAL PERFORMANCE PRINCE'S TRUST INTERNATIONAL

Prince's Trust International had income for the year of £1,726k (2017/18: £1,409k) and expenditure of £1,855k (2017/18: £1,323k). The budget plan initially provided for a small surplus of around £90.000 to continue building the reserves of the Charity. Following Trustees' approval of the Prince's Trust International 2019–2024 Strategy in November 2018, a decision was made to invest this planned surplus in some early staff recruitment to kick-start the Strategy from April 2019. Not all of the expected income was able to be recognised before 31 March 2019, resulting in a deficit for the year of £129k. This income was received by May 2019 and will be added to the budgeted surplus for 2019/20 to compensate for the reduction in reserves in 2018/19.

#### FUTURE PLANS PRINCE'S TRUST INTERNATIONAL

From April 2019 we commenced our new strategic cycle. We have agreed a five-year plan that aims to support 100,000 young people over that period. We will raise sufficient funds to build an exciting and dynamic organisation that has the capacity, skills and tools to be able to do this. We will continue our work in the following countries: Barbados. Greece. India, Jordan, Malta and Pakistan. This year we expect to start piloting programmes in Trinidad and Tobago, Jamaica, Malaysia, Ghana and Kenya.

For 2019/2020, Prince's Trust International plans to support 6,827 young people, plus reach a further 2,000 young people through a digital platform and to secure £4 million of income with £3.9 million of expenditure.

Over the length of the strategy we will aim to build up our work in each of these countries as well as considering other countries as capacity and opportunity allows. We intend for our programme offer to be more flexible to create more opportunities for us to support young people. We will also explore the opportunity to support young people through a digital platform. We aim to build the profile of the organisation and our brand, leveraging our inherent strengths and convening a range of audiences via compelling and appropriate platforms. We will have a rigorous and robust measurement and evaluation framework that will allow us to understand and communicate our impact clearly.

To fund this growth, we will seek to increase and broaden our funder base. Seeking to deliver beneficial programme interventions that are in tune with their interests and funding criteria. We will do all this whilst meeting our high expectations for the health and safety and safeguarding of the young people beneficiaries and our staff team.

For more information visit princestrustinternational.org

## PRINCE'S TRUST AUSTRALIA

Prince's Trust Australia is a public company limited by guarantee, registered as a charity with the Australian **Charities and Not-for-profits** Commission (with registered number ABN 73 161 872 993). The Prince's Trust is the sole member of Prince's Trust Australia. Janine Kirk AM retired as Chief Executive in December 2018 and was succeeded by Christopher John in March 2019. The Board of Trustees is chaired by John Landerer CBE AM. The Group Chief Executive of The Prince's Trust sits on the board of Prince's Trust Australia as a trustee.

Prince's Trust Australia's financial year 2018/19 started on 1 July 2018 and ended on 31 March 2019. For the purposes of this Annual Report, we have included activity from 1 April 2018 to 31 March 2019, to align with The Prince's Trust Group.

During 2018/19, Prince's Trust Australia re-focused its work on three themes, to ensure it was more impactful, as follows: supporting young people, starting with an Australian version of the Achieve programme; enabling military veterans to prepare for self-employment, with a redesigned version of the Enterprise for Veterans programme; and building sustainable communities, by supporting exemplary new residential projects and promoting the values and principles of sustainable design.

As part of its Sustainable
Communities portfolio, Prince's
Trust Australia continued its
contribution to a new mid-rise
residential development in
Sydney; and secured seven
industry-led awards for The
Prince's Terrace building in
Adelaide, which was completed in
2017. Both projects demonstrate
how Australian communities can
benefit from well-designed, lowcarbon, high-density homes.

Prince's Trust Australia supported 80 military veterans, through a series of Enterprise for Veterans workshops. This programme supports veterans and their families who are considering selfemployment.

Working with DeakinCo
Consulting, Prince's Trust
Australia began to design the
content for an Australian version
of The Prince's Trust Achieve
education programme for
young people; and re-designed
the Enterprise for Veterans
programme. From now on,
both programmes will focus on
ten key "enterprise skills" for
being successful in the future
workplaces of Australia.

# FINANCIAL PERFORMANCE AUSTRALIA

Prince's Trust Australia income for the period 1 April 2018 to 31 March 2019 was £973k (2017/18 £467k). Income increased by £506k over the previous year. Expenditure increased from £341k in 2017/18 to £954k in 2018/19. This left a surplus in the year of £19k (2017/18 surplus £126k).

#### FUTURE PLANS AUSTRALIA

During 2019/20, Prince's Trust Australia plans to achieve £1.1m of income and deploy £1.1m of expenditure, to support 200 young people through the Achieve programme, 160 military veterans with the Enterprise for Veterans programme and 500 people through a series of Sustainable Communities events. Prince's Trust Australia will continue to advise on the mid-rise residential development in Sydney.

## Our key strategic goals for 2019/20 are:

Goal 1: Develop an effective strategic plan engaging our patrons, stakeholders and the broader Prince's Trust Group to increase the impact we have for Australians.

Goal 2: Increase the number and contribution of Australian patrons supporting Prince's Trust Australia, to provide a significant year-on-year increase in revenues of at least 20 per cent.

Goal 3: Build and foster quality systems and capabilities for the organisation to support our growth sustainably and efficiently.

For more information visit princes-trust.org.au

# Anna-Maria Borlace (L) and Baindu Ballah (R) from CRC St Albans, Australia

## PRINCE'S TRUST CANADA

In August 2018, Prince's **Charities Canada changed its** legal name to become Prince's Trust Canada. The Prince's Trust is the sole member of Prince's Trust Canada. Prince's Trust Canada is designated a **Charitable Organisation under** the Canadian Income Tax Act and has registered number 83229 5406 RR0001. Sharon **Broughton became Chief Executive in April 2018. The Board of Trustees is chaired** by F. Mark M. Fell and the **Group Chief Executive of The** Prince's Trust sits on the board of Prince's Trust Canada as a trustee.

Prince's Trust Canada's programmes transform lives by helping participants develop hope and confidence, strengthen their skills to find work or start their own business, and build a brighter expenditure, to support 816 total future.

During 2018/19, Prince's Trust Canada supported 684 total participants, including 140 through the Get into programme and 544 military veterans through Operation Entrepreneur.

In addition, new Indigenous languages book projects were completed, bringing the total body of work since inception of the programme to 83 book titles, in 16 different languages and more than 22,000 books shared with Indigenous children, families, elders and communities.

#### **FINANCIAL PERFORMANCE CANADA**

Prince's Trust Canada became part of the Prince's Trust Group in February 2018, so the prior year comparatives represent only one month of activity. Income for the period 1 April 2018 to 31 March 2019 was £1,288k (2017/18 £254k). Expenditure in 2018/19 was £1,284k (2017/18 £212k), for the full 12 months Prince's Trust Canada has been part of The Prince's Trust Group. This left a surplus in the year of £4k (2017/18 surplus £42k).

#### **FUTURE PLANS CANADA**

During 2019/20, Prince's Trust Canada plans to secure £1.6m of income and deploy £1.6m of participants including 216 young people and 560 military veterans - plus more than 5,000 individuals through Indigenous languages projects.

During 2019/20, Prince's Trust Canada will develop a medium-term strategic plan, which will include a focused mandate for delivering social impact and transforming the lives of Canadians who are facing challenge or transition and supporting Indigenous communities in their work to revitalise their languages.

The strategic goals from 2018/19 remain in place for 2019/20, until they are updated by the Board of Directors as a result of the planning process.

Goal 1: Deliver tangible social impact through high quality programmes that support unemployed youth, transitioning military veterans and indigenous communities seeking to revitalise their languages.

Goal 2: Be relevant and responsive to the realities facing present day Canada.

Goal 3: Achieve financial and operational sustainability while maximising the benefits and opportunities of being an integral part of The Prince's Trust Group.

For more information visit princestrust.ca

Prince's Trust New Zealand was established in August 2018 and registered as a charity in New Zealand in November 2018 (Number CC56358). The Prince's Trust is the settlor of Prince's Trust New Zealand. The first CEO, Anya Satyanand, started in August 2018. The Board of Trustees is chaired by Andrew Williams.

Prince's Trust New Zealand was formally launched on 2 October 2018. The launch event in Auckland was attended by young New Zealanders, local stakeholders and a UK delegation including Clive Alderton, Dame Martina Milburn, Nick Stace and Sir Lloyd Dorfman.

Prince's Trust New Zealand developed its initial strategy, based on an innovative participatory process, with input from young New Zealanders. The mission of Prince's Trust New Zealand is to equip and empower young people to live, learn and earn; and its priority is to deliver high-quality, impactful programmes with young people.

By 31st March 2019, the staff team had grown from one to five employees. Initial delivery focused on building the Achieve education programme, following the pilot undertaken by Prince's Trust International in 2016/17; and developing a New Zealand version of the Enterprise programme. Prince's Trust New Zealand also started to develop a Monitoring and Evaluation framework, to demonstrate impact year on year. This will enable Prince's Trust New Zealand to track and report on those participants who achieve a positive outcome in a way that aligns with the wider evaluation processes across the Prince's Trust Group.

# FINANCIAL PERFORMANCE NEW ZEALAND

Since its establishment in August 2018, Prince's Trust New Zealand has generated income of £183k for the six-month period October 2018 to March 2019. It spent £158k leaving a surplus of £25k.

#### FUTURE PLANS NEW ZEALAND

During 2019/20, Prince's Trust New Zealand plans to secure £1.0m of income and deploy £0.6m of expenditure, to support 200 young people in our co-design and delivery activities.

Prince's Trust New Zealand's strategy is focused on equipping young people to live, learn and earn through four priority workstreams: building a New Zealand version of The Prince's Trust Achieve programme; developing a version of The Prince's Trust Enterprise programme; highlighting the importance of the youth economy in New Zealand; and creating a sustainable financial platform for future programme delivery.

Our mission is to activate young New Zealanders as the designers, creators and workers of a future economy that is sustainable, equitable and prosperous. Our key strategic goals for 2019/20 are:

Goal 1: Achieve financial and operational sustainability while maximising the benefits and opportunities of being a part of The Prince's Trust Group.

Goal 2: Deliver tangible social impact through high quality programmes that are relevant and responsive to present day New Zealand.

Goal 3: Use our programme outcomes to inform systems level change.

For more information visit princes-trust.org.nz



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# ACHIEVEMENTS AND PERFORMANCE – GROUP

#### FINANCIAL REVIEW FOR THE PRINCE'S TRUST GROUP

The results of The Prince's Trust Group for the year are set out in the Consolidated Statement of Financial Activities (SOFA) on page 59. Net incoming resources for the year after gain on investments were £1.5m (2017/18: £2.5m). The free reserves at the end of the financial year were £31.1m (2017/18: £29.4m) as analysed on page 22.

#### **Income and Endowments**

Total income was £67.4m in 2018/19 (2017/18: £72.9m), a decrease of £5.5m from the prior year. The reduction came from public sector funding in the UK which went from £16.6m in 2017/18 to £11.8m this year.

The prior year had also benefitted from a £1.5m donation from Prince of Wales's Charitable Foundation for the setting up of overseas operations in Australia, Canada and New Zealand.

#### Where our Group funds of £67.4m came from:

Income (£'000)	2019	2018
Corporates	14,255	13,070
Charitable Trusts	9,236	8,866
Individuals & Legacies	19,940	21,277
Gifts in Kind	3,690	4,355
Trading Income	5,939	5,109
Investment Income	255	506
Public Sector contracts	11,849	16,622
Programme Fees	1,606	1,457
Other Income	637	1,630
Total	67,407	72,892

#### **Expenditure**

Total Group expenditure reduced 1.7 per cent to £69.9m in 2018/19 (2017/18: £71.2m). The Trust underwent a restructure in the UK to reduce and realign its cost base.

The Group expenditure on raising funds increased by 11.7 per cent,

to £13.4m (2017/18: £12.0m). This is driven by the increased fundraising activities of our international operations.

The total cost of charitable activities decreased by 4.0 per cent to £56.6m (2017/18: £59.2m) as a result of the restructure in the UK.

	2019	2018
Total	£69.9m	£71.2m
Less trading costs	(£3.3m)	(£3.3m)
Less expenditure on raising funds	(£10.3m)	(£8.7m)
Total expenditure to meet our objectives	£55.8m	£59.2m

#### Where our Group expenditure of £69.9m was used:

Expenditure (£'000)	2019	2018
Enterprise programme	10,010	10,266
Team programme	4,962	5,829
Awards programmes	1,858	2,559
Achieve programme	5,147	5,425
Get into programme	8,255	7,771
Get Started programme	3,463	4,696
Local programmes & pilots	5,441	10,450
Adventurous Activities	3,665	2,823
Fairbridge	8,005	8,101
Prince's Trust Online	2,235	_
The Prince's Trust – Charitable Activities	53,041	57,920
Prince's Trust International	1,381	708
Prince's Trust Australia	931	340
Prince's Trust Canada	1,060	210
Prince's Trust New Zealand	142	
Expenditure on Raising Funds	13,367	11,972
The Prince's Trust Group – Total	69,922	71,150

The International charities raise and spend their own funds and are included in restricted funds in the Group Consolidated Financial Statements. Funds raised for UK activity are spent in the UK and split between restricted, unrestricted and endowment depending upon conditions specified by the donor.

Further information on the Financial Performance of the Charity can be found on page 23.

Prince's Trust Canada became part of The Prince's Trust Group on 28 February 2018, so the 2017/18 expenditure figure represents only one month of activity.

Notes 7, 8 and 9 to the financial statements provide a detailed analysis of expenditure by the Group.

The Trustees are pleased to present their report and audited financial statements for The Prince's Trust Group (which includes The Prince's Trust and its subsidiaries) for the year ended 31 March 2019.

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# INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE PRINCE'S TRUST

#### **OPINION**

In our opinion, The Prince's Trust's group financial statements and parent charity financial statements ("the financial statements"):

- → Give a true and fair view of the state of the group's and of the parent charity's affairs as at 31 March 2019 and of the group's and parent charity's incoming resources and application of resources, and of the group's cash flows, for the year then ended;
- → Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- → Have been prepared in accordance with the requirements of the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

We have audited the financial statements, included within The Prince's Trust Group Annual Report and Accounts (the "Annual Report"), which comprise: the group consolidated and parent charity balance sheets as at 31 March 2019; the group consolidated statement of financial activities, The Prince's Trust statement of financial activities and the group consolidated cashflow statement for the year then ended; and the notes to the financial statements which include a summary of the significant accounting policies.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

## Conclusions relating to going concern

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

- → The trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- → The trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's and parent charity'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.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's and parent charity's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the group's and parent charity's activities, beneficiaries, suppliers and the wider economy.

# INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE PRINCE'S TRUST (CONTINUED)

#### Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

#### **Trustees' Report**

Under the Charities (Accounts and Reports) Regulations 2008 and the Charities Accounts (Scotland) Regulations 2006 (as amended) we are required to report to you if, in our opinion the information given in the Trustees' Report is inconsistent in any material respect with the financial statements. We have no exceptions to report arising from this responsibility.

#### RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS AND THE AUDIT

## Responsibilities of the trustees for the financial statements

As explained more fully in the Statement of the Trustees' Responsibilities set out on page 36, the trustees are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The trustees are also 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.

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

#### **INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE PRINCE'S TRUST (CONTINUED)**

#### **Auditors' responsibilities** for the audit of the financial statements

We are eligible to act and have been appointed auditors under section 144 of the Charities Act 2011 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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 auditors' 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 auditors' report.

#### Use of this report

This report, including the opinions, has been prepared for and only for the charity's trustees as a body in accordance with section 44(1) (c) of the Charities and Trustee Investment (Scotland) Act 2005 and under section 144 of the Charities Act 2011 and regulations made under those Acts (regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and Part 4 of The Charities (Accounts and Reports) Regulations 2008) and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

#### **OTHER REQUIRED** REPORTING

Charities Accounts (Scotland) Regulations 2006 (as amended) and Charities (Accounts and Reports) Regulations 2008 exception reporting

**Under the Charities Accounts** (Scotland) Regulations 2006 and Charities (Accounts and Reports) Regulations 2008 we are required to report to you if, in our opinion:

- → We have not received all the information and explanations we require for our audit; or
- → Sufficient accounting records have not been kept by the parent charity; or
- → The parent charity financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

PricewaterhouseCoopers LLP **Chartered Accountants and Statutory Auditors** London

24th September 2019





# GROUP CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2019

	Note	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2019 £'000	Unrestricted Funds £'000	Restricted Funds £'000	Total 2018 £'000
Income and endowments from:								
Donations and legacies	3	14,921	31,200	1,000	47,121	17,649	31,025	48,674
Charitable activities	4	1,544	11,911	_	13,455	2,677	15,402	18,079
Other trading activities	5	5,903	36	_	5,939	5,088	21	5,109
Investments	6	242	13	_	255	504	2	506
Other		602	35	-	637	491	33	524
Total		23,212	43,195	1,000	67,407	26,409	46,483	72,892
Expenditure on:								
Raising funds	7	12,604	763	-	13,367	11,947	25	11,972
Charitable activities	8	13,422	43,133	_	56,555	15,490	43,688	59,178
Total		26,026	43,896	_	69,922	27,437	43,713	71,150
Net gains / (losses) on investments	16	514	20	_	534	835	(41)	794
Gain on Disposal of Prince's Trust House	15	3,443	-	_	3,443	_	_	-
Net movement in funds/ net income/ (expenditure) for the year		1,143	(681)	1,000	1,462	(193)	2,729	2,536
Total funds brought forward at 1 April		43,908	12,643	_	56,551	44,101	9,914	54,015
Movement of Funds within the year		(391)	391	-	_	-	-	_
Total funds carried forward at 31 March	30	44,660	12,353	1,000	58,013	43,908	12,643	56,551

Note 1 gives details of the basis of reporting for the financial statements.

During the year, the Trust has taken the decision to classify all historic income from its subsidiary, Prince's Trust International Limited as restricted

The notes on pages 63–95 form part of these financial statements.

The Group had no Endowment Funds in 2017/18.

There are no recognised gains and losses other than those passing through the consolidated statement of financial activities. All of the operations are continuing in the Group.

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# THE PRINCE'S TRUST STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2019

	Note	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2019 £'000	Unrestricted Funds £'000	Restricted Funds £'000	Total 2018 £'000
Income and endowments from:								
Donations and legacies	3	14,922	27,535	1,000	43,457	16,641	27,849	44,490
Charitable activities	4	1,545	11,644	-	13,189	1,666	16,195	17,861
Other trading activities	5	2,154	-	-	2,154	1,797	-	1,797
Investments	6	240	-	-	240	499	_	499
Other		602	_	-	602	494	-	494
Total		19,463	39,179	1,000	59,642	21,097	44,044	65,141
Expenditure on:								
Raising funds	7	8,854	_	-	8,854	8,044	-	8,044
Charitable activities	8	13,422	39,619	_	53,041	14,262	43,661	57,923
Total		22,276	39,619	-	61,895	22,306	43,661	65,967
Net gains on investments	16	543	_	-	543	835	_	835
Gain on Disposal of Prince's Trust House	15	3,443	_	_	3,443	-	_	-
Net movement in funds/net income for the year		1,173	(440)	1,000	1,733	(374)	383	9
Total funds brought forward at 1 April		43,519	10,104	_	53,623	43,893	9,721	53,613
Total funds carried forward at 31 March	30	44,692	9,664	1,000	55,356	43,519	10,104	53,623

Note 1 gives details of the basis of reporting for the financial statements.

The notes on pages 63–95 form part of these financial statements.

The Prince's Trust had no endowment Funds in 2017/18.

There are no recognised gains and losses other than those passing through the consolidated statement of financial activities. All of the operations are continuing in the group.

# GROUP CONSOLIDATED AND CHARITY BALANCE SHEETS AS OF 31 MARCH 2019

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	Note	Group 2019 £'000	Group 2018 £'000	Charity 2019 £'000	Charity 2018 £'000
Fixed assets					
Intangible assets	14	7,182	7,294	7,181	7,292
Tangible assets	15	18,905	23,526	18,875	23,515
Investments – Fixed Asset	16	13,399	14,782	13,399	14,782
Investments – Property	16	319	7,705	319	7,705
Investment in subsidiaries		_	_	_	_
Programme Related Investments – loans to supported businesses (net of provisions):					
— Amounts recoverable within one year	18	1,394	912	1,394	912
— Amounts recoverable in more than one year	18	_	1,150	_	1,150
Total fixed assets		41,199	55,369	41,168	55,356
Current assets					
Stocks	19	47	53	_	_
Debtors	20	8,046	10,743	9,978	10,702
Cash held for investment purposes	21	2,015	_	1,470	_
Cash at bank and in hand	21	28,978	11,120	24,804	6,796
Total current assets		39,086	21,916	36,252	17,498
Creditors: amounts falling due within one year	22	21,042	9,589	20,823	7,728
Net current assets	_	18,044	12,327	15,429	9,770
Total assets less current liabilities		59,243	67,696	56,597	65,126
Creditors: amounts falling due after one year	23	249	10,060	249	10,460
Provisions for liabilities and charges	24	981	1,085	992	1,043
Net assets		58,013	56,551	55,356	53,623
The Funds of the Group/Charity					
Restricted income funds	28	12,353	12,643	9,664	10,104
Endowment Funds		1,000	-	1,000	-
Unrestricted income funds		44,660	43,908	44,692	43,519
Total Group/Charity funds	29	58,013	56,551	55,356	53,623

The notes on pages 63–95 form part of the financial statements. The financial statements on pages 59–95 were approved by the Trustees on 24 September 2019 and were signed on their behalf by:

John Booth Chairman 24 September 2019 62 The Prince's Trust Group Financial Statements

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# GROUP CONSOLIDATED CASHFLOW STATEMENT

Notes to the Consolidated Statement of Cash Flows	Note	2019 £'000	2018 £'000
Cash flows from operating activities:			
Net cash generated from operating activities	Α	14,242	4,407
Cash flows from investing activities:			
Investment income		247	252
Net Proceeds from the sale of Prince's Trust House (PTH)		25,196	_
Proceeds from the sale of property, plant and equipment		_	903
Purchase of property, plant and equipment		(11,862)	(6,672)
Proceeds from sale of investments (excluding PTH)		5,881	11,167
Purchase of investments		(4,596)	(10,797)
Increase/(decrease) in cash and deposits (Investments assets)	_	576	(559)
Net cash generated from/(used) in investing activities	_	15,442	(5,706)
Cash flows from financing activities:			
Repayments of borrowing		(9,828)	(753)
Cash inflows from new borrowing	_	17	8
Net cash used in financing activities	_	(9,811)	(745)
Change in cash and cash equivalents in the year		19,873	(2,044)
Cash and cash equivalents at the beginning of the year		11,120	13,164
Cash and cash equivalents at the end of the year	В	30,993	11,120

### Note A: Reconciliation of net income to net cash inflow from operating activities

net cash innow from operating activities						
2019 £'000	2018 £'000					
1,462	2,536					
2,292	1,526					
(3,977)	(835)					
(255)	(506)					
_	95					
6	13					
2,697	(1,901)					
11,349	70					
1,442	4,951					
(774)	(1,542)					
14,242	4,407					
	2019 £'000 1,462 2,292 (3,977) (255) 					

#### Note B: Analysis of cash and cash equivalents

	2019 £'000	2018 £'000
Cash held for investment purposes	2,015	_
Cash at bank and in hand	28,978	11,120
	-	
Total cash and cash equivalents	30,993	11,120

## **NOTES TO THE ACCOUNTS**

#### 1 PRINCIPAL ACCOUNTING POLICIES

#### **Basis of Preparation**

The financial statements have been prepared on the going concern basis. There are no material uncertainties about The Prince's Trust (Charity) or its subsidiaries' ability to continue. The Charity is a public benefit entity. The accounting policies have been applied consistently throughout the financial statements in both the current year and the prior year.

#### **Basis of Accounting**

The Charities Act 2011 requires financial statements to be prepared in accordance with Charities (Accounts and Reports) Regulations 2008. These financial statements have been prepared to give a 'true and fair view' and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) effective from 1 January 2015 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The consolidated financial statements have been prepared in accordance with the following:

Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102')

The Statement of Recommended Practice 'Accounting and Reporting by Charities' FRS 102 as revised in 2015 ('the SORP 2015')

The Charities Act 2011 and The Charities and Trustee Investment (Scotland) Act 2005

The historical cost convention, with the exception of investments which are included at fair value

#### **Basis of Consolidation**

'Group' refers to The Prince's Trust and all its subsidiary undertakings. For the year ended 31 March 2019, the results, assets and liabilities of the following subsidiaries have been included in the financial statements:

Prince's Trust Trading Limited Prince's Trust International Prince's Trust Australia Prince's Trust Canada Prince's Trust New Zealand Prince's Trust America

Amounts were consolidated on a line by line basis.

Income and expenditure relating to subsidiaries have been included in the consolidated Financial Statements from the date at which each entity became part of the Prince's Trust Group Where upon joining the group, the fair value of assets exceeded the fair value of liabilities in an entity, the resulting gain has been recognised separately within income from donations (see note 3). Transactions in local currency have been converted to GBP in the SOFA using an average exchange rate between the point of joining the group and the end of the financial year. Balances have been converted using the exchange rate at 31 March 2019 and a foreign exchange gain/loss adjustment has been posted to account for the difference between the opening and closing balance sheet rates.

There were no differences in accounting policies between the subsidiaries and The Prince's Trust Group policies which would result in a material misstatement.

The Charity prepares a consolidated cash flow statement and has therefore taken advantage of the exemption conferred by FRS 102 Section 1 not to prepare a cash flow statement for the Charity.

The prior year charity income and expenditure has been adjusted for an overstatement of £2,006k, with a no impact on net income. This related to funds which were received by the charity in the prior year on behalf of other entities.

#### Income

Income is accrued and included in the SOFA when the Group is entitled to the income, receipts can be quantified and the receipt is probable.

Grants receivable and legacies are included in the SOFA when The Trust believes it has entitlement, receipt is probable and the amount can be measured reliably. Donations are accounted for when received, except sponsorships from events which is recognised when the event takes place and major gifts which are recognised on a receivable basis where receipt is probable there is entitlement to the income and this can be measured reliably. Grants from government and income from other public sector contracts have been recorded as income from charitable activities. All income is shown gross of related expenditure. Tax credits receivable from gift aid donations are recognised at the time of the donation.

Income is deferred where the donor has specified that the income is to be expended in a future period or where contractual conditions for entitlement will be met in a future period. Income is also deferred when the conditions applying to the grant are not wholly within the control of The Trust.

Retail income is accounted for when the sale takes place.

Donations in kind comprise goods, services and facilities donated to The Trust which would otherwise have had to be purchased. They are valued at the amount that The Trust would have paid in order to obtain them and are included both in income and expenditure.

#### **Expenditure**

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

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#### 1 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

The expenditure on raising funds includes the salaries and overhead costs of the staff who undertake fundraising activities and the marketing and publicity costs associated with raising the profile of The Trust (but not those which are used in an educational manner in furtherance of the charity's objects).

Grants payable, including multi-year grants, are recognised in the SOFA when awarded and the recipient has the control of meeting the conditions that have been communicated.

Expenditure on charitable activity includes the write off and movement in provision of loans to supported businesses. Other direct costs included within charitable activity expenditure comprise costs generated centrally and locally, identifiable as arising directly from the delivery of The Trust's programmes of charitable work.

Support costs include the salaries of those managerial staff which are not directly attributable to a particular programme of charitable work, governance costs, and of finance IT HR and other administrative staff and all office running costs and consumables and other overheads not specifically attributable to a particular programme of charitable work. Support costs are allocated to costs of generating funds and charitable activities on the basis of the relative size of the business units involved with fundraising and charitable work. The size of these functions is determined by reference to the number of staff (full time equivalents) in each business unit. Irrecoverable VAT is included with the item of expense to which it relates.

#### Intangible assets

Intangible fixed assets costing more than £500 are capitalised and are valued at their purchase cost, including any incidental expenses of acquisition. Any impairment is recognised in the year in which it occurs in the corresponding SOFA category. Amortisation is provided on all intangible fixed assets (excluding assets under construction, which will be amortised as brought into use, but including donated assets) at rates calculated to write off the cost, less estimated residual values, on a straight-line basis over their expected useful economic lives as follows:

Databases and software 6–15 years

The useful economic life applied to each asset category is reviewed annually to ensure this is appropriate.

#### **Tangible assets**

Tangible fixed assets costing more than £500 are capitalised and are valued at their purchase cost, including any incidental expenses of acquisition. Any impairment is recognised in the year in which it occurs in the corresponding SOFA category. Donated assets are capitalised at a value equivalent to their notional cost at the time of acquisition. Depreciation is provided on all tangible fixed assets (excluding land but including donated assets) at rates calculated to write off the cost, less estimated residual values, on a straight-line basis over their expected useful economic lives as follows:

Freehold Buildings Plant and equipment Computer equipment Fixtures and Fittings Leasehold improvements

50 years 5 years 6–15 years 10 years Over the lease

The useful economic life applied to each asset category is reviewed annually to ensure this is appropriate.

#### **Fixed asset investments**

Listed investments are valued at bidmarket value at the balance sheet date. Gains and losses on sales of investments and unrealised revaluation surpluses or deficits are calculated by reference to the opening carrying amount and are shown on the face of the SOFA. Donated investment assets are valued at fair market value. Investments in subsidiaries are held at cost but, where necessary, impairment reviews have been conducted and reflected in the valuation stated.

#### **Investment properties**

The investment properties are shown at the fair value in the balance sheet and the valuation has been provided by the independent, external surveyors. For the London and Glasgow properties, the investment method of valuation was adopted.

The portion of properties that is used by The Trust's own use is held at historical cost within tangible assets.

#### **Programme related investments**

Programme-related investments are held to further the charitable purposes of the Charity. They are held at cost less any provision for impairment. They are public benefit concessionary loans, which are arrangements entered into below the prevailing rate of interest, are not repayable on demand and are for the purposes of furthering the objectives of the Charity. Where a concessionary loan arrangement is entered into, the loan paid is retained on the balance sheet at the loan amount less an appropriate provision made for impairment.

Loans are made to individuals to startup businesses and are repayable over periods up to five years. Young people are eligible to apply for a loan if they are participating on the Enterprise programme with limited access to other funding.

Applicants must present a business plan to a panel that makes a recommendation to The Trust for each applicant regarding the suitability of the young person to run a business and the likelihood of the business's survival. A senior staff member with delegated authority makes the final decision on the loan application, based on affordability and viability of the business.

In prior years, loans awarded in the year include loans issued and outstanding loan commitments. Outstanding loan commitments were those successful loan applications where a loan was not yet issued however a constructive obligation exists between The Prince's Trust and the young person.

The Trust is authorised by the Financial Conduct Authority (FCA); we submitted financial information to them in May 2019 based on loan book data at the end of March 2019. The review of loan balances at that stage confirmed consistency to the values reported at Note 18 to the financial statements.

#### 1 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Repayments are normally collected by direct debits or standing orders from the bank accounts of the businesses on a monthly basis. A specific provision is made against the aggregate value of loans issued, based on past experience and on management's current expectations. Loans are only written off when there is no realistic prospect of recovering any further repayments. Interest is charged at 3% of the total loan amount for each year of the agreed term except for all loans provided by Start-Up Loan Company where interest is charged at 6.2% APR. Interest charged on loans represents a management fee and is recognised as the loan is repaid and not at the point of loan award.

## Impairment of fixed assets and investments

Fixed assets and investments are subject to review for impairment when there is an indication of a reduction in their carrying value. Any impairment is recognised in the year in which it occurs in the corresponding SOFA category.

#### **Stocks**

Stocks consist of purchased goods for resale. Stocks are valued at the lower of cost and net realisable value. Where necessary, provision is made for obsolete, slow moving and defective stock.

#### **Discounting**

The long-term loans included in creditors falling due after one year have been discounted to the present value by using the effective interest rate.

#### **Pensions**

The Prince's Trust has arranged a defined contribution pension scheme for its staff. The assets of the scheme are not owned by The Trust. Pension contributions charged in the SOFA represent the contributions payable by The Trust in the year.

#### **Operating Leases**

Rentals payable under operating leases are charged to the SOFA on an accruals basis.

#### **Contractual liabilities**

The Trust provides for legal or constructive obligations that are of uncertain timing or amount at the balance sheet date on the basis of the best estimate of the expenditure required to settle the obligation.

#### Foreign currencies

Transactions in foreign currencies during the year are translated at the rate ruling at the transaction date. Foreign currency balances are translated at the rate of exchange prevailing at the balance sheet date.

Foreign currency gains/(losses) are calculated as the difference between the book value of an asset at the balance sheet date less the sterling equivalent at the transaction date of disposal of that asset or the subsequent balance sheet date.

#### **Financial instruments**

The Charity 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 their settlement value. The Charity has only taken reduced disclosure exemptions for sections 11 and 12 of FRS 102.

#### **Financial assets**

Basic financial assets, including trade and other receivables, cash and bank balances and investments in commercial paper, are initially recognised at transaction price.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the SOFA.

If there is decrease in the impairment loss arising from an event occurring after the impairment was recognised the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the SOFA.

Other financial assets, including investments in equity instruments which are not subsidiaries, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in the SOFA, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the assets expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

#### **Financial liabilities**

Basic financial liabilities, including trade and other payables, bank loans and loans from fellow group companies, are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires. 66 The Prince's Trust Group Notes to the Accounts

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# 1 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

#### Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a basis or to realise the asset and settle the liability simultaneously.

#### **Volunteers**

The Trust is grateful to the thousands of volunteers give their time freely to nurture and develop our young people. The value of this is not recognised in the Financial Statements.

#### **Funds**

The funds of The Trust have been segregated as follows:

Restricted Funds consist of donations, legacies and grants received, for which the donor or grant giver has specified the purposes for which the resources can be utilised. Outgoing resources on restricted funds reflect the appropriate expenditure that has been charged to those funds.

Restricted funds are disclosed by programme in the notes to the financial statements. Individual restricted funds are disclosed where these are material in value

Unrestricted Funds consist of all other income that has not been restricted. They are expendable at the discretion of the Trustees in furtherance of the objects of The Trust.

Transfers are made between funds where there is a release of restricted funds to unrestricted funds or charges are made between funds.

# 2 CRITICAL ACCOUNTING JUDGEMENTS AND KEY ESTIMATES AND ASSUMPTIONS

Estimates and assumptions are continually evaluated and are based on historical evidence and other factors, including expectations of future events that are believed to be reasonable under the circumstances have been made by The Trust in recognising investment property and long-term liabilities and assets.

# a) Critical judgements in applying the entity's accounting policies

## (i) Exemptions on transition to FRS 102

The Charity has elected to use the exemption provided in FRS 102 regarding the restatement of lease incentives entered into before the date of transition.

## b) Key estimates and assumptions

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

#### (i) Investment property valuation

There is inherent uncertainty in the valuation of areas of freehold property which are leased to earn investment income. The properties are valued by an independent valuer, who holds a recognised and relevant professional qualification, as at the reporting date and the gain or loss on unrealised property and investment assets is recognised in the SOFA. Please refer to Note 16 for more information.

#### (ii) Holiday accrual

The calculation of the value of annual leave not taken as at the reporting date includes an assumption that employees have holiday carried forward of 5 days, which is the maximum normally allowed.

#### (iii) Dilapidations

The calculation of the value of amounts payable in dilapidation costs as at the reporting date includes an assumption this would be payable to the landlord where the planned exit is confirmed.

#### (iv) Fixed Assets

Management has applied assumptions in relation to the categorisation of some assets between tangible and intangible assets

#### **3 INCOME AND ENDOWMENTS FROM DONATIONS AND LEGACIES**

Group	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2019 £'000	Total 2018 £'000
Corporate donations	2,455	11,800	-	14,255	13,070
Grant from The Queen's Trust	_	495	_	495	825
Grant from The Prince of Wales's Charitable Foundation	_	405	-	405	1,500
Charitable Trusts	1,076	7,260	-	8,336	6,541
Individual donations	7,731	10,385	1,000	19,116	20,205
Legacies	824	-	-	824	1,072
Donations in kind	2,835	855	-	3,690	4,355
International subsidiary income	_	_	_	-	1,106
	14,921	31,200	1,000	47,121	48,674
Charity	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2019 £'000	Total 2018 £'000
Corporate donations	2,455	10,627	-	13,082	12,566
Grant from The Queen's Trust	_	495	-	495	825
Grant from The Prince of Wales's Charitable Foundation	_	50	-	50	300
Charitable Trusts	1,076	5,918	_	6,994	6,256
Individual donations	7,732	9,728	1,000	18,460	19,147
Legacies	824	_	_	824	1,072
Donations in kind	2,835	717	_	3,552	4,324

At 31 March 2019, in addition to legacy income that has been included in the financial statements, The Prince's Trust expected to benefit from a number of legacies from estates for which the administration had yet to be finalised. The Trust's future income from these legacies is estimated at £2,356k (2017/18: £1,108k). Accrued legacy income included within the financial statements amounts to £92k (2017/18: £420k).

14,922

27,535

1,000

43,457

44,490

International subsidiary income represents the value of net assets acquired by The Prince's Trust Group when Prince's Trust Australia and Prince's Trust Canada became part of the group mid-way through the previous financial year.

Donations in kind represent the estimated cost of services donated to the Group and Charity, at the value at which The Trust would have paid.

These amounts are included as costs in the appropriate expenditure category and consist of:

Group and Charity	2019 £'000	2018 £'000
Advertising and publicity	1,434	2,000
Charitable programme facilities	1,288	1,426
Other professional fees	72	11
Seconded staff	340	346
Other	302	352
Audit fees	167	175
Office and occupation costs	87	45
	3,690	4,355

#### **4 INCOME FROM CHARITABLE ACTIVITIES**

Group	Unrestricted Funds £'000	Restricted Funds £'000	Total 2019 £'000	Total 2018 £'000
Public sector contracts for operational programmes				
Income from local and national Government	1	2,674	2,675	4,583
Other public sector sources	-	2,062	2,062	2,142
European Union income	_	4,297	4,297	5,965
Big Lottery Fund	-	2,815	2,815	3,932
	1	11,848	11,849	16,622
Fees from programme attendance				
Achieve fees	_	-	-	-
School fees – Fairbridge programme	4	_	4	17
Qualifications income	627	-	627	410
Employers' fees – Team programme	153	_	153	125
Training fees	759	-	759	826
Other income from charitable activities	_	63	63	79
	1,543	63	1,606	1,457
	1,544	11,911	13,455	18,079
	1,544	11,911	13,455	18,079

Income in the form of government grants from local and national government support the Group's charitable activities and can be further analysed as follows:

Unrestricted Funds £'000	Restricted Funds £'000	Total 2019 £'000	Total 2018 £'000
1	129	130	1,684
_	558	558	934
-	106	106	166
_	1,677	1,677	1,599
-	-	-	71
	204	204	129
1	2,674	2,675	4,583
	Funds £'000 1 —	Funds £'000 £'000 1 129 - 558 - 106 - 1,677  - 204	Funds £'000         Funds £'000         2019 £'000           1         129         130           -         558         558           -         106         106           -         1,677         1,677           -         -         -           -         204         204

#### 4 INCOME FROM CHARITABLE ACTIVITIES (CONTINUED)

Charity	Unrestricted Funds £'000	Restricted Funds £'000	Total 2019 £'000	Total 2018 £'000
Public sector contracts for operational programmes				
Income from local and national government	1	2,470	2,471	4,442
Other public sector sources	_	2,062	2,062	2,133
European Union income	_	4,297	4,297	5,966
Big Lottery Fund	_	2,815	2,815	3,933
	1	11,644	11,645	16,474
Fees from programme attendance				
Achieve fees	-	_	-	-
School fees – Fairbridge programme	4	_	4	16
Qualifications income	628	-	628	412
Employers' fees – Team programme	153	_	153	125
Training fees	759	-	759	827
Other income from charitable activities	0	_	_	7
	1,544	-	1,544	1,387
	1,545	11,644	13,189	17,861

Income in the form of government grants from local and national government support the Charity's charitable activities and can be further analysed as follows:

Charity	Unrestricted Funds £'000	Restricted Funds £'000	Total 2019 £'000	Total 2018 £'000
Department for Business, Innovation and Skills	1	129	130	1,691
England	_	558	558	934
Northern Ireland	_	106	106	166
Scotland	_	1,677	1,677	1,580
Wales	_	_	_	71
	1	2,470	2,471	4,442

#### **5 INCOME FROM OTHER TRADING ACTIVITIES**

Group	Unrestricted Funds £'000	Restricted Funds £'000	Total 2019 £'000	Total 2018 £'000
Income from fundraising events	2,661	-	2,661	2,127
Sponsorship	1,474	_	1,474	1,578
Sale of goods	1,632	_	1,632	1,262
Income from training	51	2	53	71
Rental	75	_	75	58
Other	10	34	44	13
	5,903	36	5,939	5,109
Charity	Unrestricted Funds £'000	Restricted Funds £'000	Total 2019 £'000	Total 2018 £'000
Other	2,154	-	2,154	1,797
	2,154	_	2,154	1,797

The unrestricted income is generated by the subsidiary Prince's Trust Trading Limited, the results of which are shown in Note 17.

#### **6 INCOME FROM INVESTMENTS**

Group	Unrestricted Funds £'000	Restricted Funds £'000	Total 2019 £'000	Total 2018 £'000
Income from fixed asset investments	216	_	216	252
Interest received on programme related investments	8	_	8	244
Bank interest receivable	18	13	31	10
	242	13	255	506
Charity	Unrestricted Funds £'000	Restricted Funds £'000	Total 2019 £'000	Total 2018 £'000
Income from fixed asset investments	215	_	215	253
Interest received on programme related investments	8	_	8	242
Bank interest receivable	17	_	17	4
	240	_	240	499

#### **7 EXPENDITURE ON RAISING FUNDS**

Group	Direct staff costs £'000	Other direct costs £'000	Allocated support Costs £'000	Total 2019 £'000	Total 2018 £'000
Cost of raising funds	4,369	945	4,208	9,522	8,621
Fundraising through trading	847	2,375	528	3,750	3,287
Investment management costs	-	95	-	95	64
	5,216	3,415	4,736	13,367	11,972
Charity	Direct staff costs £'000	Other direct costs £'000	Allocated support Costs £'000	Total 2019 £'000	Total 2018 £'000
Cost of raising funds	4,192	762	3,805	8,759	7,980
Fundraising through trading	-	_	_	-	-
Investment management and		95	_	95	64
Investment management costs		55			~ .

The costs of fundraising through trading are analysed further in Note 17 showing the results of The Prince's Trust Trading subsidiary.

#### **8 EXPENDITURE ON CHARITABLE ACTIVITIES**

Group	Grant Funding (see Note 10) £'000	Direct staff costs £'000	Other direct costs £'000	Allocated Support costs £'000	Total 2019 £'000	Total 2018 £'000
Enterprise programme	385	4,413	372	4,840	10,010	10,266
Team programme	_	1,943	899	2,120	4,962	5,829
Awards programmes	722	548	36	552	1,858	2,559
Achieve programme	_	2,292	298	2,557	5,147	5,425
Get into programme	13	2,714	2,816	2,712	8,255	7,771
Get Started programme	_	1,175	961	1,327	3,463	4,696
Local programmes & pilots	22	2,367	643	2,409	5,441	10,450
Adventurous Activities	_	1,511	397	1,757	3,665	2,823
Fairbridge	-	3,490	581	3,934	8,005	8,101
Prince's Trust Online	_	1,052	279	904	2,235	
Prince's Trust International	-	245	577	559	1,381	708
Prince's Trust Australia	_	_	255	676	931	340
Prince's Trust Canada	-	608	362	90	1,060	210
Prince's Trust New Zealand	5	83	54	-	142	_
	1,147	22,441	8,530	24,437	56,555	59,178

Prince's Trust Canada become part of The Prince's Trust Group in February 2019. The prior year comparatives have been apportioned for the period they were part of The Group.

Charity	Grant Funding (see Note 10) £'000	Direct staff costs £'000	Other direct costs £'000	Allocated Support costs £'000	Total 2019 £'000	Total 2018 £'000
Enterprise programme	385	4,413	372	4,840	10,010	10,266
Team programme	_	1,943	899	2,120	4,962	5,829
Awards programmes	722	548	36	552	1,858	2,559
Achieve programme	_	2,292	298	2,557	5,147	5,425
Get into programme	13	2,714	2,816	2,712	8,255	7,773
Get Started programme	_	1,175	961	1,327	3,463	4,697
Local programmes & pilots	22	2,367	643	2,409	5,441	10,450
Adventurous Activities	_	1,511	397	1,757	3,665	2,823
Fairbridge	-	3,490	581	3,934	8,005	8,101
Prince's Trust Online	_	1,052	279	904	2,235	-
	1,142	21,505	7,282	23,112	53,041	57,923

#### **9 SUPPORT COSTS**

Group	Expenditure on raising funds £'000	Charitable expenditure £'000	Total 2019 £'000	Total 2018 £'000
Staff costs:				
Managerial staff	379	1,514	1,893	1,582
Communications and marketing	280	545	825	736
Finance, IT, HR, H&S & administration	1,257	6,026	7,283	6,425
Recruitment, secondment & other costs	215	1,416	1,631	1,670
Other expenditure:				
Office rents, maintenance & consumables	944	5,681	6,625	6,749
Staff travel and vehicle costs	312	1,817	2,129	1,704
Sundry other fees and costs	1,349	7,738	9,087	8,194
	4,736	24,737	29,473	27,060
Charity	Expenditure on raising funds	Charitable expenditure	Total 2019	Total
Charty	£'000	£'000	£'000	2018 £'000
Staff costs:	£7000	£'000		
,	177	£'000		
Staff costs:			£'000	£'000
Staff costs: Managerial staff	177	1091	£'000 1,268	£'000
Staff costs:  Managerial staff  Communications and marketing	177 88	1091 544	£'000 1,268 632	£'000 1,105 565
Staff costs:  Managerial staff  Communications and marketing  Finance, IT, HR, H&S & administration	177 88 932	1091 544 5738	1,268 632 6,670	£'000 1,105 565 5,815
Staff costs:  Managerial staff  Communications and marketing  Finance, IT, HR, H&S & administration  Recruitment, secondment & other costs	177 88 932	1091 544 5738	1,268 632 6,670	£'000 1,105 565 5,815
Staff costs:  Managerial staff Communications and marketing Finance, IT, HR, H&S & administration Recruitment, secondment & other costs  Other expenditure:	177 88 932 215	1091 544 5738 1326	1,268 632 6,670 1,541	1,105 565 5,815 2,467
Staff costs:  Managerial staff  Communications and marketing  Finance, IT, HR, H&S & administration  Recruitment, secondment & other costs  Other expenditure:  Office rents, maintenance & consumables	177 88 932 215	1091 544 5738 1326	1,268 632 6,670 1,541	£'000 1,105 565 5,815 2,467

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#### **10 GRANTS PAYABLE**

The following table shows grants made in the year to individuals and institutions:

	2019 £'000	2019 number of awards	2018 £'000	2018 number of awards
Grants to individual beneficiaries:				
Enterprise programme grants	385	1,075	472	1,402
Development awards	722	3,507	707	4,012
Total grants to individuals	1,107	4,582	1,179	5,414
Grants to clubs and other institutions:				
Get into programmes	13		3	
Local programmes & pilots	22		15	
	1,142		1,197	

#### **Grants to individual beneficiaries**

Enterprise programme awards to individuals are either for test marketing projects or to start up new businesses. Development Awards are described in more detail in the Trustees' Report.

#### Grants to clubs and other institutions

During 2018/19, there were 1,008 Achieve clubs (2017/18: 1,622) run from schools, Pupil Referral Units, Young Offender Institutes and other centres across the UK. Grants to these clubs and other institutions for local programmes & pilots were normally up to £5,000.

Grant-making activities occur under the charitable activities undertaken within the Enterprise, Awards and Achieve programmes, and within local programmes and pilots. Note 9 provides detail regarding the support costs allocated to these activities.

#### 11 GROUP EMPLOYEE INFORMATION AND TRUSTEES' EMOLUMENTS

Staff members	2019 No.	2018 No.
Average headcount of employees analysed by function:		
Charitable purposes and support staff	1,106	1,097
Fundraising	135	166
	1,241	1,263
	2019 No.	2018 No.
Average monthly number of employees analysed by function:		
Charitable purposes and support staff	977	1,045
Fundraising	130	160
	1,107	1,205
	2019 £'000	2018 £'000
Staff costs for the above employees were:		
Wages and salaries	32,580	33,981
Social security costs	3,265	3,226
Pensions and post-retirement benefits	1,717	1,246
	37,562	38,453

# 11 GROUP EMPLOYEE INFORMATION AND TRUSTEES' EMOLUMENTS (CONTINUED)

The Prince's Trust also paid £1,502k (2017/18: £176k) in redundancies during the year. Of this, £7k (2017/18: £52k) was related to ex-gratia payments. The nature of the payments is due to restructuring and is accounted for on accrual basis. This was funded by unrestricted income

The Trust received donations in kind for the services of seconded staff valued at £340k (2017/18: £346k).

#### **Employee Numbers**

The following number of employees earned emoluments in respect of the year in excess of £60,000 within the bands shown below. This represents Group employees including all Prince's Trust subsidiary entities. Emoluments include taxable benefits but exclude employer pension costs.

	2019 No.	2018 No.
£60,001 – £70,000	22	8
£70,001 – £80,000	10	9
£80,001 – £90,000	8	5
£90,001 - £100,000	4	3
£100,001 - £110,000	_	1
£110,001 - £120,000	_	2
£120,001 – £130,000	4	1
£130,001 - £140,000	1	1
£140,001 - £150,000	_	-
£150,001 - £160,000	1	1
£160,001 - £170,000	-	-
£170,001 +	1	_

The Prince's Trust paid £123k (2017/18: £120k) into defined contribution schemes for 27 (2017/18: 28) higher paid employees.

Key Management Personnel is defined as the Senior Management Team; see further details on page 37.

	2019 £'000	2018 £'000
Key Management Personnel aggregate emoluments	1,615	1,244

#### **Trustee Emoluments**

No trustee received salaries, fees, reimbursement of travel expenses or other benefits during the year (2017/18: £nil). Total donations from trustees are disclosed in Note 31.

#### **12 TAXATION**

The Charity was a registered charity throughout the year. As such it is not liable to corporation tax on the surplus of income over expenditure for the year (s478 CTA 2010) or gains arising from the disposal of assets (s256 TCGA 1992) so far as the proceeds are used for charitable purposes only.

The Charity is registered for VAT and, where applicable, expenditure is recorded net of recoverable VAT.

#### 13 NET INCOME FOR THE YEAR

Net income for the year is stated after charging:

	2019 £'000	2018 £'000
Depreciation of intangible and tangible fixed assets	2,289	826
Operating lease rentals:		
— Land and buildings	2,828	1,469
— Other	140	209
Auditors' remuneration:		
— For external audit only – group and Charity	184	160
— For external audit only – UK subsidiaries	22	23
— For external audit only – Overseas subsidiaries	23	23
— Other services	7	23

The auditors' remuneration for the group and charity was £184k (2017/18: £160k), of which £139k (2017/18: £143k) represents donated services. The auditors made no charge for the audit of Prince's Trust Trading Limited (2017/18: nil), where the value of the donated services was £10k (2017/18: £12k). The auditors' remuneration for Prince's Trust International was £12k (2017/18: £10k). Other auditors' remuneration of £7k (2017/18: £23k) related to tax, VAT and consulting services. The audit of Prince's Trust Canada was undertaken by PwC in Canada (£3k, 2017/18: £3k) and the audit of Prince's Trust Australia was undertaken as donated services by EY in Australia (£20k, 2017/18: £20k).

#### **14 INTANGIBLE ASSETS**

Group	Databases and Software £'000	Assets under construction £'000	Total £'000
Cost or valuation on transfer	2 000	2 000	2 000
At 1 April 2018	8,516	453	8,969
Additions	854	167	1,021
Disposals	_	-	1,021
Reclassification	453	(453)	
At 31 March 2019	9,823	167	9,990
At 31 March 2013	9,020	107	3,330
Accumulated Amortisation			
At 1 April 2018	1,675	_	1,675
Charge for year	1,133	_	1,133
Disposals	_	_	_
Reclassification	_	_	_
At 31 March 2019	2,808	-	2,808
Net book value			
At 31 March 2019	7,015	167	7,182
At 31 March 2018	6,841	453	7,294
At 31 March 2018  Charity		Assets under construction £'000	7,294  Total £'000
	Databases and Software	Assets under construction	Total
Charity Cost or valuation on transfer	Databases and Software	Assets under construction	Total
Charity	Databases and Software £'000	Assets under construction £'000	Total £'000
Charity Cost or valuation on transfer At 1 April 2018	Databases and Software £'000	Assets under construction £'000	Total £'000 8,955
Charity Cost or valuation on transfer At 1 April 2018 Additions	Databases and Software £'000 8,502	Assets under construction £'000	Total £'000 8,955 1,021
Charity  Cost or valuation on transfer  At 1 April 2018  Additions  Disposals	Databases and Software £'000 8,502 854	Assets under construction £'000	Total £'000 8,955 1,021
Charity Cost or valuation on transfer At 1 April 2018 Additions Disposals Reclassification	Databases and Software £'000  8,502  854  - 453	Assets under construction £'000  453  167  - (453)	Total £'000  8,955 1,021  -
Charity Cost or valuation on transfer At 1 April 2018 Additions Disposals Reclassification	Databases and Software £'000  8,502  854  - 453	Assets under construction £'000  453  167  - (453)	Total £'000  8,955 1,021  -
Charity  Cost or valuation on transfer  At 1 April 2018  Additions  Disposals  Reclassification  At 31 March 2019	Databases and Software £'000  8,502  854  - 453	Assets under construction £'000  453  167  - (453)	Total £'000  8,955 1,021  - 9,976
Charity  Cost or valuation on transfer  At 1 April 2018  Additions  Disposals  Reclassification  At 31 March 2019  Accumulated Amortisation	Databases and Software £'000  8,502  854  - 453  9,809	Assets under construction £'000  453  167  - (453)	Total £'000  8,955 1,021  -
Charity  Cost or valuation on transfer  At 1 April 2018  Additions  Disposals  Reclassification  At 31 March 2019  Accumulated Amortisation  At 1 April 2018	Databases and Software £'000  8,502  854  - 453  9,809	Assets under construction £'000  453 167 - (453) 167	Total £'000  8,955 1,021  - 9,976
Charity  Cost or valuation on transfer  At 1 April 2018  Additions  Disposals  Reclassification  At 31 March 2019  Accumulated Amortisation  At 1 April 2018  Charge for year	Databases and Software £'000  8,502  854  - 453  9,809	Assets under construction £'000  453 167 - (453) 167	Total £'000  8,955 1,021  - 9,976
Charity  Cost or valuation on transfer  At 1 April 2018  Additions  Disposals  Reclassification  At 31 March 2019  Accumulated Amortisation  At 1 April 2018  Charge for year  Disposals	Databases and Software £'000  8,502  854  - 453  9,809  1,663  1,132	Assets under construction £'000  453 167 - (453) 167	Total £'000  8,955 1,021  - 9,976  1,663 1,132
Charity  Cost or valuation on transfer  At 1 April 2018  Additions  Disposals  Reclassification  At 31 March 2019  Accumulated Amortisation  At 1 April 2018  Charge for year  Disposals  Reclassification	Databases and Software £'000  8,502  854  453  9,809  1,663  1,132	Assets under construction £'000  453 167 - (453) 167	Total £'000  8,955 1,021  - 9,976  1,663 1,132
Charity  Cost or valuation on transfer  At 1 April 2018  Additions  Disposals  Reclassification  At 31 March 2019  Accumulated Amortisation  At 1 April 2018  Charge for year  Disposals  Reclassification	Databases and Software £'000  8,502  854   453  9,809  1,663  1,132 2,795	Assets under construction £'000  453 167 - (453) 167	Total £'000  8,955 1,021  - 9,976  1,663 1,132 - 2,795
Charity  Cost or valuation on transfer  At 1 April 2018  Additions  Disposals  Reclassification  At 31 March 2019  Accumulated Amortisation  At 1 April 2018  Charge for year  Disposals  Reclassification  At 31 March 2019	Databases and Software £'000  8,502  854  453  9,809  1,663  1,132	Assets under construction £'000  453 167 - (453) 167	Total £'000  8,955 1,021  - 9,976  1,663 1,132
Charity  Cost or valuation on transfer  At 1 April 2018  Additions  Disposals  Reclassification  At 31 March 2019  Accumulated Amortisation  At 1 April 2018  Charge for year  Disposals  Reclassification  At 31 March 2019  Net book value	Databases and Software £'000  8,502  854   453  9,809  1,663  1,132 2,795	Assets under construction £'000  453 167 - (453) 167	Total £'000  8,955 1,021  - 9,976  1,663 1,132 - 2,795

#### **15 TANGIBLE ASSETS**

0	Freehold Land & Buildings	Fixtures & Fittings	Computer Equipment	Plant & Equipment	Leasehold Improvements		Total
Group  Cost or valuation on transfer	£'000	£'000	£'000	£'000	£'000	£'000	£'000
	16.046	2.402	2.645	115	4 572	226	27 207
At 1 April 2018	16,246	2,482	3,645	115	4,573	236	27,297
Additions	(4.4.400)	(4,000)	48		70	10,709	10,841
Disposals	(14,106)	(1,666)	(7)		(71)		(15,843)
Reclassification		7	(7)	-			-
At 31 March 2019	2,140	837	3,686	115	4,572	10,945	22,295
Accumulated Depresiation							
Accumulated Depreciation At 1 April 2018	562	1,000	1,335	69	805		2 771
	112	205	485	23	334		3,771
Charge for year			400	23			1,159
Disposals	(515)	(985)	- (5)		(40)	_	(1,540)
Reclassification	450	5	(5)		4 000	_	2 200
At 31 March 2019	159	225	1,815	92	1,099	_	3,390
Not book value							
Net book value	4.004	040	4 074	00	0.470	40.045	40.005
At 31 March 2019	1,981	612	1,871	23	3,473	10,945	18,905
At 31 March 2018	45.004	4.400	0.040	46	0.700	236	22 500
At 31 March 2018	15,684	1,482	2,310	40	3,768	230	23,526
Charity	Freehold Land & Buildings £'000	Fixtures & Fittings £'000	Computer Equipment £'000	Plant & Equipment £'000	Leasehold Improvements £'000	Assets under construction £'000	Total £'000
Cost or valuation on transfer							
At 1 April 2018	16,246	2,482	3,615	115	4,573	236	27,267
Additions		_	35	_	70	10,709	10,814
Disposals	(14,106)	(1,666)	_	_	(71)		(15,843)
Reclassification			_	_	_	_	_
At 31 March 2019	2,140	816	3,650	115	4,572	10,945	22,238
Accumulated Depreciation							
At 1 April 2018	562	1,000	1,316	69	805	_	3,752
Charge for year	112	203	479	23	334	_	1,151
Disposals	(515)	(985)	_	_	(40)	_	(1,540)
Reclassification			_	_	_	_	
At 31 March 2019	159	218	1,795	92	1,099	_	3,363
	_						
Net book value							
At 31 March 2019	1,981	598	1,855	23	3,473	10,945	18,875
At 31 March 2018	15,684	1,482	2,299	46	3,768	236	23,515
				ı			
Profit realised on the Disposal	of Prince's T	rust House o	luring 2018/19	)			Total £'000
Cash consideration							27,293
Investment Asset Value							(7,450)
Fixed Asset Value							(14,303)
Associated costs							(2,097)
Profit realised							3,443

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#### **16 INVESTMENTS**

	£'000	£'000
Listed investments at market value:		
Open Ended Investment Companies	5,873	7,777
Common Investment Funds	2,894	788
Unit Trusts	133	554
Other managed funds	2,660	2,307
UK equities	70	169
Fixed interest investments	288	366
Gilts and cash	1,481	2,821
Total Fixed Asset Investments	13,399	14,782
Eldon St, London EC1	-	7,450
Wolfson House, Glasgow	319	255
Total Property Investments	319	7,705
Group and Charity	2019 £'000	2018 £'000
Group and Charity  Investment assets in the UK		
	£'000	£'000
Investment assets in the UK	£'000 6,602	£'000 15,311
Investment assets in the UK Investment assets outside the UK	£'000 6,602 7,116	£'000 15,311 7,176
Investment assets in the UK Investment assets outside the UK	£'000 6,602 7,116	£'000 15,311 7,176
Investment assets in the UK Investment assets outside the UK Total Fixed Asset Investments	£'000 6,602 7,116 13,718	£'000 15,311 7,176 22,487
Investment assets in the UK Investment assets outside the UK Total Fixed Asset Investments  Balance brought forward	£'000 6,602 7,116 13,718	£'000 15,311 7,176 22,487 20,363
Investment assets in the UK Investment assets outside the UK Total Fixed Asset Investments  Balance brought forward Acquisitions at cost	£'000 6,602 7,116 13,718 22,487 4,596	£'000 15,311 7,176 22,487 20,363 10,797
Investment assets in the UK Investment assets outside the UK Total Fixed Asset Investments  Balance brought forward Acquisitions at cost Proceeds of disposals	£'000 6,602 7,116 13,718 22,487 4,596 (5,881)	£'000 15,311 7,176 22,487 20,363 10,797 (11,167)
Investment assets in the UK Investment assets outside the UK Total Fixed Asset Investments  Balance brought forward Acquisitions at cost Proceeds of disposals Cash held for investment	£'000 6,602 7,116 13,718 22,487 4,596 (5,881) (576)	£'000 15,311 7,176 22,487 20,363 10,797 (11,167)
Investment assets in the UK Investment assets outside the UK Total Fixed Asset Investments  Balance brought forward Acquisitions at cost Proceeds of disposals Cash held for investment Disposal of Prince's Trust House (Investment property)	£'000 6,602 7,116 13,718 22,487 4,596 (5,881) (576)	£'000 15,311 7,176 22,487 20,363 10,797 (11,167) 559
Investment assets in the UK Investment assets outside the UK Total Fixed Asset Investments  Balance brought forward Acquisitions at cost Proceeds of disposals Cash held for investment Disposal of Prince's Trust House (Investment property) Net gains in value of investments	£'000 6,602 7,116 13,718 22,487 4,596 (5,881) (576)	£'000 15,311 7,176 22,487 20,363 10,797 (11,167) 559
Investment assets in the UK Investment assets outside the UK Total Fixed Asset Investments  Balance brought forward Acquisitions at cost Proceeds of disposals Cash held for investment Disposal of Prince's Trust House (Investment property) Net gains in value of investments Write down of investment	£'000 6,602 7,116 13,718 22,487 4,596 (5,881) (576)	£'000 15,311 7,176 22,487 20,363 10,797 (11,167) 559 - 835

The Trustees believe that the carrying value of the investments is supported by their underlying net assets. The following investments are considered significant and contribute more than 5% of the total investment value: An analysis of the gain on disposal of Prince's Trust House is included at the bottom of note 15.

#### **16 INVESTMENTS (CONTINUED)**

Investment	% Contribution to Total Investment
Stewart Investors Global Emerging, Markets Leaders Fund	7.42%
Findlay Park American Fund	10.52%
Charities Property Fund	5.98%

The investment properties are shown at the fair value in the balance sheet and the valuation has been provided by the external surveyors. The properties portion that is used by the Trust for its own use is held at historical cost within tangible assets.

Prince's Trust House was disposed of during the year. A valuation has been prepared for Wolfson House on the basis of the market value which is defined as the estimated amount for which an asset or liability should be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.

The valuation reports for both properties were prepared by CBRE Limited, independent property valuer, who is qualified for purpose of valuation as per the Red Book.

CBRE Limited confirms that "Fair Value reported is effectively the market value of the properties and does not have any restrictions on the realisability of the investment property".

The Prince's Trust does not have any contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements.

#### 17 INVESTMENT IN SUBSIDIARIES

The Charity controls the operations of the following subsidiaries through the ownership of share capital or as a sole member:

	Control	Interest	Activity
Company Registration No. 3161821	100% Share Capital	2 ordinary £1 shares	Fundraising activities and operation of Tomorrow's Store
Company Registration No. 9090276 Charity No. 1159815	Deemed Control	Sole Member	Charitable activities in the international sector
Prince's Trust Australia is a public limited company and registered as a charity with the Australian Charities and Not-for-profits Commission no. ABN 73 161 872 993.	Deemed Control	Sole Member	Charitable activities in Australia
Designated as a Charitable Organisation in Canada with the registered number 83229 5406 RR0001	Deemed Control	Sole Member	Charitable activities in Canada
Registered as a charity with registered number CC56358	Deemed Control	Settlor	Charitable activities in New Zealand
Registered as a not-for-profit EIN: 82-5457122	Deemed Control	Sole Member	Charitable activities in USA
	Company Registration No. 9090276 Charity No. 1159815  Prince's Trust Australia is a public limited company and registered as a charity with the Australian Charities and Not-for-profits Commission no. ABN 73 161 872 993.  Designated as a Charitable Organisation in Canada with the registered number 83229 5406 RR0001  Registered as a charity with registered number CC56358	Company Registration No. 3161821  Company Registration No. 9090276  Charity No. 1159815  Prince's Trust Australia is a public limited company and registered as a charity with the Australian Charities and Not-for-profits Commission no. ABN 73 161 872 993.  Designated as a Charitable Organisation in Canada with the registered number 83229 5406 RR0001  Registered as a charity with registered number CC56358  Registered as a not-for-profit  Deemed Control	Company Registration No. 3161821  Company Registration No. 9090276  Charity No. 1159815  Prince's Trust Australia is a public limited company and registered as a charity with the Australian Charities and Not-for-profits Commission no. ABN 73 161 872 993.  Designated as a Charitable Organisation in Canada with the registered number 83229 5406 RR0001  Registered as a charity with registered number CC56358  Registered as a not-for-profit  Deemed Control  Sole Member  Sole Member  Sole Member

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#### 17 INVESTMENT IN SUBSIDIARIES (CONTINUED)

The Prince's Trust supports Prince's Trust International with the provision of administrative resource, including the monitoring of programmes.

The Trust has made a working capital facility of up to £1.2m available to Prince's Trust International. There was no drawdown of this facility in 2018/19 (2017/18 £nil).

The Prince's Trust and Prince's Trust International together support Prince's Trust Australia, Prince's Trust Canada and Prince's Trust New Zealand with the provision of advice on strategic planning and programme delivery.

The shares in Prince's Trust Trading are ordinary shares at par. Where the Charity has 'deemed control' this is by virtue of it having the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The control is achieved through sole membership or the power to remove and appoint trustees from the board.

All of the above entities' financial statements are subject to audit. All entities work to a 31 March year end, with the exception of Prince's Trust Australia, which works to a 30 June year end. This is due to be aligned with the rest of the group in 2019/20. All entities are audited by PwC, with the exception of Prince's Trust Australia which is audited by EY and Prince's Trust New Zealand which uses a local firm. Prince's Trust America has not traded during 2018/19 and does not yet require an audit.

The summarised financial information of subsidiary undertakings from their local statutory accounts is provided below:

	Prince's Trust Trading Limited £'000	Prince's Trust International £'000	Prince's Trust Australia £'000	Prince's Trust Canada £'000	Prince's Trust New Zealand £'000
2019					
Income	5,904	1,726	973	1,288	183
Expenditure	(3,750)	(1,855)	(954)	(1,284)	(158)
Amount paid under deed of covenant to The Trust	(2,154)	_	_	-	-
Retained profit/(loss) for the year	-	(129)	19	4	25
	-				
Assets	3,441	619	864	859	47
Liabilities	(3,441)	(263)	(215)	(218)	(21)
Net assets	-	356	649	641	26
2018					
Income	5,084	1,409	467	254	_
Expenditure	(3,287)	(1,323)	(341)	(212)	_
Amount paid under deed of covenant to The Trust	(1,797)	_	_	_	-
Retained profit for the year	-	86	126	42	-
Assets	2,622	654	677	1,116	_
Liabilities	(2,622)	(168)	(43)	(503)	_
Net assets	-	486	634	613	-

There is no comparative figure showing in the 2018 column above for Prince's Trust New Zealand it was not part of The Prince's Trust group in the prior year.

Prince's Trust Canada become part of The Prince's Trust Group in February 2018. The prior year comparatives have been apportioned for the period they were part of The Group.

Prior year comparatives have now been restated to Statutory accounts also.

Prince's Trust America did not commence activities in 2018/19.

## 18 PROGRAMME RELATED INVESTMENTS: LOANS TO SUPPORTED BUSINESSES

Charity and Group	Total 2019 £'000	Total 2018 £'000
Loan reconciliation	2 000	2.000
Loans at 1 April	4,308	9,014
Loans awarded in the year	35	281
Loans repaid in the year	(630)	(2,037)
Loans written off in the year	(847)	(2,950)
Loans at 31 March	2,866	4,308
Provision reconciliation		
Provision at 1 April	2,246	3,788
Movement on loans provision during the year	73	1,408
Remove Write-off	(847)	(2,950)
Provision at 31 March	1,472	2,246
Net loan balance at 1 April	2,062	5,226
Net loan balance at 31 March	1,394	2,062
Charity and Group	2019 £'000	2018 £'000
Disclosed as:		
Amounts recoverable within one year	1,394	912
Amounts recoverable in more than one year		1,150
	1,394	2,062

The Prince's Trust provides loans to young people of up to £7,500 which are normally repayable over three years. In exceptional circumstances loans have been given out for up to £30,000. Interest charged on loans represents a management fee.

During the financial year, Start-Up Loan Company (SULCo) required us to legally assign our historic loan book funded by them to a finance partner (The Enterprise Fund, trading as Growth Company Business Finance, formerly trading as Business Finance Solutions). All new loans issued using SULCo funds were to also be provided by the finance partner, essentially putting The Prince's Trust in the position of a broker, for which the appropriate FCA permissions were issued. New SULCo loans ceased to be issued by the Trust in May 2017 and the historic loans were assigned in December 2017.

Our intention going forward is to assign all remaining loans that The Prince's Trust has issued to the same finance partner, as well as new loans funded by The Prince's Trust funds. This means that The Trust will be a broker for all new financing activity, while remaining as a funder of these loans. This will be appropriately represented within the 2019/20 Financial Statements.

The carrying amount of the concessionary loans at the year-end was £2.9m (2017/18: £4.3m).

There are no loans committed but not taken up at 31 March 2019 (2017/18: £nil).

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#### 19 STOCKS

	Group	Group	Charity	Charity
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
Goods for resale	47	53	-	-

#### **20 DEBTORS**

	Group 2019 £'000	Group 2018 £'000	Charity 2019 £'000	Charity 2018 £'000
Amounts falling due within one year				
Trade debtors	1,269	1,201	495	782
Gift aid recoverable	268	259	247	259
Amounts owed by group undertakings	_	_	2,970	645
Central Government & European grants receivable	3,820	5,464	3,820	5,462
Taxation and social security	71	90	_	69
Other debtors	41	96	38	79
Prepayments	1,294	1,432	1,158	1,336
Accrued income	1,283	2,201	1,250	2,070
	8,046	10,743	9,978	10,702

The Prince's Trust played the role of lead charity in a consortium, administering contractual arrangements on behalf of other members with the donor, Skills Development Scotland (SDS). At 31 March 2019, the total balance outstanding from SDS and due to other consortium members was £348k (2017/18: £386k) and the balance received from SDS but not yet paid out to other consortium members was nil (2017/18: £53k).

#### 21 CASH AT BANK AND IN HAND

	Group 2019 £'000	Group 2018 £'000	Charity 2019 £'000	Charity 2018 £'000
Cash held for investment purposes	2,015	_	1,470	-
Cash at bank and in hand	28,978	11,120	24,804	6,796
	30,993	11,120	26,274	6,796

Cash held for investment purposes represents cash under the management of the investment committee and cash held on deposit. These items are classified as current assets because the Trustees can draw from these facilities on demand.

£10m of the cash may be repayable to a funder and therefore is also recognised as creditor. See note 22.

#### 22 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2019 £'000	Group 2018 (Reclassified) £'000	Charity 2019 £'000	Charity 2018 (Reclassified) £'000
Trade creditors	1,052	1,356	814	1,092
Enterprise loans awarded but not yet paid	_	1	_	_
Amounts owed to group undertakings	-	-	963	(685)
Taxation and social security	808	837	754	833
Other creditors	12,602	2,212	12,560	2,195
Accruals	3,738	2,444	3,371	2,316
Deferred income	2,797	2,104	2,316	1,342
Mortgage	45	635	45	635
	21,042	9,589	20,823	7,728

Accruals include a holiday accrual as at 31 March 2019 is £741k (2018: £779k).

During the year management have taken the decision to reclassify certain items previously classified as Trade Creditors to Accruals. An adjustment has accordingly been made to the prior year number also for consistency.

Reconciliation of Deferred Income	Group £'000	Charity £'000
Brought Forward at April 1 2018		
Fees from programme attendance	_	_
Contract and Conditional Income	1,721	1,342
Income for Events	383	_
Total Brought Forward at April 1 2018	2,104	1,342
Deferred Income Released during Year		
Fees from Programme Attendance	_	_
Contract and Conditional Income	(1,721)	(1,342)
Income from Events	(383)	_
Total Deferred Income Released during Year	(2,104)	(1,342)
Incoming Resources Deferred during Year		
Contract and Conditional Income	2,526	10,316
Income from Events	271	-
Total Incoming Resources Deferred during Year	2,797	10,316
Deferred Income Carried Forward at 31 March 2019		
Contract and Conditional Income	2,526	10,316
Income for Events	271	_
Total Carried Forward at 31 March 2019	2,797	10,316

During 2018/19 the Trust received funding of £10m which will be used to set up an Enterprise Fund, providing grants and loans to young people over the next 10 years. The use of the funding is contingent upon the Trust obtaining at least a further £20m from other donors. If the additional funding is not secured, the £10m will need to be returned and therefore the Trust has shown the funding as other creditors in the 2018/19 Financial Statements. The Trust hopes to show this as income in 2019/20.

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#### 23 CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	Group 2019 £'000	Group 2018 £'000	Charity 2019 £'000	Charity 2018 £'000
Mortgage – Prince's Trust House				
Between one and five years	_	3,113	_	3,113
Over five years	_	6,681	_	6,681
Mortgage – Wolfson House				
Between one and five years	182	182	182	182
Over five years	67	84	67	84
Amounts due to international subsidiaries	_	_	-	400
	249	10,060	249	10,460

The outstanding mortgage was taken out in 2013/14 for the purchase of Wolfson House, 15 Carlton Court, Glasgow.

The mortgage for Prince's Trust House has been repaid following the sale of the property during the year.

#### **24 PROVISIONS FOR LIABILITIES AND CHARGES**

Group	Dilapidations £'000	Other £'000	Total £'000
As at 1 April 2018	619	466	1,085
Charged to the SOFA	(5)	(99)	(104)
Amount utilised		_	-
As at 31 March 2019	614	367	981
Charity	Dilapidations £'000	Other £'000	Total £'000
Charity As at 1 April 2018	•		
•	£'000	£'000	£'000
As at 1 April 2018	£'000 602	£'000 441	£'000 1,043

The dilapidation provision is an estimate of the cost of the obligation to repair damages which are incurred during the life of leases held, such as wear and tear. The dilapidation is likely to materialise when the lease of the property comes to an end.

#### **25 FINANCIAL INSTRUMENTS**

The Group has the following financial instruments:

	Group 2019 £'000	Group 2018 £'000	Charity 2019 £'000	Charity 2018 £'000
Financial assets measured at amortised cost:				
Trade debtors	1,269	1,201	495	782
Cash	30,993	11,120	26,274	6,796
Other debtor transactions	6,777	9,542	9,483	9,920
	39,039	21,863	36,252	17,498
Financial assets that are equity investments measured at cost less impairment:				
Programme-related investments	1,394	2,062	1,394	2,062
Financial assets measured at fair value through income and expenditure				
Investments	13,399	14,782	13,399	14,782
Financial liabilities measured at amortised cost				
Trade creditors	(1,052)	(2,508)	(814)	(2,244)
Other creditor transactions	(20,239)	(17,141)	(20,258)	(15,944)
	(21,291)	(19,649)	(21,072)	(18,188)
	32,541	19,058	29,973	16,154

The amortised interest expense on the mortgages for the year was £318k (2017/18: £442k).

#### **26 PENSION SCHEMES**

The Trust provides defined contribution pension schemes that are available to all UK-based eligible employees. During the year, the Trust contributed 5% of gross salary of employees subject to a minimum of 3% from the employee. The Trust contributes 1% to a minimum of 1% from the employee, for those employees who were auto-enrolled into The Trust's work based pension scheme. There are a number of employees whereby The Trust contributes 7.5% of gross salary subject to a minimum of 2.5% from the employee. This scheme is now closed for new employees. There are a number of employees whereby The Trust contributes into a scheme as a result of the Prince's Trust Youth Business Scotland merger. The contribution rate of 10% from the employer for existing and eligible members is paid into this scheme.

The assets of all of the schemes are held separately from The Trust. The pension cost of these schemes in the year was £1,631k  $^{\circ}$ (2017/18: £1,070k). The contributions outstanding as at 31st March 2019 were £151k (2017/18: £148k). Pension costs are allocated to unrestricted funds.

#### **27 FINANCIAL COMMITMENTS**

At 31 March, as lessee, the Group and Charity had total commitments under non-cancellable operating leases for land and buildings, vehicles and photocopiers as follows:

	Group 2019 £'000	Group 2018 £'000	Charity 2019 £'000	Charity 2018 £'000
Land and Buildings				
Operating leases which expire:				
Within one year	2,322	1,366	2,322	1,338
Between one and five years	4,249	3,055	3,923	3,055
Over five years	4,123	3,453	4,123	3,453
	10,694	7,874	10,368	7,846
Vehicles – operating leases which expire:				
Within one year	34	60	34	60
Between one and five years		_	_	_
	34	60	34	60
Office machinery – operating leases which expire:				
Within one year	4	10	4	10
Between one and five years	6	1	5	1
	10	11	9	11
	10,738	7,945	10,411	7,917

At 31 March, as lessor, the Group and Charity was due total commitments under non-cancellable operating leases for land and buildings as follows:

	Group 2019 £'000	Group 2018 £'000	Charity 2019 £'000	Charity 2018 £'000
Land and Buildings				
Operating leases which expire:				
Within one year	52	181	52	181
Between one and five years	_	_	_	_
	52	181	52	181

#### **28 RESTRICTED FUNDS**

Group	Balance 1 April 2018 £'000	Income in year £'000	Expenditure in year £'000	Transferred from unrestricted £'000	Balance 31 March 2019 £'000
Enterprise programme	2,394	5,438	5,897	-	1,935
Team	86	571	657	_	_
Awards	15	592	549	_	58
Achieve	436	2,583	2,980	_	39
Get into	1,545	7,114	7,759	(59)	841
Get Started	297	1,806	1,795	(3)	305
Pilots and local programmes	164	2,153	1,019	(33)	1,265
Regional and other restrictions	6,119	16,504	16,349	_	6,274
Fairbridge	347	2,419	2,517	_	249
Prince's Trust International	_	1,726	1,855	486	357
Prince's Trust Australia programmes	633	783	970	_	446
Prince's Trust Canada programmes	607	1,121	1,369	_	359
Prince's Trust New Zealand programmes	-	385	160	_	225
	12,643	43,195	43,876	391	12,353

Restricted funds relating to Prince's Trust International were historically included within the programmatic categories above. However, the Trust has decided to treat all of Prince's Trust International's income as Restricted and show its restricted funds in a separate line.

Balance 1 April 2018 £'000	Income in year £'000	Expenditure in year £'000	Balance 31 March 2019 £'000
2,394	5,438	5,897	1,935
86	571	657	_
15	592	549	58
436	2,583	2,980	39
1,604	7,413	8,057	960
294	1,806	1,795	305
71	2,153	1,019	1,205
4,857	16,504	16,448	4,913
347	2,419	2,517	249
10,104	39,479	39,919	9,664
	1 April 2018 £'000 2,394 86 15 436 1,604 294 71 4,857	1 April 2018 in year £'000  2,394 5,438  86 571  15 592  436 2,583  1,604 7,413  294 1,806  71 2,153  4,857 16,504  347 2,419	1 April 2018 £'000         in year £'000         in year £'000           2,394         5,438         5,897           86         571         657           15         592         549           436         2,583         2,980           1,604         7,413         8,057           294         1,806         1,795           71         2,153         1,019           4,857         16,504         16,448           347         2,419         2,517

All the funds disclosed above are restricted in so far as the funders have specified that the income can only be expended on particular programmes and activities.

Due to the additional requirements of the funder, the income, expenditure and restricted fund balances of the following grants are disclosed.

#### 28 RESTRICTED FUNDS (CONTINUED)

	Balance 1 April 2018 £'000	Income in year £'000	Expenditure in year £'000	Balance 31 March 2019 £'000
The Big Lottery (BLF)				
Get Started with Prince's Trust (10017112)	_	22	22	_
BLF – Investing in Communities (10257471)	_	137	137	_
Big Lottery Fund & ESF Building Better Opportunities – West of England Works	_	85	85	_
Big Lottery Fund & ESF Building Better Opportunities – Coast to Capital Make Trax	_	49	49	_
BLF – Reaching Communities Southampton (10317823)	_	_	8	(8)
BLF – Youth Hub (10085608)	_	37	37	_
BLF - People & Places RCT (10246831)	_	88	88	_
Talent Match				
TM South East (10075608)	_	1,116	1,116	_
TM Leicestershire (10082630)	_	394	394	_
TM Lincolnshire (10082084)	_	206	206	_
TM Middlesbrough (10072557)	_	307	307	_
TM New Anglia (10072613)	-	421	421	_
Glasgow City Council – Integrated Grants Fund	_	89	89	_
Scottish Government – The Prince's Trust Enterprise	_	400	400	_
Scottish Government – Early Intervention Fund	_	150	150	_
Careers and Enterprise Company				
Mentoring fund	_	75	107	(32)
Enterprise fund	_	-	84	(84)
Opportunity Areas	_	_	39	(39)
Help for Heroes	49	31	80	

#### **28 RESTRICTED FUNDS (CONTINUED)**

	Balance 1 April 2018 £'000	Income in year £'000	Expenditure in year £'000	Balance 31 March 2019 £'000
ERDF (West Midlands)				
Enterprise 1830 – Small Business Loans (080/P2/033)	281	_	_	281
Enterprise 1830 – Small Business Loans (FS/SL9022)	300	_	_	300
Enterprise 1830 – Small Business Loans (XFS/SL9022)	244	_	_	244
ERDF Enterprise – Coventry and Warwickshire	-	24	24	_
ERDF Enterprise – Coventry and Warwickshire Phase 2	-	8	8	_
ERDF Enterprising – West Of England	_	80	80	_
ERDF GLA EP London – Boost your Business	-	41	41	-
European Social Fund				
Elevate Berkshire	-	104	104	_
WCVA – Active Inclusion Conwy 17/18	_	5	5	-
Newcastle City Council – ESF	_	_	22	(22)
European Agricultural Fund for Rural Development				
Brecon Beacons National Park Gi Rural Skills 17/18	-	28	28	-
Lancashire Sports Partnership (Now Active Lancashire)				
More Positive Together 16–19	_	77	77	_
Other				
Hampshire PCC – Community (SCF0695)	-	6	-	6
Hampshire PCC – Prison (SCF0586)	_	20	20	_
Doncaster Metropolitan Council – Life Skills	-	38	15	23
Culture Bridge North East	_	14	14	

#### 28 RESTRICTED FUNDS (CONTINUED)

Due to the additional requirements of the funder, the following amounts received during the year are also disclosed:

Funder	Project	Amount £'000
City Bridge Trust	Ten year partnership to support the hardest to reach young Londoners	1,000
The Queen's Trust	The Queen's Trust in Wales	245
The Queen's Trust	The Queen's Trust in Scotland	250
London Borough Of Tower Hamlets	Mainstream Grants – Bridging the Gap 2015/18	18
London Borough Of Tower Hamlets	Mainstream Grants – Bridging the Gap 2018/19	21
Health Education Kent & Sussex – Innovation Fund	Get into Health & Social Care 2017/18 (Kent & Sussex)	38
Luton Borough Council	Luton Young People First	135
Health Education England – East of England	Get into Hospital Services	30
Health Education England – West Midlands	Get into Hospital Services	97
Essex PCC	Positive Strides	14
Be Together Inc	Be Together	26
Simon Clarke	Staffordshire delivery	63
LLEP Revenue Fund	Leicestershire LEP	50
Norfolk Community Foundation	New Anglia Community Challenge – Live Learn Earn	20
Central Bedfordshire Council	Youth Support Services	23
Education Authority	The Prince's Trust xl programme	60
Gannochy Trust	Fairbridge Dundee	15
Robertson Trust	Gi Health Care	20
Hertfordshire Partnership Foundation Trust	Hertfordshire Partnership Foundation Trust	21
Staffordshire PCC	The Prince's Trust Targeted Prevention Project 2	145
Suffolk PCC	Supporting 12 young people into employment	16
Leicestershire PCC	Provision of Mosaic & Achieve in Leicestershire	25
DWP	ESF – Steps to Work	31
Birmingham City Council	Birmingham Youth Promise Plus	202
Coventry City Council	Coventry Ambition	12
Coventry City Council	Coventry Ambition Phase 2	33
University Hospitals Birmingham	Birmingham Youth Promise Plus – NHS	16
Earl of Caledon	Support young people in NI	333
Cosaraf Charitable Foundation	Enterprise Programme	27
Cosaraf Charitable Foundation	Mosaic Secondary Schools mentoring programme	35
King Baudouin Foundation	King Baudouin Foundation US (Caterpillar)	140

#### **29 ANALYSIS OF NET ASSETS BETWEEN FUNDS**

Group	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total Funds £'000
Fund balances at 31 March 2019 are represented by:				
Intangible fixed assets	7,181	1	_	7,182
Tangible fixed assets	18,875	30	_	18,905
Investments	15,112	-	_	15,112
Current assets	23,996	14,090	1,000	39,086
Current liabilities	(20,263)	(779)	_	(21,042)
Long-term liabilities	(1,241)	11	_	(1,230)
	43,660	13,353	1,000	58,013
Charity	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total Funds £'000
Fund balances at 31 March 2019 are represented by:				
Intangible fixed assets	7,181	-	_	7,181
Tangible fixed assets	18,875	_	_	18,875
Investments	15,112	-	_	15,112
Current assets	25,588	9,664	1,000	36,252
Current liabilities	(20,823)	-	_	(20,823)
Lance Committee Control of Contro				
Long-term liabilities	(1,241)	_	_	(1,241)
Long-term liabilities	(1,241) 44,692	9,664	1,000	(1,241) 55,356

#### **30 RECONCILIATION OF MOVEMENT IN FUNDS**

	Group 2019 £'000	Group 2018 £'000	Charity 2019 £'000	Charity 2018 £'000
Opening funds	56,551	54,015	53,623	53,614
Net incoming resources for the year	(2,514)	1,701	(2,253)	(826)
Net gains/(losses) on investments	534	835	543	835
Gain on Disposal of Prince's Trust House	3,443	_	3,443	_
Closing funds	58,013	56,551	55,356	53,623

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Annual Report and Accounts 2018/19 95

#### **31 RELATED PARTY TRANSACTIONS**

The Prince's Trust in the UK entered into the following material transactions with its subsidiaries during the year. All income and expenditure is removed on consolidation.

			Transactions during the year ended 31 March 2019 (£'000)		Balances at 31 March 2019 (£'000)	
Entity	Nature of Relationship	Transaction	Income	Expenditure	Debtor	Creditor
Prince's Trust Trading	Wholly owned subsidiary	Management charge for costs incurred by The Prince's Trust on behalf of Prince's Trust Trading Limited.	1,375	_	706	_
		Distribution of year-end profit to The Prince's Trust, under deed of covenant.	2,154	-	2,154	_
Prince's Trust International	Deemed control	Costs incurred by The Prince's Trust on behalf of Prince's Trust International. These costs relate to staff salaries and expenses, procurement cards, travel and recharges for facilities, licence fee and management fees.	419	-	140	-
Prince's Trust Australia	Deemed control	Sub-grant of funding from the Prince of Wales's Charitable Foundation for delivery of charitable activities in Australia.	_	400	_	400
Prince's Trust Canada	Deemed control	Sub-grant of funding from the Prince of Wales's Charitable Foundation for delivery of charitable activities in Canada.	_	400	_	400

Expenses reimbursed to trustees and the remuneration of key management personnel are disclosed in Note 11. Transactions by the Charity with its defined contribution pension scheme are set out in Note 26.

The following transactions were entered into with members of The Prince's Trust Council or its committees, or with organisations in which those individuals hold a position of influence. There were no outstanding balances in relation to any of these transactions at the year end.

£20k was received in donations from the John Booth Foundation, whose Director, John Booth, joined The Prince's Trust Council in March 2018, became Chair in August 2018 and is also a member of the Investment Committee.

£41k was received from Michael Marks CVO, CBE, who was a member of the Prince's Trust Council during the year 2018/19, and its Nominations & Remuneration Committee until July 2019 and remains a non-Trustee member of its Investment Committee.

£50k was received from The Randeree Charitable Trust of which Shabir Randeree CBE is a Trustee. Mr Randeree joined the Prince's Trust Council in July 2016 and Chairs the Finance Committee and the Mosaic Committee.

£221k was received as a donation from Ian Mukherjee. Mr Mukherjee joined The Prince's Trust Council in December 2015 and is also a member of the Investment Committee. Mr Mukherjee is a long-standing supporter and Patron of The Prince's Trust, becoming a Committee Member of Invest in Futures in 2010 before taking over as Chairman in 2014.

£1k was received from Alison Brittain who joined The Prince's Trust Council in October 2016 and is a member of the Remuneration and Nominations Committee.

#### 31 RELATED PARTY TRANSACTIONS (CONTINUED)

£1m was received as an Endowment from Richard Oldfield who joined The Prince's Trust Council in January 2019 and is also a member of its Investment Committee.

£45k was received in individual donations from Michelle Pinggera, who was appointed as Trustee to the Council in July 2017 and also sits on the Young Persons Committee.

The following transactions were recorded as entered into with members of the Board of Trustees of Prince's Trust International. There were no outstanding balances in relation to any of these transactions at the year end.

£100k was received as a donation and £4k in donations in kind to Prince's Trust International from Sir Lloyd Dorfman CBE. Sir Lloyd is Chairman of Prince's Trust International.

There were no other transactions with the directors or board members of any of The Prince's Trust Group's other subsidiaries, or their affiliated organisations.

#### 32 EVENTS AFTER THE REPORTING PERIOD

There are no material events to report in the current year

# ADDITIONAL UNAUDITED INFORMATION

# INCOME AND EXPENDITURE ACCOUNT FOR WALES, SCOTLAND AND NORTHERN IRELAND

To meet the audit requirements of some funders, the results of each of the countries are summarised below. The results are presented in The Trust's management accounts and include an allocation of the shared support costs of head office and UK-wide. These costs are allocated based on the most appropriate driver for each function; full-time equivalent employees, young people supported or income/expenditure per function.

#### **Activities undertaken in Wales**

	2019 £'000	2018 £'000
Incoming Resources		
Private Sector	2,541	2,924
Public Sector	152	236
Other	275	247
	2,968	3,407
Resources Expended (including support costs)		
Direct Charitable	(396)	(626)
Fundraising	(26)	(27)
Staff costs	(2,537)	(2,781)
Other	(792)	(884)
	(3,751)	(4,318)
Deficit for the year	(783)	(911)

Further commentary on the activities in Wales is included within the Trustees' Report on page 25.

#### **Activities undertaken in Scotland**

	2019 £'000	2018 £'000
Incoming Resources		
Private Sector	4,291	3,402
Public Sector	3,060	3,862
Other	389	536
	7,740	7,800
Resources Expended (including support costs)		
Direct Charitable	(1,800)	(1,955)
Fundraising	(162)	(175)
Staff costs	(5,446)	(5,696)
Other	(1,459)	(1,858)
	(8,867)	(9,684)
Deficit for the year	(1,127)	(1,884)

Further commentary on the activities in Scotland is included within the Trustees' Report on page 25.

# ADDITIONAL UNAUDITED INFORMATION (CONTINUED)

#### **Activities undertaken in Northern Ireland**

	2019 £'000	2018 £'000
Incoming Resources		
Private Sector	1,076	924
Public Sector	1,497	2,109
Other	204	200
	2,777	3,233
Resources Expended (including support costs)		
Direct Charitable	(592)	(935)
Fundraising	(36)	(44)
Staff costs	(2,622)	(2,723)
Other	(815)	(846)
	(4,065)	(4,548)
P. C. W. Conth.	(4.000)	(4.045)
Deficit for the year	(1,288)	(1,315)

Further commentary on the activities in Northern Ireland is included within the Trustees' Report on page 26.



The Prince's Trust Group works in communities across the globe, helping young people aged 11–30 to succeed, no matter what their background. Our practical courses, together with our trusted mentors, equip young people with the skills and confidence they need to live, learn and earn.

Without you, none of this is possible. So if you believe in young people, join us by donating your money, time or support to transform young lives today.

# FIND OUT MORE ABOUT THE PRINCE'S TRUST

Visit: princes-trust.org.uk
Email: info@princes-trust.org.uk

Call: 0800 842 842



Prince's Trust House 9 Eldon Street London EC2M 7LS

#### THE PRINCE'S TRUST

princes-trust.org.uk

#### PRINCE'S TRUST INTERNATIONAL

princestrustinternational.org

#### **PRINCE'S TRUST CANADA**

princestrust.ca

#### **PRINCE'S TRUST AUSTRALIA**

princes-trust.org.au

#### **PRINCE'S TRUST NEW ZEALAND**

princes-trust.org.nz

English Cymraeg

Log III to digital Service (https://portal.update-chanty-details.service.gov.uk/)

About the register of charities > Search results

## THE PRINCE'S TRUST



Charity reporting is up to date

Charity number: 1079675

<u>Charity overview (https://register-of-charity-search/-/charity-search/-/charity-details/3969861/charity-overview)</u>

What, who, how, where

Governance

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**Financial history** 

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**Linked charities** 

**Contact information** 

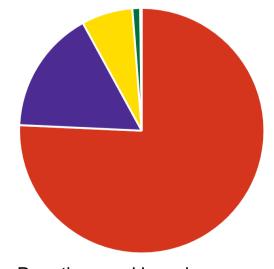
## **Activities - how the charity spends its money**

The Prince's Trust's vision is that every young person should have the chance to succeed and its mission is to help young people transform their lives by developing the confidence and skills to live, learn and earn.

## Income and expenditure

Data for financial year ending 31 March 2020

# Total income: £75,946,000

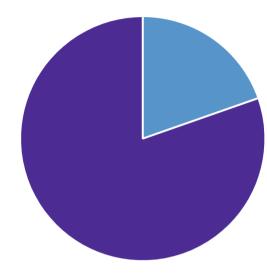


Donations and legacies

£57.51m

Charitable activities	£12.38m
Other trading activities	£5.12m
Investments	£779.00k
Other	£155.00k

# Total expenditure: £77,302,000



Raising funds	£15.17m
Charitable activities	£62.13m
Other	£0

## -£3,331,000 investments gains (losses)

Total income includes £56,927,038 from 89 government grant(s)

## **People**



1139 Employee(s)12 Trustee(s)5978 Volunteer(s)

## Employees with total benefits over £60,000

# Number of employees

32
15
5
3
3
2
2

English Cymraeg

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## THE PRINCE'S TRUST

V

Charity reporting is up to date

Charity number: 1079675

## **Charity overview**

What, who, how, where (https://register-of-charities.charitycommission.gov.uk/charity-search/-/charity-details/3969861/what-who-how-where)

### Governance

## **Trustees**

## Financial history

## Assets and liabilities

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## **Linked charities**

## **Contact information**

What the charity does:

General Charitable Purposes

Education/training

The Prevention Or Relief Of Poverty

**Amateur Sport** 

Economic/community
Development/employment
Other Charitable Purposes

Who the charity helps:

Children/young People People With Disabilities

People Of A Particular Ethnic Or Racial

Origin

Other Charities Or Voluntary Bodies

Other Defined Groups

The General Public/mankind

How the charity helps:

Makes Grants To Individuals
Provides Other Finance

Provides Buildings/facilities/open Space

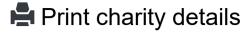
**Provides Services** 

Provides Advocacy/advice/information Sponsors Or Undertakes Research Acts As An Umbrella Or Resource Body

Other Charitable Activities

Where the charity operates:

Australia Canada New Zealand
Northern Ireland
Scotland
Throughout England And Wales
United States



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## **Fundraising**

The charity raises funds from the public. It works with professional fundraisers and commercial participators with agreements in place.

## Trading

One or more trustees are also directors of the subsidiaries

## Trustee payments

No trustees receive any remuneration, payments or benefits from the charity.



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## THE PRINCE'S TRUST

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Registration

history:

02 March 2000 : registered

**Organisation type:** Other

Other names: No other names

Company number: RC000772

(https://beta.companieshouse.gov.uk/company/RC

000772)

**Gift aid:** Recognised by HMRC for gift aid

Other regulators: Financial Conduct Authority

Policies: Risk management

Investment

Safeguarding vulnerable beneficiaries

Conflicting interests
Volunteer management
Complaints handling

Paying staff

Land and property: This charity owns and/or leases land or

property



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**Trustees** are the people responsible for controlling the work, management and administration of the charity on behalf of its beneficiaries. Generally trustees are treasurer, chair, board member etc. The trustees are responsible for keeping this list up to date and can do this by updating their details as they happen through the online service

## 12 Trustee(s)

Name	Role	Date of appointment	Other trusteeships	Reporting status of other trusteeships
Tania Slowe	Trustee	24 September 2019	None on record	
Richard Oldfield	Trustee	22 January 2019	THE ROCHESTER CATHEDRAL TRUST	Charity reporting is up to date
Mark Dearnley	Trustee	24 September 2019	None on record	
ALISON BRITTAIN	Trustee	03 October 2016	None on record	
ALISTAIR SUMMERS	Trustee	06 June 2018	PRINCE'S TRUST INTERNATIONAL	Charity reporting is up to date
Ramneek Sohal	Trustee	24 September 2019	THE ROYAL COLLEGE OF PSYCHIATRISTS	Charity reporting is up to date
Kirstie Donnellv	Trustee	24 September 2019	THE NATIONAL LAND BASED	Charity reporting is

,			COLLEGE	up to date
MICHELLE PINGGERA	Trustee	20 July 2017	PRINCE'S TRUST INTERNATIONAL	Charity reporting is up to date
			THE MAYOR'S FUND FOR LONDON	Charity reporting is up to date
Joan Armatrading MBE	Trustee	24 September 2020	None on record	
SHABIR RANDEREE	Trustee	01 July 2016	YUSUF ISLAM FOUNDATION	Charity reporting is up to date
IAN MUKHERJEE	Trustee	01 December 2015	None on record	
John Booth	Chair	22 March 2018	None on record	



## English **Cymraeg**

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## THE PRINCE'S TRUST

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Charity reporting is up to date

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<u>Financial history (https://register-of-charities.charitycommission.gov.uk/charity-search/-/charity-details/3969861/financial-history)</u>

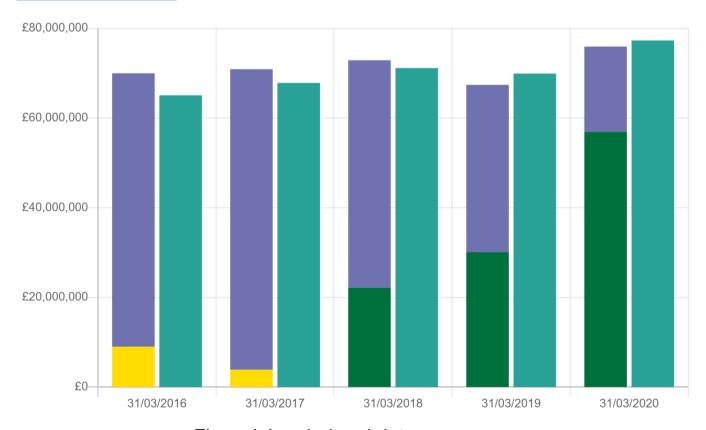
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## **Contact information**



Financial period end date

					31/03/2020
Income from government contracts	£8.99m	£3.87m	N/A	N/A	N/A

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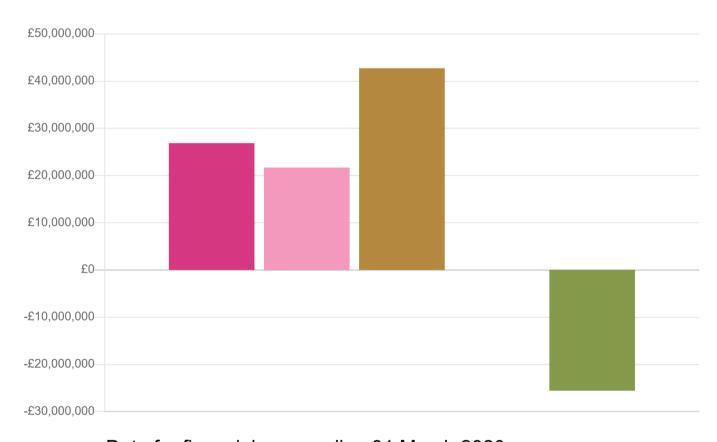
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## Definitions for assets and liabilities



## Data for financial year ending 31 March 2020

Own use assets	£26.87m
Long-term investments	£21.69m
Other assets	£42.74m
Defined benefit pension scheme asset or liability	£0
Total liabilities	£25.58m



	31/03/2016	31/03/2017	31/03/2018	31/03/2019	31/03/2020
Income from government grants	£0	£0	£22.15m	£30.06m	£56.93m
Other income	£60.99m	£67.03m	£50.74m	£37.35m	£19.02m
Total expenditure	£65.07m	£67.83m	£71.15m	£69.92m	£77.30m

## Print charity details

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**Contact information** 

This table shows the charity's record of submitting annual returns, accounts and trustees' annual report (TAR) for the last five financial periods.

Title	Reporting year	Date received	Received	Download
Annual return	31 March 2020	22 January 2021	On time	
Accounts and TAR	31 March 2020	22 January 2021	On time	Download
Annual return	31 March 2019	01 November 2019	On time	
Accounts and TAR	31 March 2019	01 November 2019	On time	Download
Annual return	31 March 2018	22 November 2018	On time	
Accounts and TAR	31 March 2018	22 November 2018	On time	Download
Annual return	31 March 2017	05 September 2017	On time	
Accounts and TAR	31 March 2017	05 September 2017	On time	Download
Annual return	31 March 2016	15 December 2016	On time	
<b>Accounts</b>	31 March	15 Necember	∩n time	

1/27/2021 THE PRINCE'S TRUST - 1079675

TittleTAR Reporting Pate Received Download year received

Submit annual return

( Charity users only)

Print charity details

## The Prince's Trust Group

**Annual Report** 

For the year ended 31st March 2018

Incorporated by Royal Charter Charity Registration Number 1079675 and SC041198



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## TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2018

## Chairman's Foreword

This Annual Report for 2017/18 covers the activities of The Prince's Trust Group.

In the UK, The Prince's Trust has been supporting young people for 42 years. In total, since our foundation in 1976, we have helped more than 900,000 young people and our work continues to change lives in communities across the whole of the country.

In recent years, governments and agencies from across the world have contacted The Trust to see if our approach to tackling unemployment and underachievement could be successfully applied in their countries. In response, we launched Prince's Trust International in 2015 and, last year, we delivered support to young people in nine countries: Australia, Barbados, Canada, Greece, India, Jordan, Malta, New Zealand and Pakistan.

During the year, our sister charities in Australia and Canada became part of the Group and we are delighted to be working with Prince's Trust Australia and Prince's Charities Canada to support young people, veterans and indigenous communities.

Work is also underway to establish Prince's Trust New Zealand and Prince's Trust America.

Under the leadership of Dame Martina Milburn, The Prince's Trust Group forms a global network of organisations that is making a tangible - and increasing - difference to people's lives. Together we supported more than 66,000 people in the last financial year.

We should recognise that each member of the Group is at a different stage in its development. There are, therefore, understandable differences in programmes and approaches. In the year ahead we will be working to align priorities to form a coherent Group strategy. Support to young people and communities will be at the heart of this plan.

Given our long-standing history in the UK and the comparative scale of the separate organisations, these accounts will, in large part, reflect our UK activities. We have endeavoured to be clear in each section to specify if the detail relates to the Group, the UK or a subsidiary.

In the UK, we completed delivery of a three year strategy which saw us support an incredible 118,000 new young people. We also delivered a number of infrastructure projects which will transform our ability to grow our delivery in future years.

During 2017/18 we supported 63,486 individual young people in the UK, including 43,732 who were new to The Trust and 19,754 who received ongoing support from previous years. Of those young people who were new to The Trust, 2,392 took part in more than one programme in order to give them the maximum opportunity of a positive outcome. So we had a total of 66,116 programme participations compared to 60,535 the year before, thus representing year-on-year growth of 9%.

Our positive outcomes – the proportion of young people who move into education, employment, training or volunteering on completion of our programmes - have been maintained at 78% and this is a key measure of our success.

In a fiercely competitive fundraising environment, securing the resources to continue our work is an ongoing challenge. We have, however, risen to the challenge. Due to the continued investment of our brilliant partners in both the public and private sector, we generated an income of £72.9 million, representing growth of nearly 3% over the previous year. I would like to offer my personal thanks to every individual and organisation who has

### TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2018

demonstrated their faith in the work of The Trust and the potential of our young people. Without you, we simply could not achieve so much.

Our expenditure for the year was £71.2m. We have also invested in systems and processes that will ensure the organisation is fit for the future. We successfully completed a major IT project which has delivered a new website, a comprehensive new client database and a reporting system which gives us meaningful data upon which we can make better decisions. We have also made substantial progress on a new HR system which will come online later this year.

Prince's Trust Online is our new digital learning and mentoring platform. Following a successful launch, 1,000 young people have participated in online learning; many of these young people would not have been able to access our traditional support. Moving forward, we are looking at a blended approach where each individual client receives their tailored mix of online and face-to-face support.

It is my great pleasure to welcome Nick Stace as our new UK Chief Executive. Nick has been the driving force behind a dynamic strategy which will see The Trust support a million more young people over the next ten years. In addition to providing individually tailored support to each of these young people, we aim to give them an increasing stake in the economy and society. To do this, we need to be the best organisation and we are determined to enable our colleagues, volunteers and supporters to achieve their goals.

Much of this innovation and development in the UK will inspire our future activities as a global Group. At the same time, there are innovations and insights within our Group charities which could well benefit young people here in the UK.

While the global political, economic and social situation remains unstable and uncertain, there is every reason to be optimistic about the future. If we invest in our young people, then we are investing in the future of our communities and countries. Surely this must be a priority?

I'd like to thank everyone, from our staff and volunteers to our donors and of course the young people we support, all of whom continue to play a part in our growing Prince's Trust community. We are connected by a common belief in the value of human potential. Together we have achieved a great deal, but there is very much more work still to do.

Sir Lloyd Dorfman CBE

Chairman

### TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2018

#### The Prince's Trust

#### Administrative details

#### **Principal Address**

Prince's Trust House 9 Eldon Street London EC2M 7LS

Telephone: 020 7543 1234 Fax: 020 7543 1200 www.princes-trust.org.uk

Charity Registration Number: England & Wales 1079675, Scotland SC041198

Royal Charter Number: RC000772

#### **Governing Document**

The Prince's Trust is a company incorporated by Royal Charter. The Royal Charter is the governing document of The Trust.

#### President

His Royal Highness The Prince of Wales

#### Chair of The Prince's Trust Council

Sir Lloyd Dorfman CBE

#### Trustees and Members of The Prince's Trust Council

Sir Lloyd Dorfman CBE

Wendy Becker (resigned June 2018)

John Booth (appointed March 2018)

Alison Brittain

Blondel Cluff CBE

Thierry Henry

Sir Nigel Knowles

Michael Marks CVO, CBE

Ian Mukherjee

Michelle Pinggera (appointed July 2017)

Shabir Randeree CBE

Alistair Summers (appointed June 2018)

Management

Dame Martina Milburn DCVO CBE Chief Executive (Group Chief Executive from October 2017)

Nick Stace UK Chief Executive (appointed October 2017)

Paul Brown Director, Marketing and Communications (Chief Marketing Officer- UK

and Group, from June 2018)

Richard Chadwick Director, Programmes and Development (left in June 2018)

Martyn Dicker Director, People and Learning

Tara Hull Director, Fundraising (Deputy CEO - Income and Innovation, from

June 2018)

David Ivell Chief Information Officer (left in June 2018)

### TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2018

lan Jeffers Director, Operations (Deputy CEO - Design and Delivery, from June

2018)

Simon Major Company Secretary (Group General Counsel & Company Secretary

from October 2017)

Wayne Orr Director, Finance (Interim, appointed December 2017) (Chief

Operating Officer from June 2018)

Jo Passingham Director, Finance (resigned November 2017)

#### **Independent Auditors**

PricewaterhouseCoopers LLP 1 Embankment Place, London WC2N 6RH

#### **Principal Solicitors**

McCarthy Denning Limited 49 Queen Victoria Street, London EC4N 4SA

#### Bankers

National Westminster Bank plc 3rd Floor, 280 Bishopsgate, London EC2M 4RB

Coutts & Co

Villiers Branch, 440 Strand, London WC2R 0QS

#### **Investment Advisers**

Cazenove Capital Management Limited 12 Moorgate, London EC2R 6DA

### TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2018

The Trustees are pleased to present their report and audited financial statements for The Prince's Trust Group (which includes The Prince's Trust and its subsidiaries) for the year ended 31<sup>st</sup> March 2018.

Organisational Structure, Governance and Management

The Prince's Trust (The Trust) is incorporated by Royal Charter (with Royal Charter number RC000772) and is registered with the Charity Commission for England and Wales (with registered number 1079675) and the Office of the Scottish Charity Regulator (with registered number SC041198). Its objects and powers are set out in the Royal Charter and Byelaws. The Royal Charter, the Byelaws and The Handbook (a document that sets out The Trust's internal governance structure) are the documents that govern The Trust's administration.

Trustee Recruitment, Appointment and Training

Trustees are appointed in accordance with the Byelaws and are collectively known as the Council. On joining the organisation, new Trustees receive a personalised wide-ranging induction which covers the values and purpose of The Trust and includes sections on strategy, finance, fundraising, programmes, operations and governance. During induction, Trustees meet young people and members of The Trust's Senior Management Team to help fully understand their role as a Trustee. In addition, they are invited to attend Trust programmes to see them in action and are asked to take an interest in a particular area of The Trust's work via membership of one of the committees, to be ready to contribute to The Prince's Trust Council as required. Trustees receive ongoing support and up to date guidance to enable them to fulfil their responsibilities to the organisation. They regularly meet with beneficiaries at events and on programme visits. The Council meets bi-monthly with occasional additional meetings as needed. The Trustee role is unremunerated but Trustees are able to claim expenses where relevant.

The Prince's Trust Council is accountable for the work of The Trust. The matters reserved for The Prince's Trust Council include the approval of strategy, the budget and business plan and the Annual Report and Accounts. The Prince's Trust Council also retains oversight of management controls and corporate governance, along with the appointment of Trustees, the Group Chief Executive, the UK Chief Executive and senior volunteers. Appointment of directors/trustees of The Prince's Trust subsidiaries are a matter for their boards with Council retaining the right of ratification.

The Advisory Board meets up to twice a year with the Council and contributes ideas to help inform strategy and organisational development. Members of the Advisory Board have an advisory role only and have no legal obligations. The members of the Advisory Board, in addition to the members of Council, during 2017/18 were:

Richard Huntingford
Duane Jackson
Sir Derek Jones KCB, CMG
Margaret McPherson
Patrick Passley LVO
Steve Sealey
Rose Mary Stalker (appointed June 2017)
Ursula Morgenstern (appointed August 2017)

The Prince's Trust Council has appointed six committees to help with the execution of its responsibilities. Members are appointed by The Prince's Trust Council. The committees meet regularly and members during 2017/18 were:

- → Audit: Shabir Randeree CBE, Sir Nigel Knowles, Blondel Cluff CBE (appointed July 2017)
- → Investment: Michael Marks CVO, CBE (Chair), Sandra Robertson, Ian Mukherjee, John Booth (appointed March 2018)

## TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2018

- → Fundraising Advisory Board: Ian Mukherjee (Chair), Richard Huntingford, Steve Sealey, Jeremy Green, James Bennet MBE, James Wates CBE (appointed June 2017), Uzair Bawany (appointed June 2017), John Booth (appointed November 2017)
- → Nominations & Remuneration Committee: Sir Lloyd Dorfman CBE (Chair), Wendy Becker, Michael Marks CVO, CBE
- → Young Persons Committee (formerly the Programmes & Operations Committee): Wendy Becker (Chair), Alison Brittain, Michelle Pinggera (appointed July 2017), Emily Cherrington (resigned May 2017)
- → Mosaic: Shabir Randeree CBE (Chair), Yasmin Waljee OBE (Vice-Chair), Saker Nusseibeh (Vice-Chair (from November 2017), Harris Bokhari OBE, Professor Farida Fortune CBE, Bushra Nasir CBE, Mohamed Amersi, Tariq Shah, Farouq Sheikh, Professor Aaqil Ahmed, Sarah Khan-Bashir MBE, Uzair Bawany, Varinder Dhaliwal (appointed January 2018), Dr Haseena Lockat (appointed January 2018), Wakkas Khan (appointed January 2018), Atif Bashir (appointed January 2018), Farida Gibbs (resigned November 2017), HE Sheikh Mohammed bin Nahyan bin Mubarak Al Nahyan (resigned November 2017)

The Prince's Trust Council appoints Advisory Councils in Wales, Scotland and Northern Ireland, Development Committees in the English regions and Development Committees for our Industry and Leadership Groups. These are composed of senior volunteers, whose role is to provide fundraising support and guidance.

The Prince's Trust Council has delegated authority to the Group Chief Executive for oversight of The Prince's Trust and its subsidiaries. The Council has also delegated authority to the UK Chief Executive and a Senior Management Team for the day-to-day management of The Trust. The Senior Management Team comprises the UK Chief Executive, the Finance Director, the Chief Information Officer and the Directors for Operations, People and Learning, Marketing and Communications, Fundraising, Programmes and Development, and the Group General Counsel & Company Secretary.

The Senior Management Team has delegated authority from the Council for the design and delivery of programmes and income generation, along with the administrative functions of finance, people and learning, health and safety, internal audit, evaluation, management information systems, marketing and communications. Designated staff may commit The Trust to expenditure within defined limits.

During the financial year Council reviewed and agreed organisational pay and the Nominations & Remuneration Committee considered and approved the appointment and remuneration of new roles in the Senior Management Team in consideration of good practice in the charity sector.

## TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2018

## The Prince's Trust Subsidiaries

#### **Prince's Trust International**

The Prince's Trust is the sole member of Prince's Trust International. Prince's Trust International is a company limited by guarantee (with company number 09090276) and is registered with the Charity Commission for England and Wales (with registered number 1159815). The vision of Prince's Trust International is to help unemployed young people around the globe into education, training and work by partnering with governments, NGOs and corporations to implement The Prince's Trust programmes. Prince's Trust International aims to provide opportunities for unemployed and disengaged young people to gain the skills, motivation and self-confidence to contribute to their local economy and engage as active members of society. The primary objective of Prince's Trust International, to promote by all charitable means throughout the world the mental, spiritual, moral and physical development and improvement of young people, and to provide opportunities for them to develop to their full capacities and enable them to become responsible members of society so that their conditions of life may be improved, is similar to The Prince's Trust. Jonathan Townsend is the Chief Executive. The Prince's Trust Chairman is also Chairman of the Prince's Trust International Board and the Group Chief Executive sits on the board of Prince's Trust International as a Trustee. The Prince's Trust and Prince's Trust International each have an independent Deputy Chairman who is solely focused on the one charity.

#### Prince's Trust Australia

The Prince's Trust became the sole member of Prince's Charities Australia in July 2017, which subsequently changed its name to Prince's Trust Australia. Prince's Trust Australia is a public limited company also registered as a charity with the Australian Charities and Not-for-profits Commission (with registered number ABN 73 161 872 993). Prince's Trust Australia carries out, and supports, charitable projects in Australia which are similar to those of The Prince's Trust in the United Kingdom including working in consultation and partnership with other charitable bodies. It also carries out charitable projects in other areas. Janine Kirk is the Chief Executive and the Group Chief Executive sits on the board of Prince's Trust Australia as a Trustee.

#### Prince's Charities Canada

The Prince's Trust became the sole member of Prince's Charities Canada in February 2018, and it is currently in the process of changing its name to Prince's Trust Canada. Prince's Charities Canada is designated a Charitable Organization under the Canadian Income Tax Act and has registered number 83229 5406 RR000. Prince's Charities Canada funds and carries out activities and programmes in Canada that are beneficial to the community as a whole, in a way which the law in Canada regards as charitable. Sharon Broughton is the Chief Executive and the Group Chief Executive sits on the board of Prince's Charities Canada as a Trustee.

For more detailed information about the activities, achievements and future plans of The Trust's programming subsidiaries, being Prince's Trust International, Prince's Trust Australia and Prince's Charities Canada, see page 22.

#### **Prince's Trust Trading Limited**

The Prince's Trust's commercial activities are undertaken by its wholly-owned trading subsidiary, Prince's Trust Trading Limited. Prince's Trust Trading Limited is incorporated as a company to conduct trading activities to support The Prince's Trust's charitable objectives. It passes all of its taxable profits to The Trust via gift aid. The payment under deed of covenant from Prince's Trust Trading Limited to The Trust in 2017/18 was £1.8m (2016/17 £2.5m). Prince's Trust Trading Limited is incorporated in England and Wales (with company number 03161821).

## TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2018

#### **Futures Charitable Trust**

The Prince's Trust was the sole member of Futures Charitable Trust. Futures Charitable Trust was a company limited by guarantee (with company number 03075475) and registered with the Charity Commission for England and Wales (with registered number 1080195). During 2011/12 Futures Charitable Trust wound up its activities and was dormant from that date until it was dissolved in October 2017.

The financial results for 2017/18 of all subsidiaries are summarised in Note 18 to the Financial Statements.

#### TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2018

#### The Prince's Trust in the UK

#### **Objectives and Activities**

2017/18 was the final year of delivery of our three year UK strategy which states:

Our vision is that every young person should have the chance to succeed.

**Our mission** is to help disadvantaged young people in the UK to change their lives and get into work, education, training or volunteering.

The Trust's new strategy for 2018-23 is detailed on page 17.

The primary objective of The Prince's Trust (The Trust), as defined by its Royal Charter, is:

To promote by all charitable means the mental, spiritual, moral and physical development and improvement of young people, and to provide opportunities for them to develop to their full capacities and enable them to become responsible members of society so that their conditions of life may be improved.

In accordance with Charity Commission guidance on public benefit (section 17 of Charities Act 2011) The Trust achieves this by:

- helping young people aged 11 to 30 who are unemployed and those at risk of unemployment because they have struggled at school.
- bringing young people together from different backgrounds, cultures and faiths, so that they can make a positive difference in their communities.
- providing practical support, enabling them to overcome their problems and get their lives on track.
- delivering proven, high quality programmes and basic financial support, which help young people to develop the confidence and skills they need to get a job or start a business.

#### **Our Values**

The Senior Management Team ensures that The Prince's Trust is influenced, both in the way it operates internally and how it engages with its beneficiaries and supporters, by the following values:

Approachable - We are open minded and value diversity
Non-judgemental - We focus on the potential not the past
Inspiring - We lead by example
Empowering - We enable positive change
Passionate - We are absolutely committed to supporting young people

#### **Our Programmes**

During 2017/18 The Prince's Trust continued to support young people through eight core programmes that helped them overcome their barriers and move forward with their lives.

The **Achieve** programme supports young people aged 11 to 19 to re-engage and succeed in education. It benefits young people who are at risk of underachieving or exclusion. Delivered informally in education and youth work settings, and in Prince's Trust Centres, Achieve provides young people with the space and attention they need to learn skills, develop confidence, raise aspirations and improve their attitude to learning. It aims to engage young people in education and ensure that every young person is given the opportunity to realise their

## TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2018

potential. During 2017/18 we launched **Achieve for younger learners** for young people aged 11 and 12, focusing on supporting them in their transition from primary school and in their early years of secondary school education.

With the support of trained volunteer mentors, **Mosaic** programmes aim to bridge the aspirations-attainment gap by linking young people with inspirational, relatable role models and helping boost their confidence, self-efficacy and long-term employability. Our Mosaic teams run mentoring programmes to inspire young people from deprived communities to realise their potential. With a particular focus on young Muslims, it provides a vehicle to help us access communities where we believe we can make a positive difference. It also strengthens our volunteer capacity and brings with it a network of committed advocates from diverse communities.

Targeted at unemployed young people aged 16 to 25, the **Team** programme is a full-time, 12 week personal development course offering work experience, qualifications, practical skills, community projects and a residential week. The programme aims to increase confidence, motivation and skills and, as a result, enables young people to move into employment, education, training, volunteering or an apprenticeship.

The **Fairbridge** programme is an individually tailored personal development programme for young people aged 16 to 25 who are far away from reaching their potential, have chaotic lifestyles and are unable to overcome problems in their lives. It combines group activities, experiences, outdoor learning and one-to-one support, delivered by a dedicated team of Prince's Trust youth workers. It empowers young people through these positive opportunities and experiences to gain the personal and social skills needed to stabilise their lives. The programme provides participants, from the harder-to-reach end of the spectrum, with the confidence and motivation they need to move towards a positive outcome.

The **Get Started** programme engages young people through short courses themed around a wide range of activities including sports, the arts and STEM (science, technology, engineering and maths). The programme is aimed at young people aged 16 to 25 who are disengaged from learning or employment. It gives them the chance to try something new, develop skills and have fun, enabling them to move forward with their lives. It gives young people the opportunity to meet new friends and build their confidence and provides them with the skills they need to move into positive destinations.

The **Get into** programme provides unemployed young people aged 16 to 30 with the opportunity to develop relevant vocational skills and experience to enable them to move into sustainable employment in a specific sector. For example, during 2017/18 programmes have supported young people into jobs in the digital, construction, hospitality, customer service, retail, logistics and health and social care sectors. Programmes are delivered in partnership with employers who offer tangible job opportunities. These Get into programmes may vary in length depending on the sector and, wherever possible, all or part of the programme content is accredited.

The **Enterprise** programme assists young people aged between 18 and 30 to develop their entrepreneurial skills and start their own business through the provision of financial and mentoring support. The programme helps young people who are interested in self-employment to explore and test their ideas, write plans and start their own businesses or achieve alternative positive outcomes. The focus of the programme is on supporting young people to choose and achieve the outcome which is best for them. It also helps those who believe they are ready to start a business to plan and test their ideas thoroughly, improving the quality of their propositions and increasing their chances of success. Where appropriate, The Trust can offer a loan of up £7,500 to help young people to establish their businesses. Further information on our loans policy is included on page 42.

**Development Awards** are cash grants of between £50 and £500, which are awarded in areas where funding is available. The Awards help young people aged 16 to 30 to enhance their employability and life skills and access positive outcomes in education, training or employment. Examples of what can be funded include tools or equipment for a job or qualification; course fees; interview clothes; license fees e.g. CSCS card (construction)

### TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2018

or SIA license (security); childcare costs to help single parents access short-term education; or transport to a new job until the first pay cheque arrives.

In 2017/18 we also piloted a new shorter employability programme, **Ready to Work**, which aims to provide young people with tangible employment opportunities and sustainable careers with leading businesses across multiple sectors. We will be rolling out Ready to Work across the country during 2018/19.

#### **Prince's Trust Online**

Building on our extensive experience of supporting young people across these eight core programmes, during 2017/18 we successfully launched **Prince's Trust Online**, providing young people with online learning that's free and flexible to help them achieve their goals. Whether their aim is setting up a business, or finding that perfect job, this new learning platform helps them on their journey. The initial focus of Prince's Trust Online has been in two areas:

- Enterprise helping young people develop the skills they need to set up a business.
- Employability helping young people gain the skills they need to succeed in job searches and preparation for applications and interviews.

#### Other Opportunities Following Completion of a Prince's Trust Programme

In addition to achieving positive outcomes (i.e. moving into work, training or education), after completing one of the above programmes many young people decide to volunteer for The Trust as **Young Ambassadors**. The Trust supports them to develop their confidence and skills to become advocates and role models for our work. Young Ambassadors take on a range of responsibilities, from speaking at public events to contributing to policy debates and research projects.

The Trust also supports young people through its **Get Hired** and **Opportunity Days**. Get Hired days are bespoke employability events connecting young people, volunteers and employers to help young people into work. Young people benefit from the support of mentors and corporate volunteers who help them prepare their CVs, develop their interview skills and get ready for mini interviews with employers.

Opportunity days are similarly structured, but focused on a broader range of outcomes, including education and training.

Following completion of a Trust programme many young people also benefit from ongoing support – for example, being mentored by one of The Prince's Trust's large number of volunteers. This mentoring support often contributes to young people accessing and maintaining sustainable positive outcomes.

### TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2018

#### **Achievements and Performance**

During 2017/18 we supported 63,486 individual young people, including 43,732 who were new to The Trust and 19,754 who received ongoing support from previous years. Of those young people who were new to The Trust, 2,392 took part in more than one programme in order to give them the maximum opportunity of a positive outcome, so we had a total of 66,116 programme participations compared to 60,535 the year before. This represents year on year growth of 9%.

	Individual young people	Participation on programmes
Young people who participated in one programme in 2017/18	41,340	41,340
Young people who participated in more than one programme in 2017/18	2,392	5,022
Total new young people/participations 2017/18	43,732	46,362
Young people receiving ongoing support in 2017/18	19,754	19,754
Grand total in 2017/18	63,486	66,116
Comparative in 2016/17	57,667 10.1% growth	60,535 9.2% growth

The breakdown of participation by programme during 2017/18 is as follows:

Achieve: 18,661 (includes 6,660 ongoing clients, i.e. those whose participation began the previous financial year)

→ Mosaic: 2,103

→ Team: 8,795 (includes 240 ongoing clients)

→ Fairbridge: 3,059 (includes 1,116 ongoing clients)

→ Get Started: 3,524 (includes 821 ongoing clients)

→ Get into: 7,185 (includes 1,799 ongoing clients)

→ Enterprise: 15,198 (includes 8,625 ongoing clients)

→ Development Awards: 4,012

→ Other/Local/Pilot: 2,578 (includes 493 ongoing clients)

→ Prince's Trust Online: 1,001

These programmes help young people at risk of exclusion to stay in school and continue to learn; they develop the confidence and motivation of the unemployed to turn their lives around; and they support young people to develop their skills to find work or start their own business. Maintaining the quality of these programmes, to maximise the benefit to young people, remains a priority. Our key measure of success during 2017/18 was the proportion of young people who achieve a positive outcome: moving into education, employment, training or volunteering three months after completing a Trust programme. In 2017/18 78% of young people achieved one or more of these outcomes (2016/17: 78%), including 49% of clients who got a job or went into self-employment (2016/17: 50%).

#### Resources

In 2017/18, our income was £67.1m million (2016/17: £65.9 million) representing slight growth (2%) from the previous year. Year on year income growth has been achieved with another strong fundraising performance; public sector partnerships achieved the largest growth while income from trusts, philanthropy and campaigns continued to grow.

## TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2018

For further details on our approach to fundraising, please see page 14.

In support of our focus on maintaining high safety and quality standards, we continue to be accredited to BS OHSAS 18001:2007 (Occupational Health and Safety Standard) and licensed by the Adventure Activity Licensing Authority (AALA).

#### People

The Prince's Trust is committed to being a great organisation to work and volunteer for. To achieve this, we have a clear people strategy, which empowers our people to be their best.

We continue to have a strong focus on performance management, with our new approach prioritising regular feedback and development. This has helped enhance our work on pay and reward, with a greater emphasis on recognition. In addition, we have secured funding specifically for Leadership Development. We are in the process of designing Leadership and Management Development programmes which will support our leaders in delivering The Trust's ambitious new strategy.

In the year ahead we will launch a dynamic new system that will greatly enhance all of our processes. At the same time, we are developing a more agile culture, with modern new Centres offering fantastic places to work.

The Trust is committed to supporting improved mental health and wellbeing and has signed the Time to Change pledge. In addition we have an active LGBT+ and women's network supporting everyone to bring their true self to work.

We benefit from the time, skills and expertise of more than 9,000 volunteers and secondees who deliver our programmes, mentor our young people, fundraise, and support a range of strategic development projects and head office functions.

Over the past year we have developed and launched a new digital approach to recruit and train volunteers. This has been embedded within Prince's Trust Online, and we will look to develop elements of this approach across all volunteering - enabling us to reach and engage more volunteers than ever before

We have continued to grow our offer across uniformed partnerships - increasing delivery with the Fire & Rescue Service, seconded/volunteer support with Help for Heroes and developing outreach with the Police. Together, these partnership are delivering impactful gift-in-kind resourcing to all our programmes.

We have also significantly increased the provision of mentors to the Mosaic programmes, ensuring that each volunteer is well supported by our dedicated volunteer teams.

#### Reputation

The Prince's Trust continues to take great care in the management of its reputation. This begins with effective risk management; taking good decisions around the partners we choose to work with; and keeping our promises to young people and partners.

With the support of 'The & Partnership' - on a pro-bono basis - we reviewed our branding and messaging to be more appealing to the young people we aim to support. 'Youth Can Do It' is the new strapline which embodies our positive attitude to young people and society. We are grateful to our gift-in-kind media partners who have helped us to spread the word.

### TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2018

We continue to raise awareness and understanding amongst the public through regular media campaigns around the issues that affect young people. Our Prince's Trust Macquarie Youth Index, now in its ninth year, attracted significant media attention when it was launched in January. Highlighting the mental health challenges that young people face in an increasingly uncertain world, the Index is gaining a reputation as a key indicator of young people's happiness and confidence.

Demonstrating the outstanding achievements of young people, we refreshed our Prince's Trust Awards and focussed on telling the life-changing stories of our inspirational young people. And, for the first time, we worked in partnership with ITV's 'Good Morning Britain' to highlight the key role that our mentors play in helping shape young lives.

On social media, we have also been engaging The Prince's Trust Community. Thanks to our network of Young Ambassadors and a growing list of social media influencers, we use digital media to spread positive messages and engage young people who we might struggle to reach through traditional channels.

Through our public affairs work, we help Ministers, MPs and representatives of devolved administrations to better understand the experiences of young people. We achieve this through visits to our programmes, targeted focus groups, and sharing expertise to support policy development in areas such as youth employment and apprenticeships.

#### **Fundraising**

The Charities (Protection and Social Investment) Act 2016 requires that the annual report of any charity subject to audit must include a statement of each of the following for that year:

a. The approach taken by the charity to activities by the charity or by any person on behalf of the charity for the purpose of fundraising, and in particular whether a professional fundraiser or commercial participator carried on any of those activities;

The Prince's Trust primarily fundraises through our own fundraising staff team and through our supporters who fundraise on our behalf. There are occasions where we will work with third parties to carry out fundraising activities, such as event companies and our corporate partners.

The Prince's Trust is a community of supporters who give their time, energy and money to help young people. We are fortunate to have a broad range of supporters and partners who donate or fund our work in a variety of different ways. In 2017/18, these included:

- Public sector contracts working in partnership with a large range of local and national public sector
  partners who support our work to help young people. These partnerships are primarily in the form of
  grant giving or commissioned contracts to deliver services.
- Corporate partnerships we have over 200 local and national corporate partners who provide funding, training and job opportunities to help young people succeed.
- Charitable trusts our work with young people is supported by a number of charitable trusts and foundations. These charitable trusts provide funding needed to carry out our vital work.
- Individuals and legacies we receive donations and legacy gifts from our community of supporters. Individuals donate to The Prince's Trust in a number of ways, including:
  - o Regular donations, such as direct debits or long term commitments;
  - o One off gifts including responses to fundraising appeals and philanthropic donations,

## TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2018

- Fundraising on our behalf, for example by taking part in an event or fundraising in their community;
- o Leaving a gift in their will.
- Gift-in-kind a number of our partners and supporters provide their expertise, service and products free of charge to the charity.
- Trading income we deliver a number of income generating activities through our trading subsidiary, Prince's Trust Trading Limited, including ticketed events, sponsorship opportunities and commercial partnerships.
- Other income alongside our fundraising activities, we have some other income sources such as our investments and programme fees.

b. Whether the charity or any person acting on behalf of the charity was subject to an undertaking to be bound by any voluntary scheme for regulating fund-raising, or any voluntary standard of fund-raising, in respect of activities on behalf of the charity, and, if so, what scheme or standard;

The Prince's Trust is registered with the Fundraising Regulator who holds the Code of Fundraising Practice for the UK. We endeavour to carry out our fundraising activities in line with the Code of Fundraising Practice and the expectations of our supporters. We are signed up to the Fundraising Preference Service, which gives the public control over the fundraising communications they receive, as well as the Gambling Commission for fundraising lotteries that our supporters take part in.

c. Any failure to comply with a scheme or standard mentioned under paragraph (b);

None.

d. Whether the charity monitored activities carried out by any person on behalf of the charity for the purpose of fundraising, and, if so, how it did so;

The Prince's Trust primarily fundraises through its own fundraising staff team and through our supporters who fundraise on our behalf. Supporters that choose to fundraise on our behalf are required to sign up to clear terms and conditions before being able to use our logo and branding to fundraise. There are occasions where we will work with third parties to carry out fundraising activities, such as event companies. Where we work with third parties, we have agreements in place and regularly monitor the performance of third parties in line with these agreements.

e. The number of complaints received by the charity, or a person acting on its behalf, about the fundraising activities carried out by the charity or a person acting on its behalf;

The Prince's Trust is committed to providing a high quality service| to all of its service users, partners and supporters. We have a clear, publically available complaints policy that allows us to thoroughly investigate any complaints, communicate results, record results and review our work, enabling improvements to be made, if required. For the financial year 2017/18, we received 19 complaints about our fundraising activities, compared to 21 we received in 2016/17.

Further to our complaints policy, we make a pledge to our supporters whose generous support is vitally important to transforming young lives. As a supporter of The Prince's Trust, we make a pledge that:

#### TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2018

- You can expect The Trust to use your donations wisely, and to help young people in the most effective and efficient manner.
- You can expect The Trust to hold your information securely and responsibly, and we will not share any
  of your details for use by any other organisation.
- If you have supplied your name and address, we would like to let you know how your donation is
  helping to save young lives. But we will only send you communications that you have asked for, or have
  agreed to receive, and you can choose to stop hearing from us at any time.
- We would love to hear your feedback about any aspect of our work, our fundraising, or your experience as a supporter. Simply email getinvolved@princes-trust.org.uk or call us on 020 7543 1384 to let us know your thoughts, and to update your preferences. We are available between 9am and 5pm Monday to Friday (excluding bank holidays).
- f. What the charity has done to protect vulnerable people and other members of the public from the following, in the course of, or in connection with, fundraising activities:
  - Unreasonable intrusion on a person's privacy;
  - Unreasonably persistent approaches for the purpose of soliciting or otherwise procuring money or other property on behalf of the charity; and
  - Placing undue pressure on a person to give money or other property.

The Prince's Trust is committed to protecting vulnerable people and other members of the general public from unreasonable intrusion on a person's privacy, unreasonably persistent fundraising approaches and placing undue pressure on a person to give money. Our fundraising activities follow both the Code of Fundraising Practise and our own ethical fundraising policy.

To help protect vulnerable people, we have a field on our fundraising database which records a potentially vulnerable person. We exclude anyone flagged on the database as vulnerable from all of our fundraising appeals.

Our supporters have the option to specify the frequency of fundraising communications that they receive from The Prince's Trust. We also carry out an annual survey with our supporters to ensure that our fundraising communications and activities are appropriate and in line with supporter's expectations. In the financial year 2017/18, we sent out the following direct mail communications to supporters:

- two direct mail fundraising appeals
- two supporter newsletters
- · one thank you direct mailing; and
- one gift aid mailing.

### TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2018

#### **Our Future Plans**

2017/18 was the final year of our three year UK strategy. We have developed a new, ambitious five year strategy for the period covering 2018 to 2023, with the following highlights:

Our Vision – Every young person should have the chance to succeed.

Our Mission – To help young people transform their lives by developing the confidence and skills to live, learn and earn.

The strategy has three key strategic goals:

#### Goal 1: Be the best organisation.

We will:

- → Become the best place to work, volunteer and support
- → Build a long term financially sustainable organisation
- → Move to fewer and better quality properties to support an efficient and flexible delivery model
- → Unleash our entrepreneurial spirit
- → Be the partner of choice

Key success measure: We will achieve year-on-year increased satisfaction scores for colleagues, volunteers, partners and supporters.

#### Goal 2: Help one million more young people over the next 10 years.

We will:

- → Maximise our positive impact on young people's lives; understand and report this impact
- → Become a more youth-relevant brand
- → Be the first point of contact for young people who need us most
- → Develop a Prince's Trust passport for every young person we progress
- → Increase the speed and effectiveness of support, with a more flexible mix of online and face to face delivery
- → Move from a programme driven to young person led approach

Key success measure: By 2020/21 we will have helped 150,000 young people progress, 80% of whom will transform their lives; By 2022/23 we will be supporting over 100,000 young people a year to progress.

### Goal 3: Give young people an increasing stake in our economy and society.

We will:

- → Introduce a UK2030 taskforce to identify practical solutions for government, employers, educators and young people which are acted upon
- → Help young people prepare for the new economy and society by creating highly relevant services through strong partnerships
- → Listen to young people and involve them in shaping our and their future
- → Mobilise our society behind young people as a force for good, inspiring our expanding community of supporters

### TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2018

Key success measure: We will work with government, employers, educators, partners and young people to identify and deliver high impact practical solutions every year.

For the financial year 2018/19 in the UK we plan to support 73,000 young people across our traditional core programmes and Prince's Trust Online. To ensure this ambitious growth is sustainable, we aim to raise £69.1m of income in 2018/19.

#### **Risk Management**

#### How we manage our risks

The Trust's Council recognises the inherent risks in working with disadvantaged young people and in raising the funds to pay for its work. The span of these risks is wide, including health and safety, client safeguarding, programme development, data management and large-scale fundraising. The Trust works to mitigate the risks that it takes and aims to deliver safe and effective opportunities for young people. The Trust also recognises the new risks posed by expansion of its work internationally through Prince's Trust International, Prince's Trust Australia and Prince's Charities Canada.

The Audit Committee reviews and discusses the risk environment with the Senior Management Team and the actions taken to ensure appropriate robust controls are in place, and reviews the results of controls testing. The Council keeps risk management under review and receives reports from the Audit Committee. Health & Safety and Safeguarding are reviewed and discussed at the Young Persons Committee and are standing items on the agenda of each Council meeting.

The Senior Management Team ensures The Trust manages its risk effectively as follows:

 Risk Management: Each department is responsible for identifying and managing its specific risks.
 The Senior Management Team is responsible for identifying the organisational risk and managing it accordingly, these are then reported to the Audit Committee.

Internal Audit: During the year The Trust carries out a number of audits, either required by regulatory bodies or funders. The Trust also undertakes audit work on contemporaneous risks,

such as data protection, GDPR and cyber security.

3. Health and Safety: The Trust operates a centrally managed Health and Safety Practitioners team which reports into the Director of Operations. The team provides advice and support to countries and regions and is responsible for providing assurance on The Trust's framework of health and safety control. The Trust has accreditation to the BS OHSAS 18001:2007 Occupational Health and Safety Management System Standard. A Health & Safety report is presented at each Council meeting.

Safeguarding: The Trust operates a centralised Safeguarding function. Members of staff carry out regular safeguarding training, all safeguarding concerns are logged and, where required, statutory bodies notified. The Safeguarding function reports to the Director of Operations and a Safeguarding

report is presented at each Council meeting.

5. Programme Quality Assurance: A central quality team ensures that minimum standards are complied with through a Quality Assurance System, which follows the Business Excellence Model.

 Emerging risks: The Senior Management Team monitors the external and internal environments applicable to each of their departments. Changes to the risk environment are monitored in The Trust's Risk Register.

# TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2018

# Principal Risks and Uncertainties

During 2017/18 the most significant risks to The Trust were identified as follows:

	Risk	Management action
P R O G R A M M	Failure to keep the young people and children we work with safe  Failure to provide the most effective solutions to the young people and children in need of our services  Failure to effectively manage the development of new activities  Failure to attract, recruit, train and retain high performing staff members and volunteers	<ul> <li>Established and embedded risk assessments for all our programmes, activities and events</li> <li>Contractual arrangements with delivery partners and subcontractors working on our programmes</li> <li>Adherence to the standards of our OHSAS 18001 and AALA accreditations</li> <li>Health, Safety and Safeguarding training for staff</li> <li>Safeguarding policies and procedures and training</li> </ul>
ES	effective solutions to the young people and children	<ul> <li>Programme structure with clearly defined target groups and outcome measures</li> <li>Toolkit methodology including minimum delivery standards</li> <li>Customer Relationship Management system to track engagement with young people</li> <li>Monitoring and Evaluation reporting on key performance indicators to the Council</li> <li>Complaints monitoring by Senior Management Team</li> <li>Young Persons Committee of the Council look at the needs of young people on a regular basis</li> </ul>
	the development of new	<ul> <li>Policy and Programmes Development teams in place to scope, assess and develop new programmes</li> <li>Established due diligence and work-flow methodologies for working with other charities</li> </ul>
PEOPLE	train and retain high performing staff members	<ul> <li>Benchmarking of benefits and reward packages against charity standards</li> <li>Succession planning supported by Continuous Review and Development process</li> <li>Staff consultative body and staff surveys provide feedback to management</li> <li>Adherence to the standards of our Investors In People accreditation</li> </ul>
R E S O U R C E S		<ul> <li>Reserves policy and annual business planning underpinning finance strategy</li> <li>Fundraising strategy supports diversification of income streams and maximisation of flexibility of donations</li> <li>Investment Committee and regular reporting by fund managers</li> <li>Procurement policy and procedures</li> </ul>
	we hold safely and	<ul> <li>Additional resource made available to prepare for GDPR</li> <li>Data Protection and Information Security policies and procedures reviewed and updated. Face to face and online training provided</li> <li>Contracts and Information Sharing Protocols in place to manage transfer of data to third parties</li> <li>IT Disaster Recovery plans providing clear priorities for restoring key systems</li> </ul>

# TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2018

## Principal Risks and Uncertainties (continued)

R E P U T A T	Failure to comply with all our required regulatory and legal obligations	<ul> <li>Regular horizon scanning exercises completed by Legal team to identify and respond to regulatory and legislative changes</li> <li>Compliance monitoring programme and regulatory reporting to support our Financial Conduct Authority authorisation for the Enterprise Programme</li> <li>Governance Handbook, aligned to Charity Commission guidance, to define legal and financial authorities</li> </ul>
I O N	Failure to demonstrate that we operate to the highest ethical standards in our dealings with others	<ul> <li>Fundraising policies and procedures reviewed against Codes of Practice set by the Institute of Fundraising</li> <li>Ethical Fundraising Committee in place to review major gifts and income contracts</li> <li>Anti-Bribery Policy, Gifts and Hospitality Register and Declarations of Interest in place to identify and record potential conflicts of interest with suppliers</li> <li>Whistle blowing process to allow anonymous reporting of malpractice and rigorous, independent review of evidence</li> </ul>
	Risk that a growing international expansion does not deliver on its goals	<ul> <li>During the year The Trust created the new role of Group Chief Executive, supported by a small group of staff, to lead on the international work</li> <li>The Trust recruited a new UK Chief Executive to focus on the work of The Trust in the UK</li> <li>By working in close collaboration with its subsidiaries The Trust is able to retain oversight of the activities and quality of programming of the entities operating internationally</li> </ul>

## Independent Inquiry into Child Sexual Abuse (IICSA)

As one strand of its Inquiry, the Independent Inquiry into Child Sexual Abuse (IICSA) investigated protection of children outside the UK, including historic child migration programmes.

In 2011, the UK youth charity Fairbridge (which had long ceased to have any involvement in child migration programmes) became part of The Prince's Trust. At that time The Prince's Trust inherited the archives of the Fairbridge Society which were held by Fairbridge.

Since we were approached in 2016 by IICSA to assist with its inquiry, The Trust has cooperated fully and has made all relevant information available to IICSA.

The Trust is committed to supporting former migrants and we will do all we can to enable them to access any information contained in the archives.

## TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2018

#### The Prince's Trust in Scotland

In 2017/18 The Trust in Scotland supported 6,408 new young people through our core programmes and a number of new pilot initiatives. A number of highlights throughout the year include: growth across our education offer; development of our new pioneering Centre-based sessions; and the increased accessibility of The Prince's Foundation Dumfries House estate to young people from right across Scotland.

The Trust in Scotland has continued to support young people to turn their lives around. The positive outcome rate for Scotland over the last 12 months stands at 79% with 46% moving into employment; 39% into education/training; and 7% into voluntary work.

Across the United Kingdom, Scotland continues to have the lowest unemployment rates, with youth unemployment at its lowest level in the last 10 years. As a result, The Trust has diversified its provision over the past 12 months, with the introduction of non-core activities, including support for young people experiencing mental health issues. This has positively enabled us to engage with those young people furthest from the labour market that often demonstrate more complex needs. The Trust has also continued to grow and reach diverse community groups across Greater Glasgow, supporting 58 young people through the Mosaic programmes.

At the beginning of 2018, Scotland launched the Year of Young People, a year where we will celebrate the achievements of young people and the positive contribution they make to society. Partnering with a number of youth charities across Scotland, The Trust has delivered activities within the first quarter of this year. Engaging with our Young Ambassadors, all of the initiatives we have developed have been youth-led, with our young people empowered to have a strong voice in society.

Our Education, Training and Development programmes have supported 3,141 young people. We have continually developed the roll out of the Achieve programme over the last 12 months, engaging with our school partners to increase the number of Achieve clubs so that more young people that require support within an education setting have the opportunity to access our help. The further development and growth of Achieve forms a core part of our strategy for Scotland in the years ahead. Despite a challenging funding climate, our 12 week personal development programme - Team - reached 653 young people, maintaining a similar level of support to 2016/17.

A total of 3,046 young people benefited from financial, enterprise and employability support. Whilst we have seen a national decline in the number of young people approaching The Trust to start up their own business in recent years, Scotland has this year supported 1,228 young people through the Enterprise programme. With strong funding support, Scotland continues to award the highest number of cash grants compared to other parts of the UK. This year, 1,052 young people benefited from a Development Award up to £500, to support them into training or employment.

## TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2018

## **Subsidiaries**

Each programming subsidiary is registered in its country of incorporation and has its own board of Trustees which is responsible for managing its affairs and appointing its Chief Executive. The Group Chief Executive has delegated authority from the Council of The Prince's Trust to work with the UK Chief Executive and Chief Executives of the programming subsidiaries to co-ordinate the activities of the Group.

Each member of the Group is at a different stage in its development. There are, therefore, understandable differences in programmes and approaches. In the year ahead we will be working to align priorities to form a coherent Group strategy. Support to young people and communities will be at the heart of this plan.

# **Prince's Trust International**

## Achievements in 2017/18

Prince's Trust International delivered support for 2,210 young people with delivery partners across a range of programmes in nine countries during 2017/18. These countries are Australia, Barbados, Canada, Greece, India, Jordan, Malta, New Zealand and Pakistan..

In Australia, Prince's Trust International worked in partnership with Prince's Trust Australia, which joined The Prince's Trust Group in July 2017. In Canada, Prince's Trust International worked in partnership with Prince's Charities Canada, which joined The Prince's Trust Group in February 2018.

The programmes co-delivered by Prince's Trust International help young people to engage with their education, turn their lives around, develop their skills to find work or start their own business. The breakdown of the 2,210 participation total by programme during 2017/18 was Enterprise Challenge 1,581 (in Jordan and Pakistan); and 629 young people on other programmes, including Get into 303; Team 21; and Achieve 305. We continued the delivery of international programmes formerly delivered by Mosaic.

This compared to a total of 4,163 young people in 2016/17, which included 3,516 on the Enterprise Challenge and 647 young people on the other programmes. Prince's Trust International ran particularly high volumes of the Enterprise Challenge in Qatar and Jordan for one year only in 2016/17. Separately, the volume of participation on other programmes in 2017/18 was broadly the same as in 2016/17.

Delivering high-quality programmes is our top priority. Our key measure of success is the proportion of participants who achieve a positive outcome – in particular, moving into education, employment or self-employment. In 2017/18, 69% of the total 597 participants on Get into, Achieve and Team achieved one of these outcomes.

During 2017/18 Prince's Trust International:

- Completed a successful pilot of the Get into programme in India. Began developing a partnership
  agreement to work with NGO Magic Bus to roll out the programme to six cities in India over the next
  two years, funded by the Michael and Susan Dell Foundation and the Macquarie Group Foundation
- Expanded the Achieve programme in Malta, with presence in 31 schools, and with further growth planned in 2018/19. Also ran the Get into pilot in Malta, with plans for further delivery in 2018/19
- Expanded the delivery of the Get into programme in Jordan, and also delivered the Enterprise Challenge there
- Continued to deliver the Team and Get into programmes in Barbados

## TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2018

- Jointly grew the delivery and secured funding for the Get into programme in Canada, working alongside Prince's Charities Canada
- Completed a successful pilot of the Get into programme in Adelaide, Australia, working alongside Prince's Trust Australia
- Ran a successful pilot of the Achieve programme in New Zealand, with plans to roll this out in 2018/19
- Delivered the Enterprise Challenge in Pakistan, increasing the number of schools and young people participating
- Secured funding for and started the pilot of the Get into programme in Greece

In addition, Prince's Trust International developed its Monitoring & Evaluation framework, to enable comprehensive measurement of its impact. We also refreshed our identity to align more closely with The Prince's Trust brand and strengthened our Risk, Health and Safety, Safeguarding and Serious Incident procedures.

#### **Financial Performance**

Prince's Trust International had income for the year of £1.4m (2016/17: £1.6m) and expenditure of £1.3m (2016/17: £1.4m). Its £85k surplus will be retained by Prince's Trust International for investment in 2018/19. Financial performance for the year was broadly in line with expectations.

Total funds as at 31<sup>st</sup> March 2018 were £486k (2016/17: £401k), of which £95k (2016/17: £89k) were restricted funds. Unrestricted reserves £391k (2016/17: £312k) represented approximately four months of non-programme related expenditure.

Funding has been received from a number of companies, Patrons and Founding Patrons. The principal funding source in the year continues to be from the Founding Patrons start-up scheme which closed at the end of the 2016/17 year. This is supplemented with funding secured through our new Patron scheme as well as funding from corporate partners, trusts and foundations.

## **Future Plans**

For 2018/19, Prince's Trust International plans to support 4,200 young people, to secure £1.8 million of income with £1.7 million of expenditure.

We will continue to roll out programmes with delivery partners in the nine countries where we have successfully run pilots. This will involve activity in Australia and Canada, with Prince's Trust Australia and Prince's Charities Canada respectively; and in Barbados, India, Jordan, Malta, New Zealand and Pakistan. Prince's Trust International will continue with its pilot Get into programme in Greece and also launch the Enterprise programme there. During 2018/19, we plan to undertake scoping in Malaysia, Jamaica and Trinidad and Tobago in preparation to run programmes there in 2019.

At the end of 2018/19, Prince's Trust International will be a little over three years old and will have completed its first strategy cycle. By March 2019, we will produce a new strategic plan for the next five years. This will build on the foundations established in the initial three year start-up phase.

Quality of delivery and meaningful impact for young people will remain at the heart of what Prince's Trust International does. We aim to grow over the next five years, both in terms of the breadth of programme delivery and geographic reach. We will explore new ways to interact with young people, in line with The Prince's Trust's experience in the UK – potentially piloting an online platform and more flexible programme delivery.

# TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2018

To fund this growth, Prince's Trust International will seek to increase and broaden its funder base, by delivering beneficial programme interventions that are in tune with their interests and funding criteria.

Prince's Trust International will ensure it is aligned with strategic developments within The Prince's Trust Group. At the same time, we will continue to ensure we recognise the specific country and cultural contexts of where we operate. Prince's Trust International will also continue to meet its high expectations for the health and safety and safeguarding of young people beneficiaries and staff.

Prince's Trust International manages risk through a comprehensive risk register which is reviewed by the Management Team at regular intervals and at every board meeting by the Trustees. The international risk register is also reviewed at The Prince's Trust Audit committee.

## TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2018

## Prince's Trust Australia

Prince's Trust Australia joined The Prince's Trust Group on 13<sup>th</sup> July 2017. Prince's Trust Australia's financial year-end in 2017/18 is 30<sup>th</sup> June 2018. For Prince's Trust Australia, this report covers the nine-month period 1<sup>st</sup> July 2017 to 31<sup>st</sup> March 2018, and as such represents only a partial picture of Prince's Trust Australia's achievements and performance.

Prince's Trust Australia delivers a range of programmes that help participants to develop their confidence, turn their lives around, develop their skills to find work or start their own business. As part of this, Prince's Trust Australia works in partnership with Prince's Trust International to deliver the Get into programme.

#### Achievements in 2017/18

Between 1<sup>st</sup> July 2017 and 31<sup>st</sup> March 2018, Prince's Trust Australia continued to pilot and develop The Prince's Lead Your Own Business and Get into programmes, with a view to scaling them up in future years. Eighty percent of The Prince's Lead Your Own Business participants went on to start their own business and all of the young people completing Get into demonstrated improvement in their employability skills.

Prince's Trust Australia developed an emotional recovery programme for young people experiencing metal health issues following trauma and natural disaster. Prince's Trust Australia collaborated with partners and local communities in Queensland, to highlight the importance of protecting endangered loggerhead turtles on Mon Repos beach.

In addition, Prince's Trust Australia collaborated with partners to complete The Prince's Terrace in Adelaide, a 12 dwelling exemplar residential scheme demonstrating innovation in sustainable design. Officially opened in December 2017, this is the first residential scheme in Australia to receive a '6 Star Green Star' design and build rating from the Green Building Council. It is predicted to use 50 per cent less power and potable water than a typical urban townhouse.

#### **Financial Performance**

Prince's Trust Australia income for the nine-month period 1st July 2017 to 31st March 2018 was £1.1m.

#### **Future Plans**

Prince's Trust Australia's financial year 2018/19 will start on 1<sup>st</sup> July 2018 and end on 31<sup>st</sup> March 2019, to align with The Prince's Trust Group year-end. Over this period, Prince's Trust Australia plans to achieve £0.6m of income and deploy £0.9m of expenditure.

We have developed a transition strategy for 2018/19, including a more focused mandate of "achieving social impact, by transforming lives and building sustainable communities in Australia, through high-quality programme delivery in employment, education and sustainability."

Our key strategic goals for 2018/19 are:

Goal 1: Grow the portfolio of Prince's Trust youth employability and education programmes across Australia, starting with the Get into programme, and explore opportunities to deliver the Achieve programme;

Goal 2: Expand the range of business training programmes for defence members, enabling them to achieve employment and self- employment;

# TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2018

Goal 3: Develop our Sustainable Communities offer, including training programmes in traditional design and progressing an exemplary mid-rise residential development in Sydney.

During 2018/19, Prince's Trust Australia will begin to increase the scale of its delivery.

## TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2018

# **Prince's Charities Canada**

Prince's Charities Canada joined The Prince's Trust Group on 27<sup>th</sup> February 2018, towards the end of The Prince's Trust Group financial year ended 31<sup>st</sup> March 2018. While this Report includes just one month of Prince's Charities Canada's financial activity, this section sets out the achievements and performance of Prince's Charities Canada for the whole of 2017/18.

Prince's Charities Canada's programmes transform lives by helping participants develop hope and confidence, strengthen their skills to find work or start their own business, and build a brighter future. In doing this, Prince's Charities Canada works in partnership with Prince's Trust International to deliver the Get into programme.

#### Achievements in 2017/18

During 2017/18, Prince's Charities Canada supported 608 total participants: 52 through the Get into programme, in partnership with Prince's Trust International; and 556 military veterans through The Prince's Operation Entrepreneur.

We welcomed The Prince of Wales and Duchess of Cornwall during Their Royal Highnesses' tour of Canada during June and July 2017. We launched a campaign through The Prince's Operation Entrepreneur in order to promote the products and services of veterans' enterprises. The Indigenous languages revitalization project provided every child aged 3 to 8 in the Canadian territory of Nunavut with copies of "The Old Man of Pangnirtung" in Inuktitut – one of the Indigenous languages of Canada.

Our priority is to deliver high-quality, impactful programmes so we are working with The Prince's Trust Group to implement a Monitoring and Evaluation strategy with measures of success to demonstrate impact year over year. This will enable Prince's Charities Canada to track and report on the proportion of participants who achieve a positive outcome – in particular, moving into employment or self-employment.

#### **Financial Performance**

Prince's Trust Canada income for the period 27<sup>th</sup> February 2018 to 31<sup>st</sup> March 2018 was £0.9m. 85% of our staff are deployed directly in supporting front line delivery.

#### **Future Plans**

Prince's Charities Canada is due to become Prince's Trust Canada during 2018/19. We have developed a transition strategy for 2018/19, including a more focused mandate of "delivering social impact, by transforming the lives of Canadians who are facing challenge or transition; and by building sustainable communities".

Our key strategic goals for 2018/19 are:

Goal 1: Deliver tangible social impact through high quality programmes that support unemployed youth, transitioning military veterans and Indigenous communities seeking to revitalize their languages;

Goal 2: Be relevant and responsive to the realities facing present-day Canada;

Goal 3: Achieve financial and operational sustainability while maximizing the benefits and opportunities of being an integral part of The Prince's Trust Group.

For 2018/19, we plan to support 693 total participants including 168 young people and 525 military veterans, plus more than 5,000 individuals through Indigenous Languages projects.

# TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2018

We plan to secure £1.5m of income and deploy £1.4m of expenditure.

## TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2018

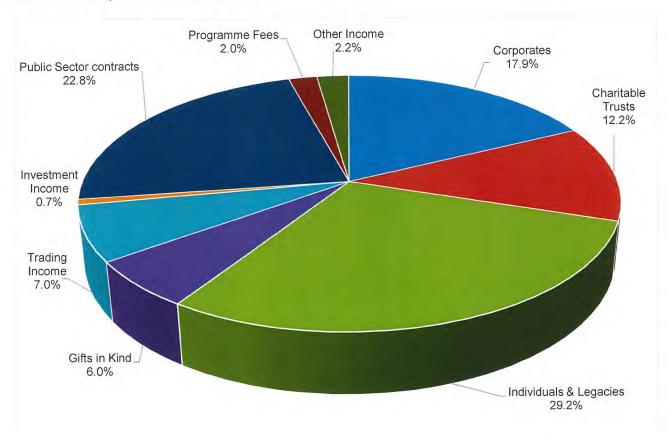
# Financial Review for The Prince's Trust Group

The results of the Group for the year are set out in the Consolidated Statement of Financial Activities (SOFA) on page 36. Net incoming resources for the year after gain on investments were £2.5m (2016/17: £4.4m). The free reserves at the end of the financial year were £29.4m (2016/17: £33.5m) as analysed on page 31.

#### Income and Endowments

Total income was £72.9m in 2017/18 (2016/17: £70.9m), showing an increase of £2.0m from the prior year. This increase was largely due to growth in charitable activity, with funding for our programmes from Public Sector contracts, particularly the EU, up £2.6m (19%) from the prior year. Income was also boosted due to the expansion of the Group in 2017/18, with £1.9m attributable to the incorporation of new subsidiaries into the Prince's Trust Group and £1.5m of funding from The Prince of Wales's Charitable Foundation for charitable activities in Australia, Canada and New Zealand. Other income streams were down compared to the prior year, driven by anticipated reductions in Corporate Funding, Charitable Trusts and Events income, and an unforeseen reduction in our investment income.

Where our Group funds of £72.9m came from:



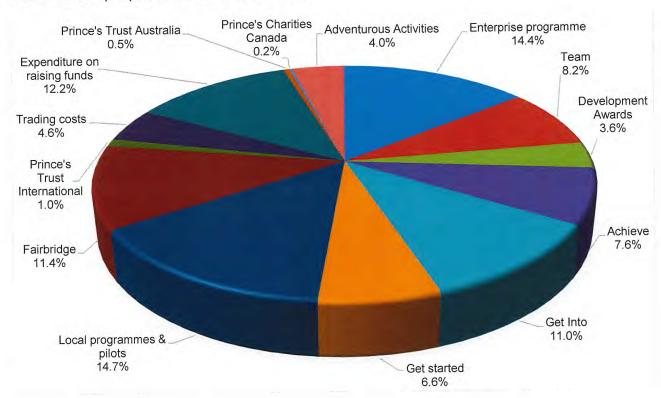
## TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2018

### Expenditure

Total expenditure increased by 5% to £71.2m in 2017/18 (2016/17: £67.8m). Expenditure on raising funds was stable with an increase of less than 1% to £12.0m (2016/17: £11.9m). The total cost of charitable activities increased by 6% to £59.2m (2016/17: £55.9m) as a result of a 9% increase in programme participations in the year.

£71.2m
(£3.3m)
(£8.7m)
£59.2m

Where our Group expenditure of £71.2m was used:



This total expenditure includes £1.3m expenditure in Prince's Trust International, £0.4m in Prince's Trust Australia and £0.2m in Prince's Charities Canada. The International charities raise and spend their own funds. Funds raised for UK activity are spent in the UK.

Both the Team and Achieve programmes are delivered in partnership with delivery partner organisations and the costs incurred by our partners in delivering these programmes are not included in The Trust's financial statements. Notes 7, 8 and 9 to the financial statements provide a detailed analysis of expenditure by the Group.

## TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2018

## **Investment Policy and Performance**

The Prince's Trust Council is empowered through its Royal Charter to invest funds not immediately required for operational purposes appropriately. The mix of investments is maintained to ensure that there are sufficient liquid funds to cover working capital needs, any future cash calls and to provide capital growth within an agreed risk profile. The investments of The Trust are held in a diversified portfolio for the medium to longer-term. The Trust has appointed Cazenove Capital Management Limited as its investment advisers to work with The Trust to maximise the total return within a given level of risk.

The Trust's portfolio produced a negative return of 0.3% (2016/17 a positive return of 14.8%) during the year. Cazenove are provided a target to achieve Retail Price Index +3%, with an investment objective 'To protect and grow the real value of the assets'.

The investment portfolio stood at a value of £14.8m as at 31<sup>st</sup> March 2018 (2016/17: £14.8m), excluding cash held for investment purposes. The value and composition of investments are summarised in Note 17 to the financial statements.

## **Reserves Policy**

The total funds of The Prince's Trust Group currently stand at £56.6m (2016/17: £54.0m). The free reserves of The Prince's Trust Group are £29.4m (2016/17: £33.5m). The adjustments to determine the free reserves of The Trust are set out below:

	2018	2017
	£m	£m
Total funds of The Prince's Trust Group	56.6	54.0
Deduct: Restricted Funds	(12.6)	(9.9)
Intangible and Tangible Fixed Assets (excluding Freehold Land and Buildings)	(14.2)	(9.6)
Realisable value discount on programme related investments	(0.4)	(1.0)
A STATE OF THE STA	29.4	33.5

The Trustees review the reserves policy annually and target a level of free reserves of between four to six months of operational expenditure. Reserves are held to cover for unforeseen circumstances including any unplanned reduction to income.

Included within free reserves are the equity value of freehold land and buildings and the value of programme related investments net of a discount to estimate realisable value. The land and building are realisable to cash as they are held in prime and prominent locations, are kept in good marketable conditions and could be used for multiple purposes. Free reserves are within this target range and The Trust continues to manage its free reserves on a regular basis.

## TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2018

## Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales and Scotland requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and the group and of the incoming resources and application of resources of the group for that period.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## Statement of disclosure of information to auditors

In so far as the Trustees are aware,

- there is no relevant audit information of which the charity's auditors are unaware; and
- they have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Sir Lloyd Dorfman OBE

Chairman 26 July 2018

# INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE PRINCE'S TRUST FOR THE YEAR ENDED 31 MARCH 2018

## Report on the audit of the financial statements

## Our opinion

In our opinion, The Prince's Trust's group financial statements and parent charity financial statements (the financial statements"):

- give a true and fair view of the state of the group's and of the parent charity's affairs as at 31st March 2018 and of the group's incoming resources and application of resources, and of the group's cash flows, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Charities Act 2011, and the Charities and Trustee Investment (Scotland) Act 2005.

We have audited the financial statements, included within The Prince's Trust Group Annual Report (the "Annual Report"), which comprise: the group and parent charity balance sheets as at 31st March 2018; the consolidated statement of financial activities for the year then ended, the consolidated cash flow statement for the year then ended; and the notes to the financial statements, which include a summary of the significant accounting policies.

# Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

## Conclusions relating to going concern

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

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that
  may cast significant doubt about the group's and parent charity'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.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's and parent charity's ability to continue as a going concern.

# INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE PRINCE'S TRUST FOR THE YEAR ENDED 31 MARCH 2018

## Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities. Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

## Trustees' Report

Under the Charities (Accounts and Reports) Regulations 2008 and the Charities Accounts (Scotland) Regulations 2006 we are required to report to you if, in our opinion the information given in the Trustees' Report is inconsistent in any material respect with the financial statements. We have no exceptions to report arising from this responsibility.

## Responsibilities for the financial statements and the audit

Responsibilities of the Trustees for the financial statements

As explained more fully in the Statement of Trustees' responsibilities, the Trustees are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Trustees are also 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.

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

Auditors' responsibilities for the audit of the financial statements

We are eligible to act and have been appointed auditors under section 144 of the Charities Act 2011 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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 auditors' 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 auditors' report.

# INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE PRINCE'S TRUST FOR THE YEAR ENDED 31 MARCH 2018

### Use of this report

This report, including the opinions, has been prepared for and only for the charity's Trustees as a body in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under section 144 of the Charities Act 2011 and regulations made under those Acts (regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and Part 4 of The Charities (Accounts and Reports) Regulations 2008) and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

## Other required reporting

# Charities Accounts (Scotland) Regulations 2006 and Charities (Accounts and Reports) Regulations 2008 exception reporting

Under the Charities Accounts (Scotland) Regulations 2006 and Charities (Accounts and Reports) Regulations 2008 we are required to report to you if, in our opinion:

- · we have not received all the information and explanations we require for our audit; or
- sufficient accounting records have not been kept by the parent charity; or
- the parent charity financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Ravolhornelo

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

London

26 July 2018

# CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2018

		Unrestricted Funds £'000	Restricted Funds £'000	Total 2018 £'000	Total 2017 £'000
	Note				246.476
Income from:					
Donations and legacies	3	17,649	31,025	48,674	48,094
Charitable activities	4	2,677	15,402	18,079	15,760
Other trading activities	5	5,088	21	5,109	5,974
Investments	6	504	2	506	621
Other		491	33	524	445
Total		26,409	46,483	72,892	70,894
Expenditure on:					4
Raising funds	7	11,947	25	11,972	11,929
Charitable activities	8	15,490	43,688	59,178	55,906
Total		27,437	43,713	71,150	67,835
Other recognised losses		-	(41)	(41)	-
Net gain on investments	17	835	14	835	1,292
Net movement in funds for the year		(193)	2,729	2,536	4,351
Total funds brought forward at 1 April		44,101	9,914	54,015	49,664
Total funds carried forward at 31 March	31	43,908	12,643	56,551	54,015

Note 1 gives details of the basis of reporting for the financial statements.

Note 14 gives details of the consolidated statement of financial activities for the comparative year ended 31 March 2017.

The notes on pages 40 to 73 form part of these financial statements.

There are no recognised gains and losses other than those passing through the consolidated statement of financial activities. All of the operations are continuing in the group.

# CONSOLIDATED AND CHARITY BALANCE SHEETS AS AT 31 MARCH 2018

		Group 2018 £'000	Group 2017 £'000	Charity 2018 £'000	Charity 2017 £'000
	Note	19.73	7,73		
Fixed assets					
Intangible assets	15	7,294	5,601	7,292	5,601
Tangible assets	16	23,526	22,170	23,515	22,170
Investments – Fixed Asset	17	14,782	14,828	14,782	14,933
Investments – Property	17	7,705	5,535	7,705	5,535
Investment in subsidiaries	18	-	<u>+</u>	-	
Programme Related Investments - loans to					
supported businesses (net of provisions):	19	912	2,312	912	2,312
Amounts recoverable within one year	19	1,150	2,914	1,150	2,914
Amounts recoverable in more than one year	19		53,360	55,356	53,465
Total fixed assets		55,369	53,360	55,350	55,400
Current assets					
Stocks	20	53	66		NAME OF
Debtors	21	10,743	8,842	10,702	12,30
Cash held for investment purposes	22		182	-	182
Cash at bank and in hand	22	11,120	12,982	6,796	8,758
Total current assets		21,916	22,072	17,498	21,24
Creditors: amounts falling due within one year	23	(9,589)	(9,903)	(7,728)	(9,582
Net current assets		12,327	12,169	9,770	11,663
Total assets less current liabilities		67,696	65,529	65,126	65,128
Creditors: amounts falling due after one year	24	(10,060)	(10,674)	(10,460)	(10,674
Provisions for liabilities and charges	25	(1,085)	(840)	(1,043)	(840
Net assets		56,551	54,015	53,623	53,61
The Funds of the Group/Charity					
Restricted income funds	29	12,643	9,914	10,104	9,72
Unrestricted income funds	7.	43,908	44,101	43,519	43,89
	30	56,551	54,015	53,623	53,61

The notes on pages 40 to 73 form part of the financial statements. The financial statements on pages 36 to 73 were approved by the Trustees on 26 July 2018 and were signed on their behalf by:

Sir Lloyd Dorfman CBE Chairman

26 July 2018

# CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2018

	Notes to the Consolidated Statement of Cash Flows	2018 £'000	2017 £'000
Cash flows from operating activities:  Net cash generated from operating activities	1	4,407	2,679
Cash flows from investing activities:			
Investment income		252	275
Proceeds from the sale of property, plant and		000	4.076
equipment		903	1,276
Purchase of property, plant and equipment		(6,672)	(2,733) 3,478
Proceeds from sale of investments		11,167	
Purchase of investments		(10,797)	(4,205)
(Decrease)/ increase in cash and deposits		(559)	510
Net cash used in investing activities	_	(5,706)	(1,399)_
Cash flows from financing activities:			(504)
Repayments of borrowing		(753)	(581)
Cash inflows from new borrowing	_	8	23
Net cash used in financing activities	_	(745)	(558)
Change in cash and cash equivalents in the			
year		(2,044)	722
Cash and cash equivalents at the beginning of	F		
the year	_	13,164	12,442
Cash and cash equivalents at the end of the			No. of State
year	2 _	11,120_	13,164

# NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2018

	2018	2017
	£'000	£'000
Net income for the year (as per the		
statement of financial activities)	2,536	4,351
Adjustments for:		
Depreciation charges	1,526	1,442
(Gains)/ losses on investments	(835)	(1,292)
Dividends, interest and rents from investments	(506)	(621)
Loss/ (profit) on the sale of fixed assets	95	(665)
Decrease in stocks	13	1
(Increase)/ decrease in debtors	(1,901)	326
Increase/ (decrease) in creditors	70	(2,140)
Depreciation reclassified		
Decrease in programme investments	4,951	3,527
Provision for and write off of loans	(1,542)	(2,250)
	4,407	2,679
Note 2: Analysis of cash and cash equivalents		
	2018	2017
	£'000	£'000
	2 000	2,000
Cash held for investment purposes	<u>-</u>	182
Cash at bank and in hand	11,120	12,982
	-	

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

## 1. Principal Accounting Policies

**Basis of Preparation** 

The financial statements have been prepared on the going concern basis. 2017/18 was the final year of the UK three year strategy which sought to expand our support to those young people who will benefit most. For the financial year 2018/19, Prince's Trust in the UK plans to support 73,000 young people and to do this, we are aiming to raise £69.1m and with reserves remaining within the reserves policy. There are no material uncertainties about the Charity' or its subsidiaries' ability to continue. The Charity is a public benefit entity. The accounting policies have been applied consistently throughout the financial statements in both the current year and the prior year.

**Basis of Accounting** 

The Charities Act 2011 requires financial statements to be prepared in accordance with Charities (Accounts and Reports) Regulations 2008. These financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) effective from 1 January 2015 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The consolidated financial statements have been prepared in accordance with the following:

→ Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102')

→ The Statement of Recommended Practice 'Accounting and Reporting by Charities' FRS 102 as revised in 2015 ('the SORP 2015')

→ The Charities Act 2011 and The Charities and Trustee Investment (Scotland) Act 2005

→ The historical cost convention, with the exception of investments which are included at fair value

### **Basis of Consolidation**

For the year ended 31 March 2018, the results, assets and liabilities of the following subsidiaries have been included in the financial statements: Prince's Trust Trading Limited, Prince's Trust International, Prince's Trust Australia, Prince's Charities Canada and Futures Charitable Trust. Amounts were consolidated on a line by line basis.

Income and expenditure relating to Prince's Trust Australia and Prince's Charities Canada have been included in the consolidated accounts from the date at which each entity became part of the Prince's Trust Group. Upon joining the group, the fair value of assets exceeded the fair value of liabilities in each entity and the resulting gain has been recognised separately within income from donations (see note 3). Transactions in local currency (AUD and CAD) have been converted to GBP in the SOFA using an average exchange rate between the point of joining the group and the end of the financial year. Balances have been converted using the exchange rate at 31st March 2018 and a foreign exchange gain/loss adjustment has been posted to account for the difference between the opening and closing balance sheet rates.

There were no differences in accounting policies between the newly incorporated subsidiaries and The Prince's Trust Group policies which would result in a material misstatement.

The Charity has taken advantage of the provisions in section 9 of FRS 102 not to provide a separate SOFA for the Charity. Total income for the Charity was £67,147k (2016/17: £65,885), expenditure was £67,973k (2016/17: £62,968k) and net movement in funds were £9k (2016/17: £4,209k).

The Charity prepares a consolidated cash flow statement and the consolidated financial statements, in which the Charity's results are included, are available to the public. It has therefore taken advantage of the exemption conferred by FRS 102 Section 1 not to prepare a cash flow statement for the Charity.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (CONTINUED)

## 1. Principal Accounting Policies (continued)

#### Income

Income is accrued and included in the SOFA when the Group is entitled to the income, receipts can be quantified and the receipt is probable.

Grants receivable and legacies are included in the SOFA when The Trust believes it has entitlement, receipt is probable and the amount can be measured reliably. Donations are accounted for when received, except sponsorships from events which is recognised when the event takes place and major gifts which are recognised on a receivable basis where receipt is probable, there is entitlement to the income and this can be measured reliably. Grants from government and income from other public sector contracts have been recorded as income from charitable activities. All income is shown gross of related expenditure. Tax credits receivable from gift aid donations are recognised at the time of the donation.

Income is deferred where the donor has specified that the income is to be expended in a future period or where contractual conditions for entitlement will be met in a future period. Income is also deferred when the conditions applying to the grant are not wholly within the control of The Trust.

Retail income is accounted for when the sale takes place.

Donations in kind comprise goods, services and facilities donated to The Trust which would otherwise have had to be purchased. They are valued at the amount that The Trust would have paid in order to obtain them and are included both in income and expenditure.

Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

The expenditure on raising funds includes the salaries and overhead costs of the staff who undertake fundraising activities and the marketing and publicity costs associated with raising the profile of The Trust (but not those which are used in an educational manner in furtherance of the charity's objects).

Grants payable, including multi-year grants, are recognised in the SOFA when awarded and the recipient has the control of meeting the conditions that have been communicated.

Expenditure on charitable activity includes the write off and movement in provision of loans to supported businesses. Other direct costs included within charitable activity expenditure comprise costs generated centrally and locally, identifiable as arising directly from the delivery of The Trust's programmes of charitable work.

Support costs include the salaries of those managerial staff which are not directly attributable to a particular programme of charitable work, governance costs, and of finance, IT, HR and other administrative staff and all office running costs and consumables and other overheads not specifically attributable to a particular programme of charitable work. Support costs are allocated to costs of generating funds and charitable activities on the basis of the relative size of the business units involved with fundraising and charitable work. The size of these functions is determined by reference to the number of staff (full time equivalents) in each business unit. Irrecoverable VAT is included with the item of expense to which it relates.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (CONTINUED)

## 1. Principal Accounting Policies (continued)

Intangible assets

Intangible fixed assets costing more than £500 are capitalised and are valued at their purchase cost, including any incidental expenses of acquisition. Any impairment is recognised in the year in which it occurs in the corresponding SOFA category. Amortisation is provided on all intangible fixed assets (excluding assets under construction, which will be amortised as brought into use, but including donated assets) at rates calculated to write off the cost, less estimated residual values, on a straight-line basis over their expected useful economic lives as follows:

Databases and software

6-15 years

50 years

6-15 years

10 years

5 years

The useful economic life applied to each asset category is reviewed annually to ensure this is appropriate.

Tangible assets

Tangible fixed assets costing more than £500 are capitalised and are valued at their purchase cost, including any incidental expenses of acquisition. Any impairment is recognised in the year in which it occurs in the corresponding SOFA category. Donated assets are capitalised at a value equivalent to their notional cost at the time of acquisition. Depreciation is provided on all tangible fixed assets (excluding land but including donated assets) at rates calculated to write off the cost, less estimated residual values, on a straight-line basis over their expected useful economic lives as follows:

Freehold Buildings
Plant and equipment
Computer equipment
Fixtures and Fittings

Leasehold improvements Over the lease term

The useful economic life applied to each asset category is reviewed annually to ensure this is appropriate.

#### Fixed asset investments

Listed investments are valued at bid-market value at the balance sheet date. Gains and losses on sales of investments and unrealised revaluation surpluses or deficits are calculated by reference to the opening carrying amount and are shown on the face of the SOFA. Donated investment assets are valued at fair market value. Investments in subsidiaries are held at cost but, where necessary, impairment reviews have been conducted and reflected in the valuation stated.

Investment properties

The investment properties are shown at the fair value in the balance sheet and the valuation has been provided by the independent, external surveyors. For the London and Glasgow properties, the investment method of valuation was adopted.

The portion of properties that is used by The Trust's own use is held at historical cost within tangible assets.

Programme related investments

Programme-related investments are held to further the charitable purposes of the Charity. They are held at cost less any provision for impairment. They are public benefit concessionary loans, which are arrangements entered into below the prevailing rate of interest, are not repayable on demand and are for the purposes of furthering the objectives of the Charity. Where a concessionary loan arrangement is entered into, the loan paid is retained on the balance sheet at the loan amount less an appropriate provision made for impairment.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (CONTINUED)

## 1. Principal Accounting Policies (continued)

## Programme related investments (continued)

The carrying amount of the concessionary loans at the year-end was £4.3m (2016/17: £9.0m). Loans are made to individuals to start-up businesses and are repayable over periods up to five years. Young people are eligible to apply for a loan if they are participating on the Enterprise programme with limited access to other funding.

Applicants must present a business plan to a panel that makes a recommendation to The Trust for each applicant regarding the suitability of the young person to run a business and the likelihood of the business's survival. A senior staff member with delegated authority makes the final decision on the loan application, based on affordability and viability of the business.

In prior years, loans awarded in the year include loans issued and outstanding loan commitments. Outstanding loan commitments were those successful loan applications where a loan was not yet issued however a constructive obligation exists between The Prince's Trust and the young person. Due to the changes which took place in 2017/18, there were no loans committed but not taken up at 31st March 2018 (2016/17: £272k).

The Trust is authorised by the Financial Conduct Authority (FCA); we submitted financial information to them in May 2018 based on loan book data at the end of March 2018. The review of loan balances at that stage confirmed consistency to the values reported at Note 19 to the financial statements.

Repayments are normally collected by direct debits or standing orders from the bank accounts of the businesses on a monthly basis. A specific provision is made against the aggregate value of loans issued, based on past experience and on management's current expectations. Loans are only written off when there is no realistic prospect of recovering any further repayments. Interest is charged at 3% of the total loan amount for each year of the agreed term except for all loans provided by Start-Up Loan Company where interest is charged at 6.2% APR. Interest charged on loans represents a management fee and is recognised as the loan is repaid and not at the point of loan award.

#### Impairment of fixed assets and investments

Fixed assets and investments are subject to review for impairment when there is an indication of a reduction in their carrying value. Any impairment is recognised in the year in which it occurs in the corresponding SOFA category.

#### Stocks

Stocks consist of purchased goods for resale. Stocks are valued at the lower of cost and net realisable value. Where necessary, provision is made for obsolete, slow moving and defective stock.

## **Discounting**

The long-term loans included in creditors falling due after one year have been discounted to the present value by using the effective interest rate.

## **Pensions**

The Prince's Trust has arranged a defined contribution pension scheme for its staff. The assets of the scheme are not owned by The Trust. Pension contributions charged in the SOFA represent the contributions payable by The Trust in the year.

### **Operating Leases**

Rentals payable under operating leases are charged to the SOFA on an accruals basis.

## **Contractual liabilities**

The Trust provides for legal or constructive obligations that are of uncertain timing or amount at the balance sheet date on the basis of the best estimate of the expenditure required to settle the obligation.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (CONTINUED)

## 1. Principal Accounting Policies (continued)

#### Foreign currencies

Transactions in foreign currencies during the year are translated at the rate ruling at the transaction date. Foreign currency balances are translated at the rate of exchange prevailing at the balance sheet date.

Foreign currency gains/(losses) are calculated as the difference between the book value of an asset at the balance sheet date less the sterling equivalent at the transaction date of disposal of that asset or the subsequent balance sheet date.

#### **Financial instruments**

The Charity 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 their settlement value. The Charity only has taken reduced disclosure exemptions for sections 11 and 12 of FRS 102.

#### (i) Financial assets

Basic financial assets, including trade and other receivables, cash and bank balances and investments in commercial paper, are initially recognised at transaction price.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the SOFA.

If there is decrease in the impairment loss arising from an event occurring after the impairment was recognised the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the SOFA.

Other financial assets, including investments in equity instruments which are not subsidiaries, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in the SOFA, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the assets expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

## (ii) Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans and loans from fellow group companies, are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (CONTINUED)

## 1. Principal Accounting Policies (continued)

### Financial instruments (continued)

#### (iii) Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a basis or to realise the asset and settle the liability simultaneously.

#### Volunteers

Approximately 9,000 volunteers give their time freely to nurture and develop our young people. The value of this is not recognised in the accounts.

#### **Funds**

The funds of The Trust have been segregated as follows:

**Restricted Funds** consist of donations, legacies and grants received, for which the donor or grant giver has specified the purposes for which the resources can be utilised. Outgoing resources on restricted funds reflect the appropriate expenditure that has been charged to those funds.

Restricted funds are disclosed by programme in the notes to the financial statements. Individual restricted funds are disclosed where these are material in value.

**Unrestricted Funds** consist of all other income that has not been restricted. They are expendable at the discretion of the Trustees in furtherance of the objects of The Trust.

Transfers are made between funds where there is a release of restricted funds to unrestricted funds or charges are made between funds.

## 2. Critical Accounting Judgements and Key Estimates and Assumptions

Estimates and assumptions are continually evaluated and are based on historical evidence and other factors, including expectations of future events that are believed to be reasonable under the circumstances have been made by The Trust in recognising investment property and long-term liabilities and assets.

## a) Critical judgements in applying the entity's accounting policies

(i) Exemptions on transition to FRS 102

The Charity has elected to use the exemption provided in FRS 102 regarding the restatement of lease incentives entered into before the date of transition.

## b) Key estimates and assumptions

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

## (i) Investment property valuation

There is inherent uncertainty in the valuation of areas of freehold property which are leased to earn investment income. The properties are valued by an independent valuer, who holds a recognised and relevant professional qualification, as at the reporting date and the gain or loss on unrealised property and investment assets is recognised in the SOFA. Please refer to Note 17 for more information.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (CONTINUED)

## 2. Critical Accounting Judgements and Key Estimates and Assumptions (continued)

## b) Key estimates and assumptions (continued)

## (ii) Holiday accrual

The calculation of the value of annual leave not taken as at the reporting date includes an assumption that employees have holiday carried forward of 5 days. The value of the holiday accrual as at 31 March 2018 is £779k (2016/17: £761k).

## (iii) Dilapidations

The calculation of the value of amounts payable in dilapidation costs as at the reporting date includes an assumption this would be payable to the landlord where the planned exit is confirmed. The value of the accrual in respect of dilapidations as at 31 March 2018 is £619k (2016/17: £700k).

## (iv) Fixed Assets

Management has applied assumptions in relation to the categorisation of some assets between tangible and intangible assets.

## 3. Income from Donations and Legacies

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2018 £'000	Total 2017 £'000
Corporate donations	2,621	10,449	13,070	14,861
Grant from The Queen's Trust	-	825	825	600
Grant from The Prince of Wales's Charitable Foundation	34	1,500	1,500	
Charitable Trusts	302	6,239	6,541	8,135
Individual donations	9,852	10,353	20,205	17,589
Legacies	1,072	_	1,072	570
Donations in kind	3,802	553	4,355	6,339
International subsidiary income		1,106	1,106	-
and the state of t	17,649	31,025	48,674	48,094

At 31st March 2018, in addition to legacy income that has been included in the financial statements, The Prince's Trust expected to benefit from a number of legacies from estates for which the administration had yet to be finalised. The Trust's future income from these legacies is estimated at £1,108k (2016/17: £231k). Accrued legacy income included within the financial statements amounts to £420k (2016/17: £95k).

International subsidiary income represents the value of net assets acquired by The Prince's Trust Group when Prince's Trust Australia and Prince's Charities Canada became part of the group mid-way through the financial year.

Donations in kind represent the estimated cost of services donated to the group, at the value at which The Trust would have paid.

These amounts are included as costs in the appropriate expenditure category and consist of:

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (CONTINUED)

## 3. Income from Donations and Legacies (continued)

2018 £'000			
2,000	3,621		
1,426	1,690		
11	78		
346	268		
352	493		
175	139		
45	50		
4,355	6,339		
	£'000 2,000 1,426 11 346 352 175 45		

## 4. Income from Charitable Activities

Unrestricted Funds £'000	Restricted Funds £'000	Total 2018 £'000	Total 2017 £'000
1 293	3.290	4.583	3,868
-			1,373
-	5,965	5,965	4,619
	3,932	3,932	4,165
1,293	15,329	16,622	14,025
-	-	-	
16	1	17	298
410	<u>-</u>	410	438
125	1.4	125	149
826		826	845
7	72	79	5
1,384	73	1,457	1,735
2,677	15,402	18,079	15,760
	1,293	Funds £'000  1,293 - 2,142 - 5,965 - 3,932  1,293 15,329  16 1 410 - 125 - 826 - 7 7 2 1,384 73	Funds £'000       Funds £'000       2018 £'000         1,293       3,290       4,583         -       2,142       2,142         -       5,965       5,965         -       3,932       3,932         1,293       15,329       16,622         -       -       -         16       1       17         410       -       410         125       -       125         826       -       826         7       72       79         1,384       73       1,457

Income in the form of government grants from local and national Government support the Group's charitable activities and can be further analysed as follows:

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2018 £'000	Total 2017 £'000
Department for Business, Innovation and				
Skills	1,293	391	1,684	1,330
England	-	934	934	1,229
Northern Ireland	-	166	166	118
Scotland	-	1,599	1,599	1,066
Wales	-	71	71	125
Canadian Government		129	129	
	1,293	3,290	4,583	3,868

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (CONTINUED)

## 5. Income from Other Trading Activities

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2018 £'000	Total 2017 £'000
Income from fundraising events	2,106	21	2,127	2,285
Sponsorship	1,578	_	1,578	1,438
Sale of goods	1,262	1,2	1,262	2,011
Income from training	71	-	71	98
Rental	58	4	58	62
Other	13	-	13	80
	5,088	21	5,109	5,974

This income is generated by the subsidiary Prince's Trust Trading Limited, the results of which are shown in Note 18.

## 6. Income from Investments

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2018 £'000	Total 2017 £'000
Income from fixed asset investments	252	-	252	275
Interest received on programme related investments	244	2	244 10	323 23
Bank interest receivable	504	2	506	621

## 7. Expenditure on Raising Funds

	Direct staff costs £'000	Other direct costs £'000	Allocated support costs £'000	Total 2018 £'000	Total 2017 £'000
Cost of raising funds Fundraising through trading Investment management costs	4,459 588	588 2,127 64	3,574 572	8,621 3,287 64	8,453 3,416 60
myodinom managomom oodo	5,047	2,779	4,146	11,972	11,929

The costs of Fundraising through trading are analysed further in Note 18 showing the results of The Prince's Trust trading subsidiary.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (CONTINUED)

# 8. Expenditure on Charitable Activities

	Grant Funding (see Note 10) £'000	Direct staff costs £'000	Other direct costs	Allocated Support costs £'000	Total 2018 £'000	Total 2017 £'000
Enterprise programme	472	3,532	1,631	4,631	10,266	8,496
Team programme	=	2,450	1,012	2,367	5,829	5,568
Awards programmes	707	1,538	5	309	2,559	2,705
Achieve programme	-	2,699	154	2,572	5,425	4,747
Get into programme	3	1,887	2,857	3,024	7,771	9,598
Get Started programme	-	1,850	1,061	1,785	4,696	4,456
Local programmes & pilots	15	4,170	3,593	2,672	10,450	8,615
Fairbridge	-	3,874	412	3,815	8,101	7,990
Adventurous Activities	4	1,347	163	1,313	2,823	2,545
Prince's Trust International	2	95	232	381	708	1,186
Prince's Trust Australia	_	111	229	-	340	=
Prince's Charities Canada		5	160	45	210	-
The state of the s	1,197	23,558	11,509	22,914	59,178	55,906

-	-			4	~	
u	6	In	10	~	( "	sts

9. Support Costs				
	Expenditure	Charitable	Total	Total
	on raising	expenditure	2018	2017
	funds	E . II		
	£'000	£'000	£'000	£'000
Staff costs:				
Managerial staff	267	1,315	1,582	1,226
Communications and marketing Finance, IT, HR, H&S &	102	634	736	932
administration	1,041	5,384	6,425	5,429
Recruitment, secondment & other	366	1,304	1,670	1,944
costs	300	1,304	1,070	1,544
Other expenditure:				
Office rents, maintenance &				
consumables	941	5,808	6,749	7,040
Staff travel and vehicle costs	236	1,468	1,704	1,563
Sundry other fees and costs	1,193	7,001	8,194	6,105
Comment Comment of the Comment of th	4,146	22,914	27,060	24,239

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (CONTINUED)

## 10. Grants Payable

The following table shows grants made in the year to individuals and institutions:

	2018 £'000	2018 number of awards	2017 £'000	2017 number of awards
Grants to individual beneficiaries: Enterprise programme grants	472	1,402	485	1,255
Development awards  Total grants to individuals	707 1,179	4,012 5,414	1,029	3,472 4,727
Grants to clubs and other institutions: Get Into programmes	3		2	
Local programmes & pilots	15 1,197	<u> </u>	1,043	

## Grants to individual beneficiaries

Enterprise programme awards to individuals are either for test marketing projects or to start up new businesses. Development Awards are described in more detail in the Trustees' Report.

## Grants to clubs and other institutions

During 2017/18, there were 1,622 xl and Achieve clubs (2016/17: 566) run from schools, Pupil Referral Units, Young Offender Institutes and other centres across the UK. Grants to these clubs and other institutions for local programmes & pilots were normally between £1,000 and £5,000.

Grant-making activities occur under the charitable activities undertaken within the Enterprise, Awards and Achieve programmes, and within local programmes and pilots. Note 9 provides detail regarding the support costs allocated to these activities.

## 11. Group Employee Information and Trustees' Emoluments

Staff members	2018	2017
	No.	No.
Average headcount of employees analysed by function:		
Charitable purposes and support staff	1,097	1,080
Fundraising	166	159
T undialoning	1,263	1,239
	2018	2017
	No.	No.
Average monthly number of employees analysed by function:		
Charitable purposes and support staff	1,045	1,033
Fundraising	160	153
Tandidising	1,205	1,186

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (CONTINUED)

## 11. Group Employee Information and Trustees' Emoluments (continued)

2018	2017
£'000	£'000
33,981	32,619
3,226	3,096
1,246	1,038
38,453	36,753
	£'000 33,981 3,226 1,246

The Prince's Trust also paid £176k (2016/17: £220k) in redundancies during the year. Of this, £52k (2016/17: £63k) was related to ex-gratia payments. The nature of the payments is due to restructuring and is accounted for on accrual basis. This was funded by unrestricted income.

The Trust received donations in kind of the services of seconded staff valued at £346k (2016/17: £268k).

## **Employee Numbers**

The following number of employees earned emoluments in respect of the year in excess of £60,000 within the bands shown below. This represents Group employees including all Prince's Trust subsidiary entities. Emoluments include taxable benefits but exclude employer pension costs.

	2018	2017
	No.	No.
£60,001 - £70,000	8	9
£70,001 - £80,000	9	5
£80,001 - £90,000	5	4
£90,001 - £100,000	3	4
£100,001 - £110,000	1	2
£110,001 - £120,000	2	2
£120,001 - £130,000	1	1
£130,001 - £140,000	1	-
£140,001 - £150,000		1
£150.001 - £160.000	1	-

The Prince's Trust paid £120k (2016/17: £120k) into defined contribution schemes for 28 (2016/17: 27) higher paid employees.

Key Management Personnel is defined as the Senior Management Team; see further details on page 3.

	2018	2017
	£'000	£'000
Key Management Personnel aggregate emoluments	1,244	1,040

## **Trustee Emoluments**

No trustee received salaries, fees, reimbursement of travel expenses or other benefits during the year (2016/17: £nil). Total donations from Trustees are disclosed in Note 32.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (CONTINUED)

#### 12. Taxation

The Charity was a registered charity throughout the year. As such it is not liable to corporation tax on the surplus of income over expenditure for the year (s478 CTA 2010) or gains arising from the disposal of assets (s256 TCGA 1992) so far as the proceeds are used for charitable purposes only.

The Charity is registered for VAT and, where applicable, expenditure is recorded net of recoverable VAT.

### 13. Net Income for the Year

Net income for the year is stated after charging:

	2018 £'000	2017 £'000
Depreciation of intangible and tangible fixed assets Operating lease rentals:	826	1,442
- Land and buildings	1,469	1,274
- Other	209	203
Auditors' remuneration:		
<ul> <li>For external audit only – group and Charity</li> </ul>	160	129
<ul> <li>For external audit only – UK subsidiaries</li> </ul>	23	19
<ul> <li>For external audit only – Overseas subsidiaries</li> </ul>	23	0
- Other services	23	34

The auditors' remuneration for the group and charity was £160k (2016/17: £129k), of which £143k (2016/17: £129k) represents donated services. The auditors made no charge for the audit of Prince's Trust Trading Limited (2016/17: nil), where the value of the donated services was £12k (2016/17: £10k). The auditors' remuneration for Prince's Trust International was £10k (2016/17: £9k). Other auditors' remuneration of £23k (2016/17: £34k) related to tax, VAT and consulting services. The audit of Prince's Charities Canada was undertaken by PwC in Canada (£3k, 2016/17: nil) and the audit of Prince's Trust Australia was undertaken as donated services by EY in Australia (£20k, 2016/17: nil).

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (CONTINUED)

# 14. Prior Year Consolidated Statement of Financial Activities

The Consolidated Statement of Financial Activities on page 36 shows only the total for the prior year figures. Below are the totals for the year 2016/17 split into Unrestricted and Restricted Funds:

		Unrestricted Funds £'000	Restricted Funds £'000	Total 2017 £'000
	Note			
Income from:				
Donations and legacies	3	19,384	28,710	48,094
Charitable activities	4	1,765	13,995	15,760
Other trading activities	5 6	5,959 621	15	5,974 621
Investments Other	ь	419	26	445
Total		28,148	42,746	70,894
Expenditure on:				
Raising funds	7	11,929		11,929
Charitable activities	8	16,772	39,134	55,906
Total		28,701	39,134	67,835
Net gain/(loss) on investments	17	1,292	· <del>·</del>	1,292
Net movement in funds/net income for the year		739	3,612	4,351
Total funds brought forward at 1 April		43,362	6,302	49,664
Total funds carried forward at 31 March	31	44,101	9,914	54,015

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (CONTINUED)

5. Intangible Assets			
Group	Databases	Assets under	Total
	and Software £'000	construction £'000	Total £'000
Cost or valuation on			
transfer		2.222	0.704
At 1 April 2017	3,909	2,882	6,791
Additions	1,725	453	2,178
Disposals Reclassification	2,882	(2,882)	
At 31 March 2018	8,516	453	8,969
Accumulated			
Amortisation			
At 1 April 2017	1,190	( <del>-</del>	1,190
Charge for year	485	-	485
Disposals	-	- ·	
Reclassification	4.075		4.07
At 31 March 2018	1,675	•	1,675
Net book value			
At 31 March 2018	6,841	453	7,294
At 31 March 2017	2,719	2,882	5,601
Charity	Databases and Software £'000	Assets under construction £'000	Tota £'000
Cost or valuation on transfer	2000	2000	
At 1 April 2017	3,909	2,882	6,791
Additions	1,711	453	2,164
Disposals	-	-	
Reclassification	2,882	(2,882)	
At 31 March 2018	8,502	453	8,955
Accumulated			
Amortisation			4.400
At 1 April 2017	1,190	•	1,190 473
Charge for year	473	-	4/3
Disposals Reclassification		3	
At 31 March 2018	1,663		1,663
Net book value			
At 31 March 2018	6,839	453	7,292
At 31 March 2017	2,719	2,882	5,60
AL ST MAICH ZUTT	2,719	2,002	3,00

#### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (CONTINUED)

#### 16. Tangible Assets

Group	Freehold Land & Buildings £'000	Fixtures & Fittings £'000	Computer Equipment £'000	Plant & Equipment £'000	Leasehold Improveme -nts £'000	Assets under construc -tion £'000	Total £'000
Cost or valuation on							
transfer							
At 1 April 2017	17,347	2,113	3,472	114	2,491	139	25,676
Additions	_	405	1,195	7	2,790	97	4,494
Disposals	(1)	(36)	(1,022)	(6)	(708)	-	(1,773)
Reclassification	(1,100)				_	-	(1,100)
At 31 March 2018	16,246	2,482	3,645	115	4,573	236	27,297
Accumulated							
Depreciation At 1 April 2017	459	802	1,577	51	617	1	3,506
Charge for year	103	213	478	24	223	(E)	1,041
Disposals	-	(15)	(720)	(6)	(35)	-	(776)
Reclassification		-	_	-		4	-
At 31 March 2018	562	1,000	1,335	69	805	-	3,771
Net book value							
At 31 March 2018	15,684	1,482	2,310	46	3,768	236	23,526
At 31 March 2017	16,888	1,311	1,895	63	1,874	139	22,170

#### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (CONTINUED)

#### 16. Tangible Assets (continued)

Charity	Freehold Land & Buildings £'000	Fixtures & Fittings £'000	Computer Equipment £'000	Plant & Equipment £'000	Leasehold Improveme -nts £'000	Assets under construc -tion £'000	Total £'000
Cost or valuation on							
transfer							
At 1 April 2017	17,347	2,113	3,472	114	2,491	139	25,676
Additions	-	405	1,165	7	2,790	97	4,464
Disposals	(1)	(36)	(1,022)	(6)	(708)	-	(1,773)
Reclassification	(1,100)	_				-	(1,100)
At 31 March 2018	16,246	2,482	3,615	115	4,573	236	27,267
Accumulated Depreciation							
At 1 April 2017	459	802	1,577	51	617	(C-)	3,506
Charge for year	103	213	459	24	223		1,022
Disposals	-	(15)	(720)	(6)	(35)	( <del>)</del>	(776)
Reclassification	62	-	-			-	-
At 31 March 2018	562	1,000	1,316	69	805		3,752
Net book value							
At 31 March 2018	15,684	1,482	2,299	46	3,768	236	23,515
At 31 March 2017	16,888	1,311	1,895	63	1,874	139	22,170

#### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (CONTINUED)

. Investments				
	Group 2018	Group 2017	Charity 2018	Charity 2017
istad in comments at Market Value:	£'000	£'000	£'000	£'000
isted investments at Market Value: Open Ended Investment Companies	7,777	6,321	7,777	6,32
Common Investment Funds	788	1,278	788	1,278
Jnit Trusts	554	417	554	41
Other managed funds	2,307	1,570	2,307	1,57
JK equities	169	1,316	169	1,31
ixed interest investments	366	461	366	46
Gilts and cash	2,821	3,465	2,821	3,46
	14,782	14,828	14,782	14,82
nvestment in Futures Charitable Trust	-	2		10
otal Fixed Asset Investments	14,782	14,828	14,782	14,93
-				
	Group	Group	Charity	Chari
	2018	2017	2018	201
	£'000	£'000	£'000	£'00
don St, London EC1	7,450	5,270	7,450	5,27
/olfson House, Glasgow	255	265	255	26
otal Property Investments	7,705	5,535	7,705	5,53
	Group	Group	Charity	Chari
	2018	2017	2018	201
	£'000	£'000	£'000	£'00
vestment assets in the UK	15,311	14,242	15,311	14,34
vestment assets outside the UK	7,176	6,121	7,176	6,12
otal Fixed Asset Investments	22,487	20,363	22,487	20,46
	Group	Group	Charity	Chari
	2018	2017	2018	201
	£'000	£'000	£'000	£'00
alance brought forward	20,363	18,825	20,468	18,94
cquisitions at cost	10,797	4,205	10,797	4,20
roceeds of disposals	(11,167)	(3,478)	(11,167)	(3,478)
ash held for investment	559	(510)	559	(510
et gains/(losses) in value of vestments	835	1,292	730	1,29
/rite down of investment	÷	-	5	(10
ransfer from tangible assets to evestment properties	1,100	29	1,100	2
Balance carried forward	22,487	20,363	22,487	20,46

#### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (CONTINUED)

#### 17. Investments (continued)

The Trustees believe that the carrying value of the investments is supported by their underlying net assets.

The following investments are considered significant and contribute more than 5% of the total investment value:

Investment	% Contribution to Total Investment
Findlay Park American Fund	9.25%
Stewart Investors Global Emerging, Markets Leaders Funds	8.06%
The Charities Property fund	6.20%
Trojan Investment Funds-Trojan Fund	5.64%

The investment properties are shown at the fair value in the balance sheet and the valuation has been provided by the external surveyors. The properties portion that is used by the Trust for its own use is held at historical cost within Tangible Assets.

Eldon Street and Wolfson House - the valuations have been prepared on the basis of the market value which is defined as the estimated amount for which an asset or liability should be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.

The valuation reports for both properties were prepared by CBRE Limited, independent property valuer, who is qualified for purpose of valuation as per the Red Book.

CBRE Limited confirms that "Fair Value reported is effectively the market value of the properties and does not have any restrictions on the realisability of the investment property".

The Prince's Trust does not have any contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements.

#### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (CONTINUED)

#### 18. Investment in Subsidiaries

The Charity controls the operations of the following subsidiaries through the ownership of share capital or as a sole member:

Name	Control	Interest	Activity
Prince's Trust Trading Limited Company Registration No. 3161821	100% Share Capital	2 ordinary £1 shares	Fundraising activities and operation of Tomorrow's Store
Prince's Trust International Company Registration No. 9090276 Charity No. 1159815	Deemed Control	Sole Member	Charitable activities in the international sector
Prince's Trust Australia Prince's Trust Australia is a public limited company and registered as a charity with the Australian Charities and Not-forprofits Commission no. ABN 73 161 872 993.	Deemed Control	Sole Member	Charitable activities in Australia
Prince's Charities Canada Designated as a Charitable Organisation in Canada with the registered number 83229 5406 RR000	Deemed Control	Sole Member	Charitable activities in Canada
Futures Charitable Trust Limited Company Registration No. 03075475 Charity No. 1080195	Deemed Control	Sole member	Dissolved in October 2017. Dormant prior to this date.

The Prince's Trust supports Prince's Trust International with the provision of administrative resource, including the monitoring of programmes.

The Trust has made a working capital facility of up to £1.2m available to Prince's Trust International. There was no drawdown of this facility in 2017/18.

The Prince's Trust and Prince's Trust International together support Prince's Trust Australia and Prince's Charities Canada with the provision of advice on strategic planning and programme delivery.

All shares are ordinary shares at par. Where the Charity has 'deemed control' this is by virtue of it having the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The control is achieved through sole membership and the power to remove and appoint Trustees from the board.

All of the above entities' financial statements are subject to audit. All entities work to a 31<sup>st</sup> March year end, with the exception of Prince's Trust Australia, which works to a 30<sup>th</sup> June year end. This is due to be aligned with the rest of the group in 2018/19. All entities are audited by PwC, with the exception of Prince's Trust Australia, which is audited by EY.

#### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (CONTINUED)

#### 18. Investment in Subsidiaries (continued)

The summarised financial information of subsidiary undertakings that are material to the group is provided below:

		s Trust Limited	Prince's Interna	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
Income	5,084	5,906	1,409	1,597
Expenditure	(3,287)	(3,415)	(1,323)	(1,449)
Amount paid under deed of covenant to The Trust	(1,797)	(2,491)	-	14
Retained (loss)/profit for	-			440
the year		====	86	148
Assets	2,622	3,666	654	1,157
Liabilities	(2,622)	(3,666)	(168)	(756)
Net assets			486	401
		s Trust tralia		Charities ada
	2018	2017	2018	2017
	£'000	£'000	£'000	£'000
Income	1,096	-	854	-
Expenditure	(402)	-	(214)	( <u>4</u>
Amount paid under deed of covenant to The Trust	-	114	4	-
Retained (loss)/profit for	-		-	
the year	694	<u> </u>	640	
Assets	1,278	1 - 22	1,718	
Liabilities	(45)		(511)	1 1 15
Net assets	1,233	4	1,207	

There are no figures showing in the 2017 columns above for Prince's Trust Australia and Prince's Charities Canada as these entities were not part of The Prince's Trust group in the prior year.

#### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (CONTINUED)

#### 19. Programme Related Investments: Loans to Supported Businesses

Charity and Group	Takal	Tatal
	Total	Total 2017
	2018 £'000	£'000
Loan reconciliation	£ 000	£ 000
Loans at 1 April	9,014	12,218
Loans awarded in the year	281	2,370
Loans repaid in the year	(2,037)	(2,920)
Loans written off in the year	(2,950)	(2,654)
Loans at 31 March	4,308	9,014
Provision reconciliation		
Provision at 1 April	3,788	6,038
Movement on loans provision during the year	1,408	404
Remove Write off	(2,950)	(2,654)
Provision at 31 March	2,246	3,788
Net loan balance at 1 April	5,226	6,180
Net loan balance at 31 March	2,062	5,226
	Charity	Charity
	and	and
	Group	Group
	2018	2017
	£'000	£'000
Disclosed as:		
Amounts recoverable within one year	912	2,312
Amounts recoverable in more than one year	1,150	2,914
	2,062	5,226

The Prince's Trust provides loans to young people of up to £7,500 which are normally repayable over three years. In exceptional circumstances loans have been given out for up to £30,000. Interest charged on loans represents a management fee.

During the financial year, Start-Up Loan Company (SULCo) required us to legally assign our historic loan book funded by them to a finance partner (The Enterprise Fund, trading as Growth Company Business Finance, formerly trading as Business Finance Solutions). All new loans issued using SULCo funds were to also be provided by the finance partner, essentially putting The Prince's Trust in the position of a broker, for which the appropriate FCA permissions were issued. New SULCo loans ceased to be issued by the Trust in May 2017 and the historic loans were assigned in December 2017.

#### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (CONTINUED)

#### 19. Programme Related Investments: Loans to Supported Businesses (continued)

Our intention going forward is to assign all remaining loans that The Prince's Trust has issued to the same finance partner, as well as new loans funded by The Prince's Trust funds. This means that the Trust will be a broker for all new financing activity, while remaining as a funder of these loans. This will be appropriately represented within the 2018/19 financial accounts.

20. Stocks				
	Group	Group	Charity	Charity
	2018	2017	2018	2017
	£'000	£'000	£'000	£'000
Goods for resale	53	66	(+)	-

There is no significant difference between the figure stated above and the net current replacement cost. The amount of stock recognised as an expense during 2017/18 was £63k (2016/17: £90k). These amounts are included within trading costs.

#### 21. Debtors

	Group 2018 £'000	Group 2017 £'000	Charity 2018 £'000	Charity 2017 £'000
Amounts falling due within one year				
Trade debtors	1,201	521	782	281
Gift aid recoverable	259	70	259	70
Amounts owed by group undertakings	-		645	3,997
Central Government & European grants receivable	5,464	5,616	5,462	5,510
Taxation and social security	90	20	69	20
Other debtors	96	129	79	127
Prepayments	1,432	1,027	1,336	937
Accrued income	2,201	1,459	2,070	1,363
	10,743	8,842	10,702	12,305

The Prince's Trust played the role of lead charity in a consortium, administering contractual arrangements on behalf of other members with the donor, Skills Development Scotland (SDS). At 31<sup>st</sup> March 2018, the total balance outstanding from SDS and due to other consortium members was £386k (2016/17: £242k) and the balance received from SDS but not yet paid out to other consortium members was £53k (2016/17: nil).

#### 22. Cash at Bank and in Hand

	Group 2018	Group 2017	Charity 2018	Charity 2017
	£'000	£'000	£'000	£'000
Cash held for investment purposes		182		182
Cash at bank and in hand	11,120	12,982	6,796	8,758
	11,120	13,164	6,796	8,940

Cash held for investment purposes represents cash under the management of the investment committee and cash held on deposit. These items are classified as current assets because the Trustees can draw from these facilities on demand.

#### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (CONTINUED)

#### Creditors: Amounts Falling Due Within One Year 23.

	Group 2018 £'000	Group 2017 £'000	Charity 2018 £'000	Charity 2017 £'000
Trade creditors	2,508	2,124	2,244	1,928
Enterprise loans awarded but not yet paid	1	272	-	272
Amounts owed to group undertakings	-	-	(685)	514
Taxation and social security	837	849	833	849
Other creditors	2,212	3,472	2,195	3,425
Accruals	1,292	1,078	1,164	957
Deferred income	2,104	1,507	1,342	1,036
Mortgage	635	601	635	601
	9,589	9,903	7,728	9,582

Reconciliation of Deferred Income		
	Group £'000	Charity £'000
Brought Forward at April 1 2017		
Fees from Programme Attendance	-	-
Contract and Conditional Income	1,036	1,036
Income for Events	471	_
Total Brought Forward at April 1 2017	1,507	1,036
Deferred Income Released during Year		
Fees from Programme Attendance	J. J. (=)	-
Contract and Conditional Income	(1,172)	(1,036)
Income from Events	(471)	
Total Deferred Income Released during Year	(1,643)	(1,036)
Incoming Resources Deferred during Year		
Contract and Conditional Income	1,857	1,342
Income from Events	383	4
Total Incoming Resources Deferred during Year	2,240	1,342
Deferred Income Carried Forward at 31 March 2018		
Contract and Conditional Income	1,721	1,342
Income for Events	383	.,
	2,104	1,342
Total Carried Forward at 31 March 2018	2,104	1,012

#### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (CONTINUED)

#### 24. Creditors: Amounts Falling Due After One Year

	Group 2018 £'000	Group 2017 £'000	Charity 2018 £'000	Charity 2017 £'000
Mortgage – Prince's Trust House				
Between one and five years	3,113	2,830	3,113	2,830
Over five years	6,681	7,532	6,681	7,532
Mortgage – Wolfson House				
Between one and five years	182	182	182	182
Over five years	84	130	84	130
Amounts due to international subsidiaries			400	
	10,060	10,674	10,460	10,674

The mortgages taken out in 2013/14 relate to the purchase of Prince's Trust House at 9 Eldon Street, London and Wolfson House, 15 Carlton Court, Glasgow.

The mortgage for Prince's Trust House has been secured over the property and is repayable over a 10 year period. Repayments consist of both capital and interest amounts and are payable quarterly, with 3.99% being the rate of interest.

The Wolfson House mortgage is repayable over 11 years and is secured over the property. Repayments are made monthly, with capital repayments which commenced 12 months after drawdown. The interest rate is 0.158%.

#### 25. Provisions for Liabilities and Charges

Group	Dilapidations £'000	Other £'000	Total £'000
As at 1st April 2017	699	141	840
Charged to the SOFA	(80)	325	245
Amount utilised	<u>-</u>	-	_
As at 31 March 2018	619	466	1,085
Charity	Dilapidations £'000	Other £'000	Total £'000
As at 1st April 2017	699	141	840
Charged to the SOFA	(97)	300	203
Amount utilised	2		
As at 31 March 2018	602	441	1,043

The dilapidation provision is an estimate of the cost of the obligation to repair damages which are incurred during the life of leases held, such as wear and tear. The dilapidation is likely to materialise when the lease of the property comes to an end.

#### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (CONTINUED)

#### 26. Financial Instruments

The Group has the following financial instrument	ts:			
	Group 2018 £'000	Group 2017 £'000	Charity 2018 £'000	Charity 2017 £'000
Financial assets measured at amortised	£ 000	£ 000	€ 000	£ 000
cost:				
Trade debtors	1,201	521	782	281
Cash	11,120	13,164	6,796	8,940
Other debtor transactions	9,542	7,274	9,920	11,067
	21,863	20,959	17,498	20,288
Financial assets that are equity investments measured at cost less impairment:				
Programme-related investments	2,062	5,226	2,062	5,226
Financial assets measured at fair value through income and expenditure				
Investments	14,782	14,828	14,782	14,933
Financial liabilities measured at amortised cost				
Trade creditors	(2,508)	(2,124)	(2,244)	(1,928)
Other creditor transactions	(17,141)	(16,097)	(15,944)	(16,443)
	(19,649)	(18,221)	(18,188)	(18,371)
	19,058	22,792	16,154	22,076

The amortised interest expense on the mortgages for the year was £442k (2016/17: £464k).

#### 27. Pension Schemes

The Trust provides defined contribution pension schemes that are available to all UK-based eligible employees. During the year, The Trust contributed 5% of gross salary of employees subject to a minimum of 3% from the employee. The Trust contributes 1% to a minimum of 1% from the employee, for those employees who were auto-enrolled into The Trust's work based pension scheme. There are a number of employees whereby The Trust contributes 7.5% of gross salary subject to a minimum of 2.5% from the employee. This scheme is now closed for new employees. There are a number of employees whereby The Trust contributes into a scheme as a result of the Prince's Trust Youth Business Scotland merger. The contribution rate of 10% from the employer for existing and eligible members is paid into this scheme.

The assets of all of the schemes are held separately from The Trust. The pension cost of these schemes in the year was £1,070k (2016/17: £1,038k). The contributions outstanding as at 31st March 2018 were £148k (2016/17: £147k). Pension costs are allocated to unrestricted funds.

#### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (CONTINUED)

#### 28. Financial Commitments

At 31st March, as lessee, the Group and Charity had total commitments under non-cancellable operating leases for land and buildings, vehicles and photocopiers as follows:

	Group 2018 £'000	Group 2017 £'000	Charity 2018 £'000	Charity 2017 £'000
Land and Buildings	2,735	~ 000		~ 000
Operating leases which expire:				
Within one year	1,366	1,159	1,338	1,159
Between one and five years	3,055	2,000	3,055	2,000
Over five years	3,453	545	3,453	545
	7,874	3,704	7,846	3,704
Vehicles – operating leases which expire:				
Within one year	60	185	60	185
Between one and five years	-	62		62
	60	247	60	247
Office machinery – operating leases which expire:				
Within one year	10	12	10	12
Between one and five years	1	10	1	10
and the state of t	11	22	11	22
	7,945	3,973	7,917	3,973

At 31st March, as lessor, the Group and Charity was due total commitments under non-cancellable operating leases for land and buildings as follows:

	Group 2018 £'000	Group 2017 £'000	Charity 2018 £'000	Charity 2017 £'000
Land and Buildings				
Operating leases which expire:				
Within one year	181	294	181	294
Between one and five years	4	69		69
The state of the s	181	363	181	363

#### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (CONTINUED)

#### 29. Restricted Funds

Group	Balance 1 April 2017 £'000	Income in year £'000	Expenditure in year £'000	Balance 31 March 2018 £'000
Enterprise programme	2,695	6,172	(6,473)	2,394
Team	43	383	(340)	86
Awards	58	445	(488)	15
Achieve	857	2,964	(3,385)	436
Get into	1,325	8,562	(8,342)	1,545
Get Started	865	2,094	(2,662)	297
Pilots and local programmes	445	2,725	(3,006)	164
Regional and other restrictions	3,397	18,314	(15,592)	6,119
Fairbridge	229	2,968	(2,850)	347
PTA programmes	-	1,035	(402)	633
PCC programmes		821	(214)	607
	9,914	46,483	(43,754)	12,643

Restricted funds relating to Prince's Trust International have been included within the programmatic categories above.

Charity	Balance 1 April 2017 £'000	Income in year £'000	Expenditure in year £'000	Balance 31 March 2018 £'000
Enterprise programme	2,695	6,440	(6,741)	2,394
Team	43	443	(400)	86
Awards	58	6,440	(6,483)	15
Achieve	857	3,034	(3,455)	436
Get into	1,238	8,621	(8,255)	1,604
Get Started	865	2,100	(2,671)	294
Pilots and local programmes	357	3,138	(3,424)	71
Regional and other restrictions	3,378	12,866	(11,387)	4,857
Fairbridge	229	2,968	(2,850)	347
	9,720	46,050	(45,666)	10,104

All the funds disclosed above are restricted in so far as the funders have specified that the income can only be expended on particular programmes and activities.

#### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (CONTINUED)

#### 29. Restricted Funds (continued)

Due to the additional requirements of the funder, the income, expenditure and restricted fund balances of the following grants are disclosed.

	Balance 1 April 2017 £'000	Income in year £'000	Expenditure in year £'000	Balance 31 March 2018 £'000
The Big Lottery Fund			(0.0)	
Get Started with The Prince's Trust (URN: 10017112)	-	96	(96)	-
BLF - FB Who Cares (URN: IID/1/010420351)	-	28	(28)	-
BLF - Investing in Communities (ID: 0010257471)	-	208	(208)	-
Big Lottery Fund & ESF Building Better	4,7	110	(110)	-
Opportunities - West of England Works Big Lottery & ESF Building Better Opportunities -		34	(34)	_
Coast to Capital Make Trax		0,	(0.)	
Talent Match	(e)	_		4
Talent Match South East (URN:	_	1,468	(1,468)	-
TM/1/010075608)		1		
Talent Match Leicestershire (URN:		539	(539)	-
TM/1/10082630) Talent Match Lincolnshire (URN:		294	(294)	_
TM/1/010082084)		201	(201)	
Talent Match Middlesbrough (URN:	_	388	(388)	-
TM/1/010072557)		000	()	
1101/1/010072337)				
Glasgow City Council IGF				
Glasgow City Council - Integrated Grants Fund		89	(89)	-
Clasgow only Courier integrated Crame : and				
Scottish Government				
The Scottish Government - The Prince's Trust	<u>-</u> .	400	(400)	-
Enterprise Programme				
Zino prios viogramma				
Lloyds Foundation				
Scottish Government - Early Intervention Fund	1-	150	(150)	-
Careers and Enterprise Company			1.22.28	
Mentoring Fund	0.51	58	(58)	1
Enterprise Fund	D-	21	(21)	-
Help for Heroes	32.7		(470)	40
Help for Heroes	84	138	(173)	49
ERDF (West Midlands)				
Enterprise 1830 – Small Business Loans	004			281
(080/P2/033)	281	-		201
Enterprise 1830 – Small Business Loans	200			300
(FS/SL9022)	300		-	300
Enterprise 1830 – Small Business Loans	244			244
(XFS/SL9022)	244	-	-	244
5421511250424 v.s.				
ERDF West of England		440	(440)	
Enterprising	-	110	(110)	

#### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (CONTINUED)

#### 29. Restricted Funds (continued)

	Balance 1 April 2017 £'000	Income in year £'000	Expenditure in year £'000	Balance 31 March 2018 £'000
European Social Fund				
ESF – Elevate Berkshire		104	(104)	4
WCVA Active Inclusion - Swansea 16/17	2	7	(7)	-
WCVA Active Inclusion - RCT 16/17	-	(5)	, Ś	_
WCVA Active Inclusion - Conwy 17-18	-	18	(18)	_
WCVA Active Inclusion - Cardiff 17-18	4	12	(12)	4
WCVA Active Inclusion - Swansea 17/18	-	22	(22)	<u>.</u>
European Agricultural Fund for Rural Development				
Brecon Beacons National Park Gi Rural Skills 17/18	1.0	9	(9)	-
Welsh Government				
Health Challenge Wales - Active Youth 2015 - 17	-	24	(24)	9
Lancashire Sports Partnership (Now Active Lancashire)				
More Positive Together 16-19	1.5	51	(51)	: <del>=</del> :
Other				
Hampshire PCC	-	50	(50)	-
Hampshire County Council	-	15	(15)	_
Culture Bridge North East	-	11	(11)	-

Due to the additional requirements of the funder, the income, expenditure and restricted fund balances of the following grants from 2016/17 are also disclosed.

	Balance 1 April 2016 £'000	Income in year £'000	Expenditure in year £'000	Balance 31 March 2017 £'000
The Big Lottery Fund				
Get Started with The Prince's Trust (URN: 10017112)	3	110	(110)	-

#### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (CONTINUED)

#### 29. Restricted Income Funds (continued)

Due to the additional requirements of the funder, the following amounts received during the year are also disclosed:

Funder	Project	Amount £'000
City Deides Truct	Ten year partnership to support the hardest to reach	1,000
City Bridge Trust	young Londoners	1,000
The Queen's Trust	The Queen's Trust in Wales	825
London Borough of Tower Hamlets	Mainstream Grants - Bridging the Gap	34
Health Education Kent & Sussex - Innovation Fund	Get into Health & Social Care 2017/18 (Kent & Sussex)	50
Luton Borough Council	Luton Young People First	143
King Baudouin Foundation U.S.	King Baudouin Foundation U.S. (Caterpillar)	43
Your MK LLP	YourMK	8
Derbyshire PCC	Moving Lives Forward	25
Health Education England East of England	Get Into Hospital Services	150
Health Education England West Midlands	Get Into Hospital Services	90
Essex PCC	Positive Strides	6
Be Together Inc	Be Together	S
D Buffini	Staffordshire delivery	50
Simon Clarke Staffordshire	Staffordshire delivery	50
LLEP Revenue Fund	Leicestershire LEP	45
Norfolk Community Foundation	Positive Steps	75
Central Bedforshire Council	Youth Support Service	3
Birmingham City Council as the Accountable Body for the Local Growth Fund	Youth Skills and Enterprise Hub and Flagship Centre for Birmingham and Solihull	629
Ulster Garden Villages	Achieve in Northern Ireland	10
Education Authority	The Prince's Trust xl Programme	60
Gannochy Trust	Fairbridge Dundee	15
Hew Watt Family	Get Into Customer Services & Logistics employment	9
Charitable Fund	programme in Thurrock in partnership with DP World	
Due to the additional require also disclosed:	ements of the funder, the following amounts received during	2016/17 are
Education Authority	The Prince's Trust xl Programme	7
Mid Ulster District Council	Prince's Trust Development Awards Scheme	

#### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (CONTINUED)

#### 30. Analysis of Net Assets Between Funds

Unrestricted Funds £'000	Restricted Funds £'000	Total Funds £'000
7,292	2	7,294
23,515	11	23,526
24,549	-	24,549
8,730	13,186	21,916
(9,057)	(532)	(9,589)
(11,121)	(24)	(11,145)
43,908	12,643	56,551
	Funds £'000 7,292 23,515 24,549 8,730 (9,057) (11,121)	£'000 £'000  7,292 2 23,515 11 24,549 - 8,730 13,186 (9,057) (532) (11,121) (24)

Charity	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds £'000
Fund balances at 31 March 2018 are represented by:			
Intangible fixed assets	7,292	- 1-	7,292
Tangible fixed assets	23,515	3 <del>4</del> 3	23,515
Investments	24,549	10-3	24,549
Current assets	7,394	10,104	17,498
Current liabilities	(7,728)	1	(7,728)
Long-term liabilities	(11,503)	2-1	(11,503)
A The same services	43,519	10,104	53,623

#### 31. Reconciliation of Movement in Funds

	Group 2018 £'000	Group 2017 £'000	Charity 2018 £'000	Charity 2017 £'000
Opening funds	54,015	49,664	53,614	49,405
Net income/ (expenditure) for the year before gains on investments	1,701	3,059	(826)	2,917
Net gains in value of investments	835	1,292	835	1,292
Write down of investment	¥	-		
Closing funds	56,551	54,015	53,623	53,614

#### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (CONTINUED)

#### 32. Related Party Transactions

The Prince's Trust in the UK entered into the following material transactions with its subsidiaries during the year. All income and expenditure is removed on consolidation.

Entity	Nature of Relation- ship	Transaction	Transactions during the year ended 31 <sup>st</sup> March 2018 (£'000)			es at 31 <sup>st</sup> 18 (£'000)
			Income	Expenditu -re	Debtor	Creditor
Prince's Trust Trading	Wholly owned subsidiary	Management charge for costs incurred by The Prince's Trust on behalf of Prince's Trust Trading Limited.	1,163	-	519	
		Distribution of year-end profit to The Prince's Trust, under deed of covenant.	1,797	-	1,486	-
Prince's Trust International	Deemed control	Costs incurred by The Prince's Trust on behalf of Prince's Trust International. These costs relate to staff salaries and expenses, procurement cards, Click travel and recharges for facilities, licence fee and management fees.	409		126	
Prince's Trust Australia	Deemed control	Sub-grant of funding from the Prince of Wales's Charitable Foundation for delivery of charitable activities in Australia.	-	600		600
Prince's Charities Canada	Deemed control	Sub-grant of funding from the Prince of Wales's Charitable Foundation for delivery of charitable activities in Canada.	-	600		600

Prince's Trust International also entered into the following material transaction with Prince's Charities Canada.

Prince's	Subsidiar	Reimbursement of Prince's	21	 21	-
Charities	y of The	Trust International support costs			
Canada	Prince's	associated with the delivery of			
	Trust	the Get Into Programme in			
	100000	Canada.			

Expenses reimbursed to Trustees and the remuneration of key management personnel are disclosed in Note 11. Transactions by the Charity with its defined contribution pension scheme are set out in Note 27.

#### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (CONTINUED)

#### 32. Related Party Transactions (continued)

The following transactions were entered into with members of The Prince's Trust Council or its committees, or with organisations in which those individuals hold a position of influence. There were no outstanding balances in relation to any of these transactions at the year end.

- £500k was received in donations from the John Booth Foundation, whose Director, John Booth, joined The Prince's Trust Council in March 2018 and is also a member of the Investment Committee.
- £333k was received as a donation and £3k in donations in kind from Sir Lloyd Dorfman CBE, who joined The Prince's Trust Council in 2007 and took over as Chairman in August 2015.
- £232k was received as a donation from Ian Mukherjee. Mr Mukherjee joined The Prince's Trust Council
  in December 2015 and is also a member of the Investment Committee. Mr Mukherjee is a long-standing
  supporter and Patron of The Prince's Trust, becoming a Committee Member of Invest in Futures in
  2010 before taking over as Chairman in 2014.
- £19k was received from Michael Marks CVO, CBE, who is a member of the Prince's Trust Council, its Investment Committee and the Nominations & Remuneration Committee. £800k was also received from The Queen's Trust where Mr Marks has been a member of the Investment Committee since March 2017.
- £50k was received from Shabir Randeree CBE who joined the Prince's Trust Council in July 2016 and Chairs the Audit Committee and the Mosaic Committee.
- £10k was received in individual donations from Wendy Becker. Ms Becker is a member of The Prince's Trust Council, the Nominations & Remuneration Committee and chairs the Young Persons Committee. £1k was also received as donation from Oxford University Press where Ms Becker has acted as an external member of The Finance Committee of the Delegacy since 2016.
- £27k was received in individual donations from Michelle Pinggera, who was appointed as Trustee to the Council in July 2017 and also sits on the Young Persons Committee. £106k was also received as a donation from Goldman Sachs International, where Ms Pinggera was the international chief of staff until the end of 2017 and continues to work as an advisory director.

The following transactions were recorded entered into with members of the Board of Trustees of Prince's Trust International. There were no outstanding balances in relation to any of these transactions at the year end.

- £100k was received as a donation and £2k in donations in kind to Prince's Trust International from Sir Lloyd Dorfman CBE. £2k was also received as gifts in kind for meeting space from Esselco Group Ltd, an organisation of which Sir Lloyd is a Director. Sir Lloyd is Chairman of Prince's Trust International.
- £115k was received in donations from the Amersi Foundation, an organisation of which Mohamed Amersi, Trustee of Prince's Trust International, is the Chairman and founder.
- £15k was received as a donation from Rupert Goodman towards Prince's Trust International costs for the Buckingham Palace dinner in March 2018. Mr Goodman is a Trustee of Prince's Trust International.

There were no other transactions with the directors or board members of any of The Prince's Trust Group's other subsidiaries, or their affiliated organisations.

#### 33. Events after the Reporting Period

There are no events to report in the current year.

### ADDITIONAL UNAUDITED INFORMATION FOR THE YEAR ENDED 31 MARCH 2018

#### Income and Expenditure Account for Wales, Scotland and Northern Ireland

To meet the audit requirements of some funders, the results of each of the countries are summarised below. The results are presented in The Trust's management accounts and include an allocation of the shared support costs of head office and UK-wide. These costs are allocated based on the most appropriate driver for each function; full time equivalent employees, young people supported or income / expenditure per function.

#### Activities undertaken in Wales

	2018 £'000	2017 £'000
Incoming Resources	2 000	2 000
Private Sector	2,924	2,215
Public Sector	236	388
Other	247	96
	3,407	2,699
Resources Expended (including support costs)		
Direct Charitable	(626)	(756)
Fundraising	(27)	(6)
Staff costs	(2,781)	(2,410)
Other	(884)	(633)
	(4,318)	(3,805)
Deficit for the year	(911)	(1,106)

During 2017/18, The Prince's Trust Cymru supported 2,803 new young people in Wales, 503 more than the previous year, a growth of 21%. 78% of these achieved positive outcomes in employment, training, education or volunteering.

Local Private Sector income improved last year, generating £810k. Local public sector fundraising also generated £329k. Key relationships with the Welsh Government have been enhanced to ensure we are well placed to attract public sector funds in 2018/19.

We received £800k from our multiyear contract with The Queen's Trust of £2.67 million over four years. We received increased funding of £469k from The Hodge Foundation and a significant increase in this multi-year contract to £2.1m over four years to support growth in the Achieve and Fairbridge programmes. We received £500k of the £1.5 million from the Latsis family funding our Enterprise programme over three years.

We have achieved very impressive growth in the first two years of our ambitious five-year Wales growth plan. Supported by the Wales Advisory Council under the chairmanship of Sir Derek Jones K.C.B., we are strengthening our links to key decision makers within Welsh Government and across the Public and Private Sectors, communicating with more people and building on our strong reputation with the public. Looking forward, The Prince's Trust's new strategy will position us to: help even more young people in many more innovative ways; extend our delivery in North Wales; give young people a greater stake in our society and economy; and consolidate The Prince's Trust Cymru as the youth charity of choice in Wales.

#### ADDITIONAL UNAUDITED INFORMATION FOR THE YEAR ENDED 31 MARCH 2018 (CONTINUED)

#### Income and Expenditure Account for Wales, Scotland and Northern Ireland (continued)

Activities undertaken in Scotland	22.2	1/21.00
	2018	2017
	£'000	£'000
Incoming Resources		
Private Sector	3,402	3,847
Public Sector	3,862	2,520
Other	536	639
	7,800	7,006
Resources Expended (including support costs)		
Direct Charitable	(1,955)	(1,068)
Fundraising	(175)	(327)
Staff costs	(5,696)	(5,555)
Other	(1,858)	(1,858)
	(9,684)	(8,808)
Deficit for the year	(1,884)	(1,802)

Further commentary on the activities in Scotland is included within the Trustees' Report on page 21.

#### ADDITIONAL UNAUDITED INFORMATION FOR THE YEAR ENDED 31 MARCH 2018 (CONTINUED)

#### Income and Expenditure Account for Wales, Scotland and Northern Ireland (continued)

#### Activities undertaken in Northern Ireland

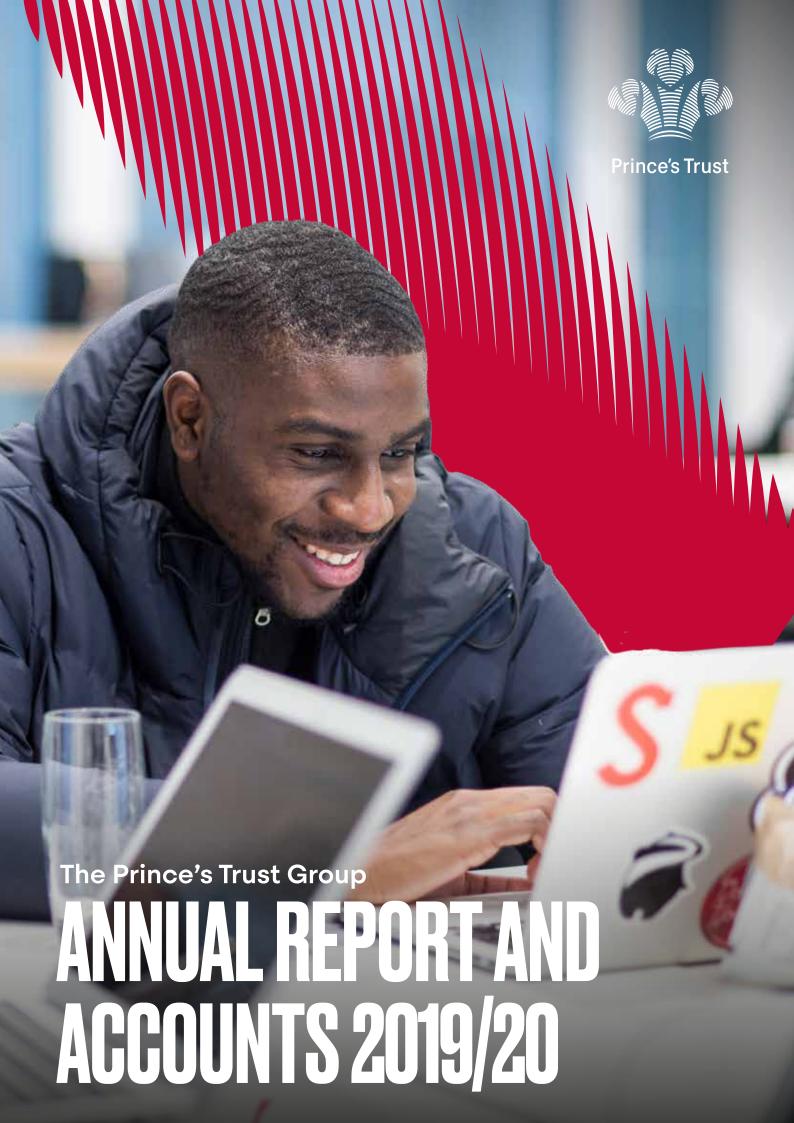
	2018	2017
	£'000	£'000
Incoming Resources		
Private Sector	924	1,041
Public Sector	2,109	2,180
Other	200	145
	3,233	3,366
Resources Expended (including support costs)	,	
Direct Charitable	(935)	(931)
Fundraising	(44)	(28)
Staff costs	(2,723)	(2,629)
Other	(846)	(751)
	(4,548)	(4,339)
Deficit for the year	(1,315)	(973)

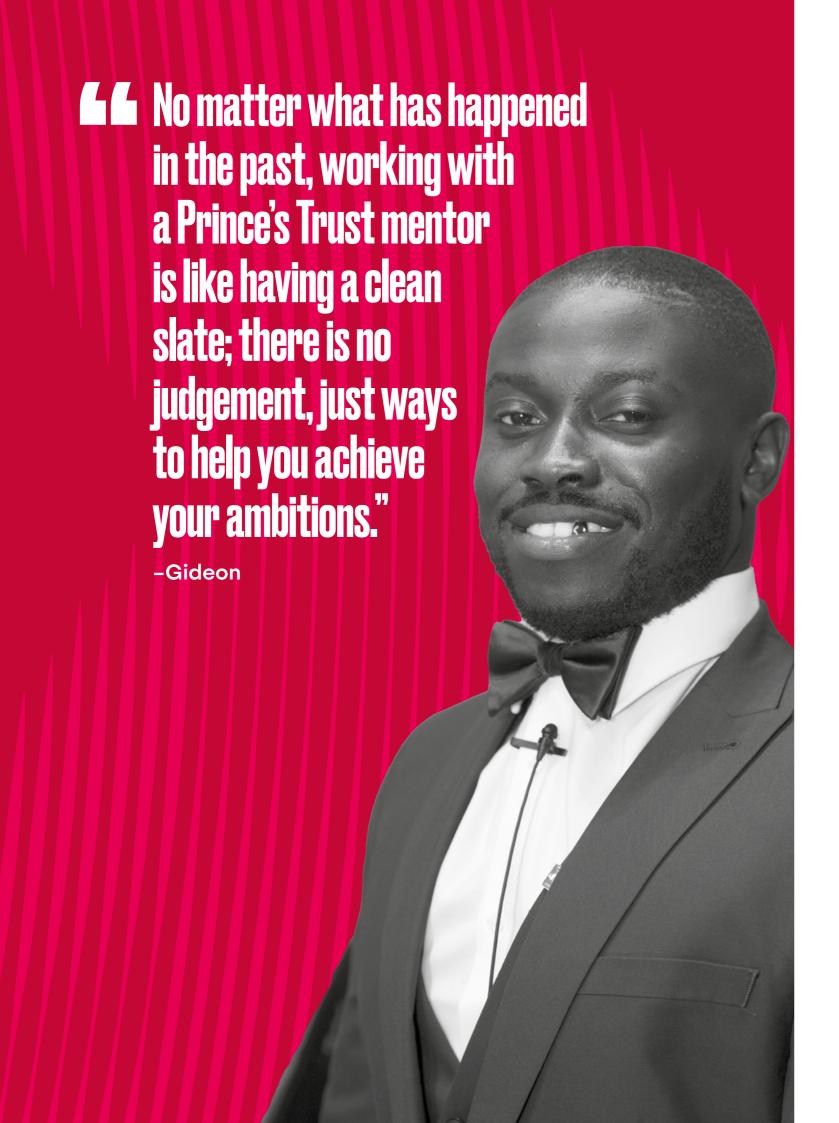
The Prince's Trust reported another record year in Northern Ireland during 2017/18. Young people numbers increased by over 12% year-on-year, to 8,800. Strikingly, we supported 13% of The Trust's overall national number in a region with less than 3% of the UK population. Importantly, 85% of young people that we helped progressed into a positive outcome in education, training or employment.

Two other highlights during the year include securing two new European contracts totalling £6.8m over the next four years and achieving the highest grade available for the quality of our delivery from the Education and Training Inspectorate in Northern Ireland.

Local income in Northern Ireland performed in line with forecast, with an increase in drawdown across our two core European contracts making up for the shortfall in private sector income.

Direct Charitable Expenditure was slightly below forecast for the year, with exceptional growth in activity on The Prince's Trust Achieve and Development Awards programmes enabling The Trust to support more young people with lower delivery costs locally.





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"I was long-term unemployed for at least seven years due to struggles with my mental health. I couldn't look to the future at all and really thought this was all life had to give me, making it all seem meaningless and painful.

"I was often unable to leave the confines of my bedroom and did not want to engage with society whatsoever.

"When I started the Get into Customer Services programme with The Prince's Trust and Great Western Railway, it felt like finally I could leave some of my baggage behind and just focus on improving myself. I was doing something for me.

"The course helped me get my foot firmly in the door of GWR and gave me much needed stability. Even something as passing my driving test and being able to own my own car now was something I thought I'd never earn enough to do.

"I love working at GWR and am hugely proud to wear the uniform. I've found it to be a very supportive place and has given me amazing opportunities to progress. The Prince's Trust and GWR helped me catapult myself back into society and to live a life that has a sense of purpose and one that I can look forward to.

"Being accepted onto the train driver programme with GWR has been a dream come true and I look forward to being a qualified train driver." In October 2019, Pete won the Young Achiever of the Year Award at The Prince's Trust Awards in the South West of England and was later named 'Railway Person of the Year' by Great Western Railway.

Pete



# FOREWORD from John Rooth DJ. Chairman



In 1976, His Royal Highness The Prince of Wales launched The Prince's Trust at a time of great financial uncertainty.

It was a period that saw the end of secure employment and the collapse of traditional British industries and, as levels of unemployment spiralled, thousands of young people were pushed further towards the margins of society. Today, young people are yet again facing an unemployment crisis. In the face of it all, we continue to be led by the simple belief that inspired His Royal Highness 44 years ago: that every young person should have the chance to succeed.

Given the coronavirus pandemic and the resulting economic crisis, the work of The Prince's Trust has never been more vital. Every day, in our centres, in schools, communities and businesses.

and online, our staff,
partners and volunteers are
working tirelessly to support
young people to become
independent and economically
active members of society
– whether that is through
realising their potential in
education, securing their first
job, or starting a business.

It is our passionate belief in young people and their potential, shared by every member of The Prince's Trust community, that has enabled our organisation to support one million young people in the UK to date - a remarkable achievement that has had a profound impact on our country's society and economy. Each one of these young people has their own story, the impact of which extends beyond themselves to their families and the places they live. We continue to make a huge difference to communities across the UK. and in recent months I have been particularly inspired by the digital support the charity has provided to keep young people connected, learning, and earning during the lockdown.

A global challenge such as Covid-19 demands a global outlook, which is why I am proud of the continued endeavours of The Prince's Trust Group. The challenges of this year have taught us a great deal and sharpened our commitment to preparing young people for the jobs of tomorrow. You can read more about our international operations and sister charities in Canada, the USA, Australia

and New Zealand from Group Chief Executive, Dame Martina Milburn, later in the report.

As a supporter of The Prince's

Trust for many years, I have continued to be struck by the countless stories of young people who, against the odds, develop the confidence and skills to transform their lives. I strongly believe that our support of young people is one of the soundest social investments we can make. If much of the burden of our country's recovery from the present crisis is to fall upon voung shoulders, it is organisations such as The Prince's Trust that will ensure those shoulders are as strong as they can be.

I would very much like to thank my fellow Trustees and our wonderful team of staff, volunteers and delivery partners who together work so hard to support young people across the UK. Over the coming year, we look forward to giving a voice to even more young people and helping them to realise their potential in life. Together, we must help them survive the challenges of today and strive for the opportunities of tomorrow.

Above all, our thanks go to His Royal Highness The Prince of Wales for his continued inspiration and guidance.

John

John Booth DL Chairman The Prince's Trust

# WELCOME

from Jonathan Townsend, UK Chief Executive



Young people are facing one of the most turbulent times in living memory. The coronavirus pandemic has not only disrupted young people's futures, but our research shows it has also led to many abandoning their career hopes and ambitions.

We are incredibly proud that The Prince's Trust has reached the milestone of supporting one million young people since 1976, but we are also highly conscious that young people are going to need our support more than ever in the wake of the pandemic, as youth unemployment rates are soaring.

The stark reality for young people today is that many have missed out on education, training and job opportunities that could have set them up for the rest of their lives.

The journey from education into the workplace is often fraught with challenges for young people, but today's world is presenting a whole new spectrum of difficulties for the younger generation. It is not just their learning and training impacted, but also their mental health and wellbeing and their longer-term prospects.

The danger is that, without the right support, young people will be set back for life.

At this critical time, our partnerships are more crucial than ever – helping us match young people with the job vacancies out there, supporting young people to upskill and retrain, and building self-confidence, motivation and resilience to get through these unprecedented times.

Our success as a charity has been built on long established partnerships which have successfully moved young people into jobs, training and self-employment and, this year, we are delighted to be working in partnership with the Greater Manchester Combined Authority on a ground-breaking initiative called the Future Workforce Fund. We have also continued to expand our employability courses through our partnership with the Department of Health and Social Care.

We are grateful for the support and generosity of many businesses and individuals providing vital funding for our programmes, which help three in four young people into jobs, education or training, and we are fortunate enough to have an army of volunteers helping to make this important work happen.

Over the next year, as the full extent of the repercussions of Covid-19 become clear, The Trust will continue to work with government, employers and communities to help tackle youth unemployment. The Prince's Trust stands ready to support young people through this crisis and, importantly, give them hope for the future.

V. mthe

**Jonathan Townsend**UK Chief Executive
The Prince's Trust

As the coronavirus pandemic continues to affect the whole UK population, it is young people who are often hardest hit.

Official figures show that young people are considerably more likely to be unemployed than the rest of the working age population.1 Youth unemployment rates are predicted to soar to new heights in the months ahead, as the pandemic continues to take an economic toll on young lives.

Since the outbreak of Covid-19, many young people have already missed out on vital education, training and job opportunities. Recent research commissioned by The Prince's Trust has shown that Covid-19 has also undermined young people's confidence in their future.<sup>2</sup> For example:

Jy per cent

of young people claim to have abandoned their aspirations for the year ahead, increasing significantly among those not in education, employment or training (NEETs).

TT per cent say their aspirations for the

future are now lower due to Covid-19

for the future

per cent believe their future goals

now seem "impossible to achieve", with this increasing to half of those from poorer backgrounds



"I found myself unemployed when I had to delay starting university. When the coronavirus pandemic hit, I knew I wanted to help and was able to secure a job as a care home assistant through The Prince's Trust.

feel like it's in my nature to want step of the way and I've now to help people. We need the NHS and I knew that if I could do my bit to help, I would.

"I had been looking for a job for a while but hadn't had any luck. I'd lost hope in ever finding something and was close to

"When I heard about The involved but I worried that they

"It turns out I had nothing to

got a job with a care home in my local area as a care home

"I've always been interested in working in healthcare and I think the coronavirus crisis, despite what most people job. Although things are difficult am committed to being part of a team that helps support my community and the NHS."

**Temmy** 

ONS, Employment, unemployment and economic inactivity by age group (seasonally adjusted); ONS, Educational status and labour market status for people aged from 16 to 24 (seasonally adjusted)

Figures taken from The Aspiration Gap (published September 2020) https://www.princes-trust.org.uk/about-the-trust/news-views/aspiration-

# OUR RESPONSE TO COVID-19 IN THE UK

The coronavirus pandemic has left young people all over the UK in freefall. For many, the future was already uncertain. But with unemployment rising and the prospects of a job – any job – now much tougher, millions are at risk of being left behind.

For those with little or no experience of the workplace, or few qualifications, this will feel like an impossible job market. For those feeling vulnerable due to a lack of support or challenges at home, they can often see no way out. Hope can easily be extinguished.

The Prince's Trust has responded in times of crisis for young people before, and we recognise it is time to do so again.

#### Our strategy, as always, has young people and their prospects at its heart.

We exist to help young people into jobs, education and training, and we know from our many interactions with young people that this support – and the related social and financial independence that comes with this – can have a positive impact on overall wellbeing and mental health.

Giving young people opportunities in work, education and training can be completely life changing. It can be the difference between hope and despondency in a young life.

According to our 2020 Youth Index, young people's wellbeing had already hit the lowest point on the index since the study began, and this was before the pandemic hit. We also know from the Youth Index that those young people not in employment, education or training (NEETs) are significantly more likely to feel negative about their lives and their futures.

While finding employment can improve a young person's immediate circumstances, it can also have a wider impact on families, future generations, communities, and society as a whole.

Moreover, an active young workforce can help re-charge the economy for all of us at times like these.

Our goal is to have a meaningful impact on as many young people as possible over the year ahead, and we know we can create the most positive change when we work in partnership.

We are working with employers to match young people to the job vacancies which are out there, and we are continuing to give young people the skills which are going to be most needed in the job market of tomorrow. The need to empower young people with digital skills, for example, has only been accelerated by the pandemic.

Our own delivery is increasingly a blended mix of both digital delivery and face-to-face support, recognising the value that both approaches can have for young people.

All of this work is enabled by support from businesses, government, communities and individuals. Without these vital collaborations, we are in danger of a lost generation which is permanently left behind: young people who do not just become long-term unemployed, but unemployable.

Covid-19 will have profound implications on the life chances of a generation of young people, but it will hit those from the most disadvantaged communities the most. The Prince's Trust, with the support of our partners, is uniquely placed to give these young people a lifeline into work, education and training which will set them up for the rest of their lives.



#### **Our mission**

# Every young person should have the chance to succeed

#### **Our values**

### Our values are at the heart of everything we do. We operate in a way which is:

- Approachable We are open-minded and value diversity
- Non-judgemental We focus on the potential not the past
- Inspiring We lead by example
- **Empowering** We enable positive change
- Passionate We are absolutely committed to supporting young people

#### **Our purpose**

### The primary objective of The Prince's Trust (The Trust), as defined by its Royal Charter, is:

"To promote by all charitable means the mental, spiritual, moral and physical development and improvement of young people, and to provide opportunities for them to develop to their full capacities and enable them to become responsible members of society so that their conditions of life may be improved."

#### **Public benefit**

In accordance with Charity Commission guidance on public benefit (section 17 of Charities Act 2011) The Trust achieves this by:

- Helping young people aged 11 to 30 who are unemployed and those at risk of unemployment because they have struggled at school.
- Bringing young people together from different backgrounds, cultures and faiths, so that they can make a positive difference in their communities.
- Providing practical support, enabling them to overcome their problems and get their lives on track.
- Delivering proven, high quality programmes and basic financial support, which help young people to develop the confidence and skills they need to get a job or start a business.

## **OUR CORE PROGRAMMES**

#### There for young people

The Trust exists to support young people aged 11 to 30 to move into work, education or training. Our programmes are designed to help young people raise their aspirations and move forwards with their lives, regardless of any challenges they may be facing.

Our programmes help young people at risk of exclusion to stay in school and continue to learn; they develop the confidence and motivation of unemployed young people to turn their lives around; and they support young people to develop their skills to find work or start their own business.



#### **Achieve**

Achieve is our largest programme. Delivered by schools as well as in Prince's Trust youth centres, it helps young people who may be struggling with mainstream education or who may have been excluded. Increasingly schools are using Achieve for a broader range of pupils as part of their life skills curriculum. The fun, informal atmosphere helps young people to engage with learning.



#### Mosaic / Enterprise Challenge

Mosaic is a school-based mentoring programme. It gives young people access to inspirational and relatable role-model mentors; and has been proven to boost their confidence, resilience and long-term employability.

Enterprise Challenge (part of Mosaic) is an inter-school competition for young people aged 11-16 who are supported by trained mentors to develop their confidence, team-working skills and understanding of the world of work.

### Our current programme mix includes ten core programmes:



#### **Explore**

Explore (previously known as 'Fairbridge') is a flexible programme that offers one-to-one support and group activities for young people who need support to bring structure and stability into their lives. The programme is tailored to each individual's needs and can offer long-term support.



#### eam

Team is a 12-week personal development programme which includes outdoor activities, work experience and a community project. Team aims to develop young people's self-confidence and leadership skills all while making friends.



#### **Get Started**

Get Started includes short courses that engage young people through the arts or sport and support them into further education, training or employment. The programme energises young people, helping them gain the confidence and motivation to move forward with their lives.



#### **Get into**

Get into gives young people the vital first-hand training and experience they need to secure entry-level roles across a range of employment sectors. The programme is delivered in partnership with employers and training providers. We work with different sectors from hospitality and retail to technology, healthcare, security and logistics, with a focus on ensuring young people have the skills needed for the jobs of the future.



#### **Get Hired**

These are short programmes that support young people through the interview and selection process, providing one-to-one coaching and the opportunity to meet employers prior to interview.



#### **Employability Online**

Employability Online brings together some of our programme resources including CV writing, interview skills and top tips for preparing for the world of work.



#### **Enterprise**

The Enterprise programme helps young entrepreneurs to explore if self-employment could be for them. Enterprise offers training, mentoring and funding to help young people generate and test business ideas, write business plans, and ultimately start their own business.



#### **Development Awards**

Development Awards are small grants which help young people gain access to education, training or employment. This includes assistance with course fees, childcare costs and equipment for their job.



# **OUR DELIVERY IN 2019/20**



The locations of these young people were not captured for a variety of reasons. For example, the young person was supported in more than one location, they moved location, or the delivery partner did not share the full data for GDPR reasons.

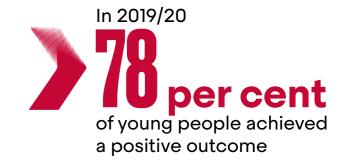
# ACHIEVEMENTS AND PERFORMANCE - UK

At The Prince's Trust, we monitor and evaluate our work, to make sure we are providing the best support we can to young people.

**During 2019/20 we supported 70,181 young people,** including 44,582 who were new to The Trust and 25,599 who received ongoing support from previous years.

Of those young people who were new to The Trust, 1,612 took part in more than one programme in order to give them the maximum opportunity of a positive outcome. Those who received ongoing support were typically part of our longer-term programmes such as Achieve and Enterprise.

**Positive outcomes:** Maintaining the quality of our support, to maximise the benefit to young people, remains a priority. Our key measure of success is the proportion of young people who achieve a positive outcome: moving into education, employment, training or volunteering three months after completing a Trust programme.



Here is a breakdown of the 70,181 young people we supported across the UK in 2019/20 and the 72,449 Prince's Trust courses they took part in. Some of the young people we support participate in more than one programme, which is why the number of course places is higher than individual young people:

2019/20	Individual Young people	Course places
Young people who participated in one programme	42,970	n/a
Young people who participated in more than one programme	1,612	n/a
Total new young people/course places	44,582	51,818
Young people receiving ongoing support	25,599	20,631
Grand total	70,181	72,449
Comparative in 2018/19	65,138	68,167
	7.7% growth	6.3% growth

During 2019/20, we provided a total of 72,449 course places compared to 68,167 in 2018/19. The breakdown of Prince's Trust courses is as follows:

Programme	New course places	Ongoing course places	Total course places provided
Achieve	15,652	11,571	27,223
Mosaic	2,327	2,042	4,369
Enterprise Challenge	3,040	0	3,040
Explore	1,662	25	1,687
Team	7,545	2,790	10,335
Get Started	2,797	2	2,799
Get into	4,603	328	4,931
Enterprise	5,271	3,873	9,144
Development Awards	5,093	0	5,093
Health & Social Care	191	0	191
Local & Pilots	3,637	0	3,637
Grand Total in 2019/20	51,818	20,631	72,449

### Regional and country breakdown

#### The Prince's Trust in England

### **North of England**

During 2019/20, we opened a new Prince's Trust youth centre in the heart of Manchester. We also launched a new multimillion pound initiative in partnership with the Greater Manchester Combined Authority to deliver the Future Workforce Fund, a skills pilot supported by the Department for Education. This innovative partnership will transform the lives of thousands of young people across Greater Manchester; and influence how we support young people across the UK.

Overall, we grew total delivery on last year, increasing our support from 14,134 young people in 2018/19 to 16,203 young people in 2019/20. Partnership delivery continued to be a priority in the region, resulting in a strong year for our Achieve, Mosaic and Team programmes. Just over 2,700 young people achieved a Prince's Trust qualification during the year.

#### **South of England** 16,203 young people supported 12,838 young people supported

We opened our new South London youth centre in December 2019, strengthening our operational capacity and building stronger partnerships in Southwark and surrounding boroughs. The centre has enabled us to deliver large scale innovative outreach and workshop events with partners, including Adidas and Schuh. We secured a new funding partnership with the Metropolitan Police in London and set up four new youth forums in London, Bristol, Kent and Southampton where young people have helped to shape our recruitment, branding, programme content and strategic planning.

We built on last year's delivery, increasing our support from 12,632 young people in 2018/19 to 12,838 young people in 2019/20. Critically, our support increased in disadvantaged communities across London and in Plymouth and rural Kent. Just over 1,300 young people achieved a Prince's Trust qualification during the year.

#### **Central England** 14,427 young people supported

During 2019/20, we continued to build our partnerships, for example with the West Midlands Combined Authority; and shaped our digital offer for young people interested in developing skills for employment. Our Birmingham youth centre saw many more visitors and increased hours of opening, including Saturday morning events for young people as part of our Community Engagement programme. Some of these young people also visited 10 Downing Street to meet the Prime Minister.

We increased our support from 12,995 young people in 2018/19 to 14,427 young people in 2019/20; with 10 per cent additional course places provided for young people compared to 2018/19. The largest growth was in our Achieve programme, with many new schools joining our community. Almost 2,000 young people achieved a Prince's Trust qualification during the year.



#### The Prince's Trust in Scotland 10,308 young people supported

Our work in Scotland was recognised at the National Youth Work Awards and the Ayrshire Business Awards. Our annual "Lunch With an Old Bag" fundraising event raised £760k and was broadcast by BBC Alba in December 2019. We secured funding to engage our leadership team in the accredited "Dare to Lead" programme - becoming the first in Scotland to complete it. In our Glasgow youth centre we hosted leaders of Vocational Training and Education from 20 countries through the British Council. We shared approaches to engaging young people from marginalised communities and supporting them towards vocational training and employment to transform their lives.

Overall delivery across Scotland remained broadly constant compared to 2018/19.



### The Prince's Trust in Wales 4,965 young people supported

We strengthened our links with the Welsh Government during the year, for example with the First Minister of Wales visiting our Cardiff youth centre. We welcomed new Patrons and philanthropic funders and took part in Wales' National Youth Work Conference. Our long-serving volunteer, Pat Grant, won Volunteer of the Year at The Prince's Trust Awards 2020.

We increased our delivery year-on-year, from 3,910 young people supported in 2018/19 to 4,965 young people in 2019/20. This improved performance was due to sustaining and building our Achieve programme, the recruitment of new referral and delivery partners across our programme mix and expanding our community engagement work.



The Prince's Trust in Northern Ireland 9,066 young people supported

During 2019/20, we launched our first cross-border programme supporting young people from Newry and Ballymun in Dublin, in partnership with Innovate Dublin and with the support of the Irish Government. We welcomed our President, HRH The Prince of Wales, to Saint Patrick's Grammar School in Armagh, where His Royal Highness met pupils on our Achieve programme. We appointed Lord Caledon KCVO as our new Chair of The Prince's Trust Northern Ireland Advisory Committee. We partnered with a mental health charity to provide young people with access to a special counselling service throughout Northern Ireland.

Overall, we grew total Northern Ireland delivery year-on-year, increasing our support from 8,435 young people in 2018/19 to 9,066 young people in 2019/20. This growth was achieved through strong relationships and partnerships with schools and local community groups.

#### **Health and safety**

In support of our focus on maintaining high safety and quality standards, we continue to be accredited to BS OHSAS 18001:2007 (Occupational Health and Safety Standard) and licensed by the Adventure Activity Licensing Authority (AALA).

#### **People**

The Prince's Trust is committed to being a great place to work and we recognise that releasing the potential of each of our talented colleagues and volunteers, means we can be there for young people.

We are committed to equality, diversity and inclusion. Our employee network groups support colleagues to bring their true self to work; and are led by some of our most inspiring and passionate colleagues. These networks focus on cultural awareness; the LGBT+ community: disability; and gender equality. The Trust works to support and amplify their work, to ensure we make progress in providing an inclusive environment where everyone can thrive. Focus areas include reviews of our policies and practices, understanding our data and identifying learning opportunities for colleagues.

We continue to have a strong focus on development and performance. This year we have supported a number of colleagues through "Inspire and Enable", our Leadership and Management programmes, supporting leaders to deliver The Trust's strategic goals. We are also launching a new

approach to performance management, underpinned by a focus on wellbeing, objectives and personal development.

We have further enhanced our people systems – including recruitment, on-boarding and our new learning module – all of which contribute to modernising our approach, streamlining the processes and creating a better experience for our people. Our online learning system is now enabling our colleagues to access a vast amount of development, optimising a blended approach of online and instructor-led learning.

#### Reputation

The Prince's Trust continues to take great care in the management of its reputation. This begins with effective risk management; taking good decisions around the partners we choose to work with and keeping our promises to young people and partners.

We continue to raise awareness and understanding among the public through regular media campaigns around the issues that affect young people – most recently with our 2020 Prince's Trust Youth Index, supported by L'Oréal. Highlighting the mental health challenges that young people face in an increasingly uncertain world, the Youth Index is gaining a reputation as a key indicator of young people's happiness and confidence.

Demonstrating the outstanding achievements of young people, our annual Prince's Trust Awards share the life-changing stories of inspirational young people and the mentors who support them.

We engage our Prince's Trust community of supporters through social media. Thanks to our network of Young Ambassadors and a growing list of social media influencers, we use digital media to spread positive messages and engage young people who we might struggle to reach through traditional channels.

Through our public affairs activity, we work with Ministers, MPs and representatives of devolved administrations to understand more clearly the real-life experiences of young people. We achieve this through visits to our programmes, targeted focus groups and sharing expertise to support policy development in areas such as youth employment and apprenticeships.

#### Investment and reserves

### **Investment Policy and Performance**

The Prince's Trust Council is empowered through its Royal Charter to invest funds not immediately required for operational purposes appropriately. The mix of investments is maintained to ensure that there are sufficient liquid funds to cover working capital needs, any future cash calls and to provide capital growth within an agreed risk profile. The investments of The Trust are held in a diversified portfolio for the medium to longer-term, and during the year, The Trust created an additional portfolio for its Endowment Fund.

Cazenove Capital Management acts as investment adviser to The Trust, working with The Trust with the objective of maximising the total return within a given level of risk.

The Trust's portfolio produced a return of -15.2 per cent (2018/19: 4.3 per cent) during the year 2019/20. In the final few weeks of the financial year, the impact of Covid-19 led to sharp declines in the global stock markets, and this resulted in the overall loss for the year. Since March 2020, stock markets have regained much of their losses, as set out in Note 32.

The investment portfolio stood at a value of £21.7m as at 31 March 2020 (2018/19: £13.4m), excluding cash held for investment purposes. The value and composition of investments are summarised in Note 16 to the financial statements.

#### **Reserves Policy**

The total funds of The Prince's Trust Group stood at £65.7m as at 31 March 2020 (2018/19: £58.0m). The free reserves of The Prince's Trust Group were £21.6m as at 31 March 2020 (2018/19: £31.1m).

The Trustees review the reserves policy annually and target a level of free reserves of between four to six months

of operational expenditure.
Reserves are held to cover for unforeseen circumstances including any unplanned reduction to income.

Included within free reserves are the equity value of freehold land and buildings and the value of programme-related investments net of a discount to estimate realisable value. The land and buildings are realisable to cash as they are held in prime and prominent locations, are kept in good marketable conditions and could be used for multiple purposes. Free reserves are within this target range and The Trust continues to manage its free reserves on a regular basis.

The adjustments to determine the free reserves of The Trust are set out below:

	2020 £m	2019 £m
Total funds of The Prince's Trust Group	65.7	58.0
Deduct:		
Restricted Funds	(13.5)	(12.4)
Endowment Funds	(13.4)	(1.0)
Designated Funds	(6.0)	-
Intangible and Tangible Fixed Assets (excluding Freehold Land and Buildings)	(10.9)	(13.2)
Realisable value discount on programme related investments	(0.3)	(0.3)
Free Reserves	21.6	31.1

An Endowment Fund to support the long-term sustainability of The Prince's Trust was established in 2018/19. Significant donations were made during the year to support the growth of the Endowment Fund. At the year end, the Trustees designated further funds with the intention of contributing to and growing the Endowment Fund.

## FUNDRAISING FOR OUR WORK

During 2019/20, The Prince's Trust in the UK raised just over £63 million to ensure 70,181 young people were given the opportunity to develop the skills and confidence they needed to achieve their potential. None of this work would have been possible without the generosity of our valued supporters who believe in young people. Their time, money and energy help transform young lives and make change possible in our economy and society.

We are incredibly lucky to have such a dedicated community of supporters who donate, fund or support our work in a variety of different ways.

#### **Corporate Partnerships**

We partner with a broad range of UK businesses who provide funding, work experience, training and job opportunities to help young people succeed. We also engage their workforce to fundraise on our behalf and volunteer their time and expertise.

#### **Public Sector**

We work with national and local government to deliver quality-assured, evidence-based interventions for young people in communities across the UK. The extent of our public sector contracts demonstrate that we are trusted to deliver against national policy and local needs and work collaboratively to create long-term impact.

#### **Philanthropy**

We are fortunate to work with a network of highly engaged individuals, trusts and foundations who passionately believe in helping young people to transform their lives. They give their time, money and support generously, to empower young people across the UK to reach their potential.

### Individual Supporters and Legacy Giving

We benefit from the generous support of those who support us personally through regular gifts, one-off donations, fundraising on our behalf or leaving a gift in their will. Their support enables us to continue helping even more young people each year through their generous donations and fundraising efforts.

#### **Events**

We run an exciting range of fundraising and stewardship events across the UK, including our Palace to Palace bike ride and gala events. Our diverse portfolio is designed to appeal to a wide range of audiences, in both a physical and digital capacity, and raise vital funds to support young people.

### Prince's Trust Trading and Additional Activities

We deliver income generating activities through our trading subsidiary, Prince's Trust Trading Limited, including ticketed events, sponsorship opportunities and commercial partnerships. We also secure

resources by sourcing giftin-kind products, services and pro-bono expertise from existing partners and supporters. There are also occasions when we will work with third parties such as event companies and our corporate partners to carry out fundraising activities. Alongside our fundraising activities, we also have some other income sources such as our programme fees and investments.

#### Raising Funds for International Activities

Prince's Trust America, Prince's Trust Australia, Prince's Trust Canada, Prince's Trust International and Prince's Trust New Zealand each fund their work through their own fundraising efforts, which focus on philanthropy gifts and local corporate investment in their projects. More details on our international work can be found later in this report.



## **FUNDRAISING GOVERNANCE**

#### Maintaining the highest professional fundraising standards

We strive to achieve the highest possible standards of fundraising and undertake a number of measures to ensure we are accountable for our practices. The Prince's Trust is registered with the Fundraising Regulator who holds the Code of Fundraising Practice for the UK. We endeavour to carry out our fundraising activities in line with the Code of Fundraising Practice and the expectations of our supporters. We are also signed up to the Fundraising Preference Service, which gives the public control over the fundraising communications they receive.

#### Fundraising on our behalf

We require signed terms and conditions from those who fundraise on our behalf, before being able to use our logo and branding to fundraise. Where we work with third parties, such as event companies, we have agreements in place and regularly monitor their performance in line with these agreements.

#### Protecting vulnerable people

The Trust is committed to protecting vulnerable people and other members of the general public from unreasonable intrusion on a person's privacy, unreasonably persistent fundraising approaches and placing undue pressure on a person to give money. Our fundraising activities follow both the Code of Fundraising Practice and our own ethical fundraising policy. To help protect vulnerable people, we have a field on our fundraising database which records a potentially vulnerable person, and we exclude anyone flagged on the database as vulnerable from all our fundraising appeals.

#### Managing our supporters' complaints and communications

The Prince's Trust is committed to providing a high-quality service to all of its service users, partners and supporters. We have a clear complaints policy that instructs us to thoroughly investigate any complaints, communicate results, record results and review our work, enabling improvements to be made, if required. In 2019/20, we received 12 complaints about our fundraising activities, compared to 21 we received in 2018/19.

During the year, we sent one direct mail fundraising appeal and one direct mail impact newsletter to supporters. We continued to engage with all our supporters through communications based their preferences.

Further to our complaints policy, we make a pledge to our generous supporters that:

- You can expect The Trust to use your donations wisely, and to help young people in the most effective and efficient manner.
- You can expect The Trust to hold your information securely and responsibly, and we will not share any of your details for use by any other organisation.
- If you have supplied your name and address, we will send you communications vou have asked for, or agreed to receive, so you know how your donation is helping to transform young lives. You can choose the frequency of these communications or opt to stop hearing from us at any
- We would love to hear your feedback about any aspect of our work, our fundraising, or your experience as a supporter. Please email getinvolved@princes-trust. org.uk

# FUTURE PLANS OF THE PRINCE'S TRUST IN THE UK

#### Covid-19

The coronavirus pandemic has been instrumental in shaping our future delivery plans. In March 2020, we launched our Young People Action Plan to ensure we continue to be there for young people during the pandemic. Since then our colleagues, delivery partners and volunteers have demonstrated incredible agility in developing and using new virtual methods of working to continue supporting young people.

As we concluded the year 2019/20, Covid-19 was starting to impact our delivery particularly in Health and Social Care. Entry-level vacancies in the health sector remain high and we will work at local and national levels to find innovative ways to help young people start a career in healthcare.

As lockdown restrictions change across the UK during 2020/21, much of our conventional delivery has been constrained. By using a blend of face to face and online delivery, we are aiming to maintain our full suite of programmes. Face to face delivery is restricted by social distancing rules and must meet health & safety best practice, but it is an essential element of our intervention. To support online delivery, we will be investing in safeguarding technology to enable us to scale delivery.

#### **Review of Operating Model**

Prior to Covid-19, we had started work with Deloitte to review our operating model. In the months and years ahead, we will implement the outcomes from this review, including to improve our proposition to young people, make best use of our data, enhance our impact measurement and continue to develop and support our staff and volunteers.

We are committed to delivering a robust suite of programmes that support young people effectively and efficiently. We will continue to develop our support for young people who face challenges while in education; those trying to get their life on track and secure a job; and young people who want to explore the potential to work for themselves.

Central to our approach is a consistent, UK-wide delivery model with robust quality assurance. We will continue to innovate and develop our programmes; however, we will stop smaller initiatives that cannot be scaled cost effectively.

#### **Digital Future**

In our experience, young people are best supported through a blend of face to face and online delivery. For example, personal social development is embedded in all our programmes; and this is best delivered in a face to face setting. Meanwhile, supporting young people into self-employment more readily lends itself to online engagement.

Our future plans therefore include a combination of face to face engagement with young people, supported by online resources. This will enable us to continue to be there for young people, through and beyond Covid-19.

While not able to deliver conventional programmes, we have demonstrated that we can safely support a significant number of young people using digital and online solutions. This support includes structured one to one sessions and online group sessions focused on wellbeing, employability skills and self-employment. We have also accelerated our digital development work, to identify new ways of engaging young people online in the employability and enterprise space.

As we scale up our online delivery, we will invest in solutions that ensure the well-being and safety of young people through our 'Safeguarding First' approach. These solutions include investing in call recording and moderation platforms alongside our growing online delivery; and developing an online mentoring platform with stringent safeguarding protocols embedded.

#### **Economic Outlook**

Youth unemployment is set to increase further in the year ahead. Young people have been hit the hardest by the economic impact of Covid-19, with many entry-level jobs in hospitality and retail disappearing. Several of our established employment partners will not be recruiting at the same level for the foreseeable future and we will be challenged to find employment outcomes for many of the young people we support.

We will continue to work with government and employers to create opportunities for young people, and we will play a key role matching and supporting young people and employers in all sizes of businesses.

Many new jobs with a foundation in technology are being created. One of our key areas of focus in the year ahead is to support young people with the skills, knowledge and attitude to access these exciting new roles. We will work with our Technology Leadership Group, which comprises many of the leading technology companies in the UK, to create pre-employment programmes to support young people into a career in the world of technology.

#### Mental Wellbeing

While we are not a mental health charity, a high percentage of the young people we work with report mental wellbeing challenges. We will continue to enhance our delivery to ensure we are supporting these young people and develop partnerships at a local and national level to help young people to access the support they need.

### **Equality, Diversity and Inclusion**

The Trust is fully committed to promoting and supporting equality, diversity and inclusion. Building on our established employee network groups, and in response to the Black Lives Matter movement, we have launched a Black Equity Action Group. This group of colleagues is reviewing current recruitment practices and staffing data; and helping us to improve how welcoming and inclusive The Trust is for Black colleagues, particularly as they seek to navigate the senior ranks of The Trust. The group will also review the extent of The Trust's reach into young Black communities across the UK; and make recommendations on how we can enhance our outreach and community engagement activities.

## TRUSTEES' RISK STATEMENT

#### **Risk management**

The Prince's Trust has a duty of care to the young people we support, our staff, our supporters and our partners. To ensure that our work with these groups can effectively improve the outcomes for young people, work closely with the Executive The Trust has established a formal structure and process to manage our risks.

The Prince's Trust Council (the Council) retains overall responsibility for risk management, and through its committees has oversight of the risk landscape and assurance arrangements. This structure is supported by our colleagues in assurance functions such as Risk, Internal Audit, Legal, Governance, Safeguarding and Health and Safety, who provide the insight required, as well as a broad range of compliance reporting on:

- Safeguarding young people and children
- · Financial management and performance of The Trust
- · Significant risks and an evaluation of the steps taken to minimise likelihood and impact
- · Internal controls, risk management, regulatory reporting and compliance
- Ethical fundraising
- Health and Safety
- Data Protection and Information Security.

Significant risks are discussed at each Council meeting during which the Trustees seek assurances that they are being adequately controlled and managed. The committees Committee to ensure that across the organisation, staff and volunteers feel empowered and encouraged to highlight risks and issues so that appropriate actions are taken and, if significant, reported to the Council.

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#### **Principal risks**

Prior to the emergence of Covid-19 in early 2020, the risks facing The Prince's Trust in 2019/20 were principally:

- Safeguarding children and young people
- Continued relevance of our programmes and services to young people
- Ensuring adequate financial resources and staffing to deliver the strategy and meet
   our charitable objectives.

The impact of Covid-19 has challenged our approach to supporting young people and our approach to governance throughout The Trust. As a result, the following risks have emerged for the period ahead:

- Safeguarding children and young people, including for online delivery
- Pressures on our income due to the economic impact of Covid-19
- Challenges to supporting young people due to social distancing and social isolation measures
- The need to develop new digital products to work in a social distanced environment
- The impact of Covid-19 on our delivery and commercial partners and our ability to deliver our charitable purpose through them
- Impacts on our staff, either through being on furlough leave or working in isolation from their teams during the pandemic
- Challenges to finding suitable, secure employment outcomes for young people in an external climate of rising unemployment.

Our response to these issues has led to the rapid development of new processes, methods of working and ways of measuring our risks, including:

- Managing the working patterns of our teams as we move to more remote delivery and adhere to social distancing guidelines
- Developing our forecasting methods, looking at a broader range of scenarios and longer-range cashflow forecasts
- Establishing an Internal Audit function to review internal controls and better manage emerging risks
- Prudent management of our reserves with more effective cost control and alignment of delivery with our funding
- Developing more granular risk monitors to capture the impacts more quickly from a rapidly changing external environment
- Renewing our internal policies to ensure they are robust and comprehensive enough in the new environment.

#### **Fairbridge Society**

In 2011, Fairbridge (which had long ceased to have any involvement in child migration programmes) became part of The Prince's Trust. At the time, The Prince's Trust inherited the archives. Fairbridge was subsequently dissolved in 2013.

The Prince's Trust is committed to supporting former child migrants and we will continue to do all we can to enable them to access any information contained in the archives of Fairbridge.

The Prince's Trust is also currently in discussions with the Commonwealth of Australia about redress for a number of former child migrants of Fairbridge. In March 2020, Fairbridge was restored to the register of companies in England & Wales, and can be contacted at 4 Hardman Square, Spinningfields, Manchester, M3 3EB. The company is now in administration.

## ORGANISATIONAL STRUCTURE, GOVERNANCE AND MANAGEMENT

The Prince's Trust is incorporated by Royal Charter (with Royal Charter number RC000772) and is registered with the Charity Commission for England and Wales (with registered number 1079675) and the Office of the Scottish Charity Regulator (with registered number SC041198). Its objects and powers are set out in the Royal Charter and Byelaws. The Royal Charter, the Byelaws and The Handbook (a document that sets out The Trust's internal governance structure) are the documents that govern The Trust's administration.

#### **Trustee Recruitment, Appointment and Training**

Trustees are appointed in accordance with the Byelaws and are collectively known as "the Council". On joining the organisation, new Trustees receive a personalised wideranging induction which covers the values and purpose of The Trust and includes sections on strategy, finance, fundraising, programmes, operations and governance. During induction, Trustees meet young people and members of The Trust's Executive Committee to help fully understand their role as a Trustee.

In addition, they are invited to attend Trust programmes to see them in action and are asked to take an interest in a particular area of The Trust's work via membership of one or more of the committees, to be ready to contribute to the Council as required.

Trustees receive ongoing support and up to date guidance, to enable them to fulfil their responsibilities to the organisation. They regularly meet with beneficiaries at events and on programme visits. The Council meets six times a year with occasional additional meetings as needed. The Trustee role is unremunerated, but Trustees are able to claim expenses where relevant.

#### **The Council**

The Prince's Trust Council is accountable for the work of The Trust. The matters reserved for The Prince's Trust Council include the approval of strategy, the budget and business plan and the Annual Report and Accounts. The Prince's Trust Council also retains oversight of management controls and corporate governance, along with the appointment of Trustees, the Group Chief Executive, the **UK Chief Executive and senior** volunteers. Appointment of Directors/Trustees of The Prince's Trust subsidiaries is a matter for their boards.

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#### **Sub Committees**

The Prince's Trust Council has appointed eight committees to help with the execution of its responsibilities. Members are appointed by The Prince's Trust Council. The committees meet regularly and members during 2019/20 were:

#### Finance:

Shabir Randeree CBE (Chair), Sir Nigel Knowles, Tania Slowe, Alistair Summers

#### **Risk and Audit:**

Alistair Summers (Chair), Sir Nigel Knowles, Shabir Randeree CBE, Tania Slowe

#### Investment:

Richard Oldfield OBE DL (Chair), John Booth DL, Ian Mukherjee, Michael Marks CVO CBE, Sandra Robertson

#### **Fundraising Advisory Board:**

Ian Mukherjee (Chair), Uzair Bawany, James Bennet MBE, John Booth DL, Jeremy Green, Richard Huntingford, Steve Sealey, Sir James Wates CBE

#### Nominations and Remuneration Committee:

John Booth DL (Chair), Alison Brittain CBE, Shabir Randeree CBE

#### **Young Persons Committee:**

Michelle Pinggera (Chair), Alistair Summers, Blondel Cluff CBE, Sir Nigel Knowles, Kirstie Donnelly MBE

#### **Technology Committee:**

Mark Dearnley (Chair), Gavin Cartwright, Ian Mukherjee, Kevin Walsh

### Ethical Fundraising & Reputational Risk Committee: Simon Major (Chair), Tania Slowe

The Prince's Trust Council appoints Advisory Committees in Wales, Scotland and Northern Ireland, Development Committees in the English regions, Development Committees for our Industry and Leadership Groups and an Advisory Committee for our Mosaic programme. These are composed of senior volunteers; whose role is to provide fundraising support and guidance.

The Prince's Trust Council has delegated authority to the Group Chief Executive for oversight of The Prince's Trust and its subsidiaries. The Council has also delegated authority to the UK Chief Executive and Executive Committee for the day-to-day management of The Trust. The composition of the Executive Committee changed in January 2020 and now comprises the UK Chief Executive, Deputy CEO (Design & Delivery), Director of Fundraising, Group General Counsel & Company Secretary, Director of People & Learning and Chief Financial Officer.

The Executive Committee has delegated authority from the Council for the design and delivery of programmes and income generation, along with the administrative functions of finance, people and learning, health and safety, internal audit, evaluation, management information systems, marketing and communications.

Designated staff may commit The Trust to expenditure within defined limits.

During the financial year,
Council reviewed and agreed
organisational pay and the
Nominations and Remuneration
Committee considered and
approved the appointment and
remuneration of new roles in
the Executive Committee in
consideration of good practice
in the charity sector.

#### **The Charity Governance Code**

The Council fully supports the Charity Governance Code, whilst the Code is voluntary and aspirational the Council recognises its importance in promoting good governance. The Prince's Trust does, and will continue to, improve its own governance where necessary in accordance with the Code.

#### **Subsidiaries**

The Prince's Trust has the following charitable subsidiaries, being;

Prince's Trust America Prince's Trust Australia Prince's Trust Canada Prince's Trust International Prince's Trust New Zealand

Each charitable subsidiary is registered in its country of incorporation and has its own board of trustees, which is responsible for managing its affairs and appointing its Chief Executive. The Group Chief Executive has delegated authority from the Council of The Prince's Trust to work with the UK Chief Executive and Chief Executives of the charitable subsidiaries to co-ordinate the activities of the Group.

For more detailed information about the activities, achievements and future plans of The Trust's charitable subsidiaries, see pages 33–41.

In addition to the charitable subsidiaries listed previously, The Prince's Trust has a wholly-owned non-charitable subsidiary; Prince's Trust Trading Limited, which undertakes The Prince's Trust's commercial activities. Prince's Trust Trading Limited is incorporated as a company to conduct trading activities to support The Prince's Trust's charitable objectives. It passes all of its taxable profits to The Trust via Gift Aid. The payment under deed of covenant from Prince's Trust Trading Limited to The Trust in 2019/20 was £1.5m (2018/19 £2.1m). Prince's Trust Trading Limited is incorporated in England and Wales (with company number 03161821).

The Group Consolidated Statements include The Trust, the charitable and noncharitable subsidiaries. The financial results for 2019/20 of all subsidiaries are summarised in Note 17 to the Financial Statements.



## INTRODUCTION



Now more than ever, young people need our support. Our dedicated staff, volunteers, supporters and partners are all determined to help young people through and beyond this global crisis, so they can survive and thrive in these highly uncertain and challenging times.

The Prince's Trust group of charities includes the work of The Prince's Trust in the UK alongside Prince's Trust International, Prince's Trust Australia, Prince's Trust New Zealand, Prince's Trust Canada and now Prince's Trust America.

Together during 2019/20 we supported 76,328 young people, we helped 620 military veterans to set up in business and we invested in building sustainable communities. We are now active in 14 Commonwealth countries including Australia, Barbados, Canada, Ghana, India, Jamaica, Kenya, Malaysia, Malta, New Zealand, Pakistan, Rwanda, Trinidad & Tobago and the United Kingdom plus Greece, Jordan, Serbia and the USA.

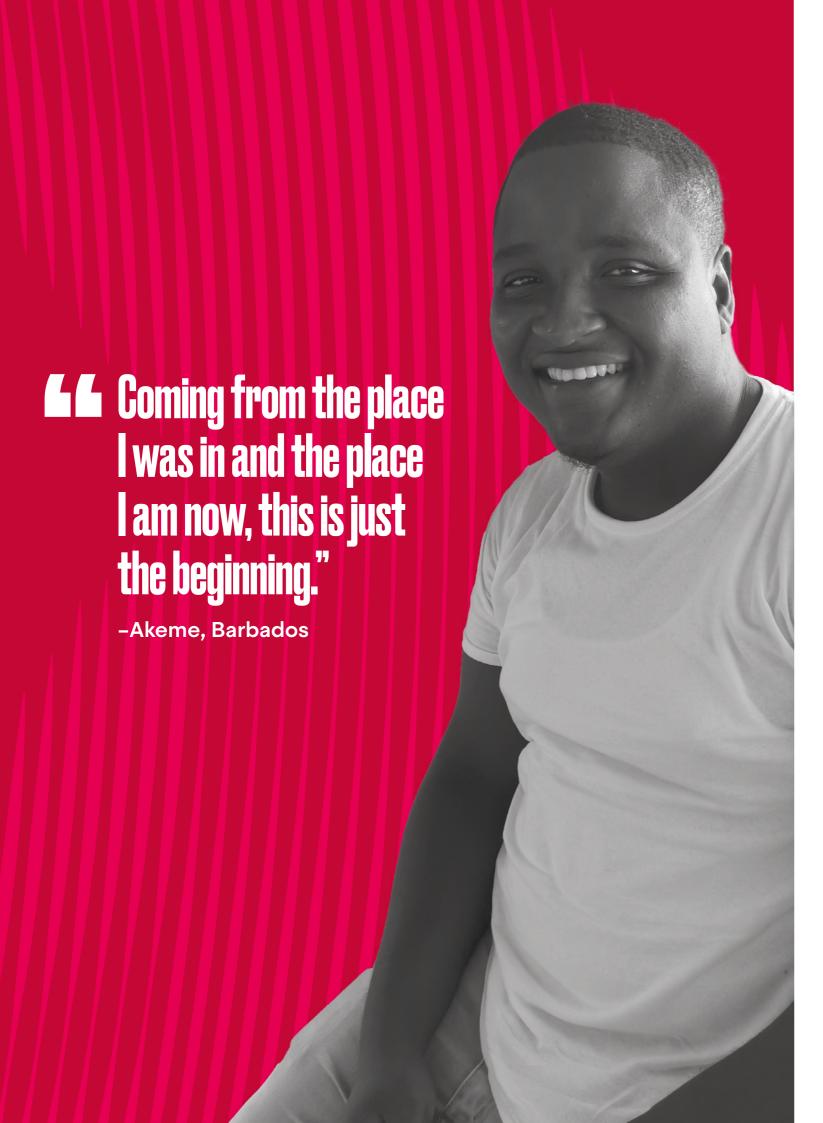
Our strategic priorities are: to help young people to respond to the rapidly changing global economy and world of work; to improve their lives by making the successful transition from education to employment; to support people to set up sustainable and green businesses; to increase access to our support through innovative partnerships and digital solutions; and to help build sustainable communities.

We are truly grateful to His Highness The Aga Khan, our Global Founding Patron; and to HSBC, our Global Founding Corporate Partner. Together with these and other committed supporters, we are determined to transform more lives and build sustainable communities in the years to come.

I would also like to thank our wonderful team of staff, volunteers and delivery partners, who together work tirelessly to support people around the globe.

Most of all, our thanks go to His Royal Highness The Prince of Wales for his visionary leadership and inspiration.

**Dame Martina Milburn DCVO CBE** 



## PRINCE'S TRUST AMERICA

Prince's Trust America (PTUSA) was established in May 2019 as a 501(c)(3) charitable entity in New York State (EIN number 82-5457122). The board of trustees is chaired by Jeremy Green.

Prince's Trust America is in start-up mode. The initial strategy of PTUSA is focused on raising funds in the United States, to support the charitable work of The Prince's Trust Group of charities across the world.

#### **Financial Performance**

Income for the year 1 April 2019 to 31 March 2020 was £6.905m. Of this, PTUSA made a total of £5.024m in programme grants to The Prince's Trust and Prince's Trust International. Total expenditure (including operating costs of £137k) was £5,161k, delivering an operating surplus of £1,744k.

#### **Future Plans**

During 2020/21, PTUSA plans to secure £3.23m of income and to deploy £2.98m to other charities within The Prince's Trust Group.

Prince's Trust America aims to appoint an Executive Director by late 2020. Whilst PTUSA has been active since inception, the formal launch event - originally scheduled for April 2020 - was postponed due to Covid-19 restrictions: and has been rescheduled to September 2021.

In due course, PTUSA has future plans to support young people in the United States once it has developed further.

Our key strategic goals for 2020/21 are:

Goal 1: Achieve financial and operational sustainability while maximizing the benefits and opportunities of being a part of The Prince's Trust Group.

Goal 2: Develop an effective strategic plan to engage patrons, stakeholders and the Prince's Trust Group of charities.

Goal 3: Led by the new Executive Director, begin to engage a new audience of US-based patrons supporting PTUSA, to provide a significant year-on-year increase in revenues over the longer term.

## PRINCE'S TRUST AUSTRALIA

**Prince's Trust Australia (PTA)** is a public company limited by guarantee, registered as a charity with the Australian **Charities and Not-for-profits Commission (with registered** number ABN 73 161 872 993). The Prince's Trust is the sole member of PTA. The board of trustees is chaired by the Hon Julie Bishop. Justin Hewitt was appointed Executive Director in May 2020. At 31 March 2020, the team included eight staff and a number of highly valued volunteers.

During 2019/20, PTA redesigned its 'Enterprise for Veterans' programme, which inspires military veterans into entrepreneurship, developing Enterprise Online as a digital module. PTA engaged 160 Australian Defence Force veterans and family members during 2019/20. In the past few years, PTA has supported 326 veterans and family members.

PTA delivered its first pilot of the Achieve education programme in Victoria, supporting 350 young people to prepare for the rapidly changing world of work by developing their enterprise skills. PTA also provided professional development training for 35 educators. PTA is now developing 'Achieve Fest' as an online engagement opportunity for young people, parents and educators.

PTA continued to develop its Sustainable Communities portfolio, helping to create more sustainable places to live, through new exemplar building projects and education

programmes. During 2019/20, PTA progressed 'The Prince's Quarter', a new mid-rise residential development in Sydney, which will provide new social housing and demonstrate best practice sustainability and design. PTA also delivered a series of Sustainable Urbanism lectures and panel discussions across Australia.

#### **Financial Performance**

Income for the year 1 April 2019 to 31 March 2020 was £1.105m (2018/19 income: £973k). Expenditure was £985k (2018/19 expenditure: £954k), resulting in an operating surplus of £121k (2018/19 surplus in the year of £19k).

At 31 March 2020, total reserves were £719k including £101k which was restricted to delivery due to take place in 2020/21. Unrestricted reserves at 31 March 2020 were therefore £617k (2018/19 unrestricted reserves: £228k).

#### **Future Plans**

Prince's Trust Australia is responding swiftly to the impact of the Covid-19 pandemic, by switching to online delivery of its programmes. During 2020/21, PTA plans to achieve £932k of income and deploy £709k of expenditure, to deliver an operating surplus of £223k. This will enable the following delivery:

• 200 military veterans and family members to be supported through the 'Enterprise for Veterans' programme and new programmes to assist

Australian Defence Force spouses into business.

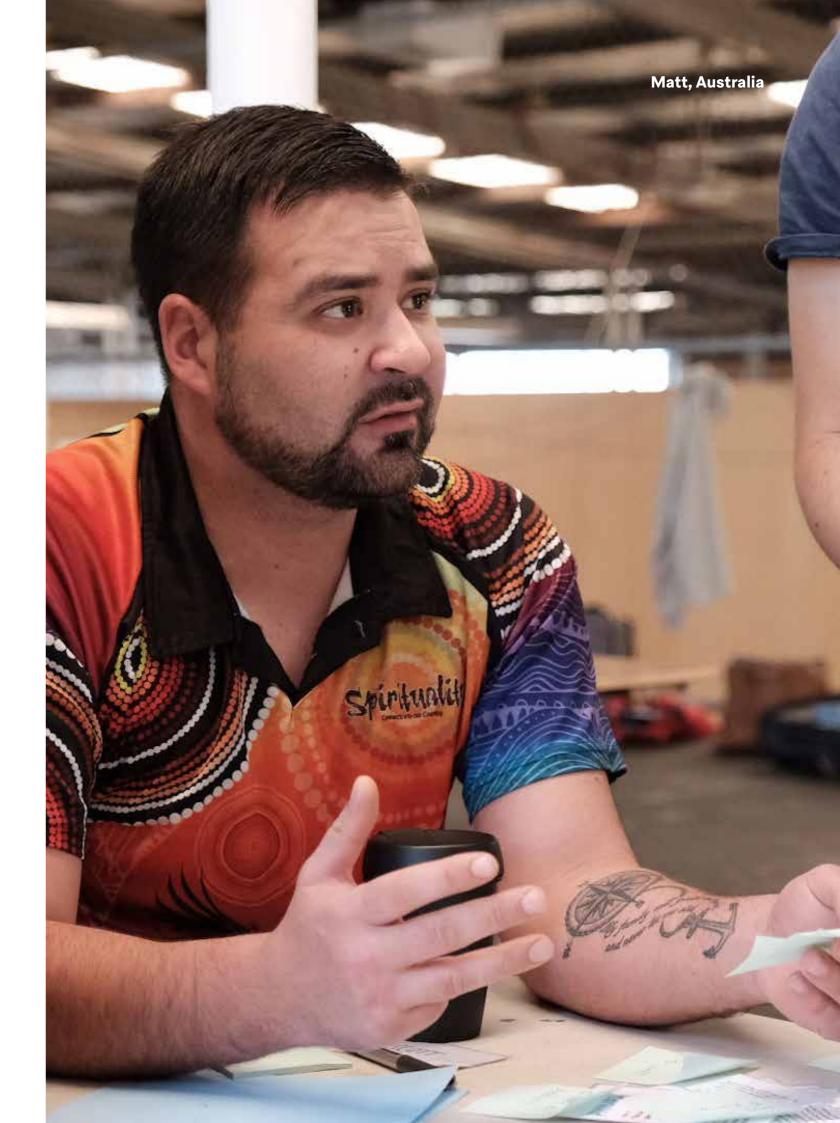
- 1,300 young people to be supported through the Achieve programme, with the majority participating through 'Achieve Fest'; and professional learning workshops for 100 secondary school educators.
- PTA to continue to advise on "The Prince's Quarter" in Sydney; begin to rebuild the Stokes Bay Community Hall on Kangaroo Island after the 2020 bushfires; and facilitate the Enduring Design Masterclass in partnership with University of Queensland.

#### Our key strategic goals for 2020/21 are:

Goal 1: Develop and deliver relevant and responsive programmes and projects across our three portfolios, to broaden our engagement and impact for Australian communities.

Goal 2: Implement the new marketing and communication strategy, while maximising the benefits of The Prince's Trust Group, to expand and engage our patronage and corporate partnerships.

Goal 3: Achieve financial sustainability through fiscal management and operational efficiencies with the introduction of improved systems and processes.





## PRINCE'S TRUST CANADA

Prince's Trust Canada (PTC) is designated a Charitable Organisation under the **Canadian Income Tax Act** (registered number 83229 5406 RR000). The Prince's Trust is the sole member of **PTC. The Board of Directors** is chaired by F. Mark M. Fell. **Sharon Broughton is the Chief** Executive. At 31 March 2020, the team included 17 staff.

In 2019/20, Prince's Trust Canada's programmes helped young people overcome barriers to employment and prepare for the changing world of work: provided entrepreneurship training and support for veterans; and created important language resources for Indigenous children and their families. During 2019/20, PTC supported 633 total participants, including 173 young people and 460 veterans and transitioning military members.

In 2019/20, PTC completed an extensive consultation process to create a five-year strategic plan. This new plan involves a deeper commitment to sustainability and directly references the United Nations Sustainable Development Goals. For example, new programming in 2020/21 will expand on its youth employment work, building from the sectors it has engaged with to date, to include urban forestry and green trades.

Climate action will be directly embedded into all programming and its operations, to reduce its carbon footprint. The Strategic Plan for 2020/25 has five objectives: Preparing young people and veterans for the transforming world of work: Championing sustainable solutions for a green recovery; Empowering our people and our partnerships; Delivering Impact; and Investing in the future.

#### **Financial Performance**

Income for the year 1 April 2019 to 31 March 2020 was £1.448m (2018/19 income: £1.288m). Expenditure was £1.448m (2018/19 expenditure: £1.284m), resulting in a balanced budget (2018/19 surplus in the year of

At 31 March 2020, total reserves were £1.449m including £936k which was restricted to delivery due to take place in 2020/21. Unrestricted reserves at 31 March 2020 were therefore £513k (2018/19 unrestricted reserves: £237k).

#### **Future Plans**

During 2020/21, PTC plans to secure £1.371m of income and deploy £1.371m of expenditure. The global Covid-19 pandemic has led to significant adjustments in programme delivery, including the creation of new digital programming. Original plans to support 835 total participants including 245 young people and 590 military veterans through in-person programming may be adjusted given the adaptations required by the changed circumstances.

During 2020/21, PTC will formally launch its new vision: "a sustainable future for Canada, where young people and communities thrive". The new mission is "to empower young people and veterans to build resilient, future-ready communities".

#### The strategic goals for 2020/21 include the following:

Goal 1: Develop and launch new programming in sustainability, with an initial focus on youth employment in urban forestry and green trades.

Goal 2: Create a new measurement and evaluation framework to capture tangible impact across all programs, integrating the **United Nations Sustainable** Development Goals.

Goal 3: Develop a new case for support articulating the strategic plan, inspiring new commitments to achieve financial and operational sustainability.

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## PRINCE'S TRUST INTERNATIONAL

Prince's Trust International (PTI) is a company limited by guarantee (company number 09090276) and is registered with the Charity Commission for England and Wales (registered number 1159815). The Prince's Trust is the sole member of PTI. The board of trustees is chaired by Sir Lloyd Dorfman CBE.

Jonathan Townsend was the Chief Executive until December 2019. Dermot Finch was the Interim CEO until October 2020, when Will Straw CBE started as the new permanent Chief Executive. At 31 March 2020, the team included 44 staff and a number of highly valued volunteers.

Prince's Trust International works with local youth organisations across the Commonwealth and beyond, delivering programmes for young people in education, employability and enterprise. We believe that every young person should have the chance to succeed and to contribute to their local economy, engaging as active members of society. PTI has supported over 16,000 young people during its first few years.

During 2019/20, PTI successfully delivered programmes with partners to support 5,455 young people in their journey from education to employment in 11 countries including Barbados, Ghana, Greece, India, Jamaica, Jordan, Kenya, Malaysia, Malta. Pakistan and Trinidad & Tobago. This delivery was made possible by a range of valued supporters, including His Highness The Aga Khan (Global Founding Patron of The Prince's Trust Group) and HSBC (Global Founding Corporate Partner of The Prince's Trust Group).

#### **Financial Performance**

Income for the year 1 April 2019 to 31 March 2020 was £4.160m (2018/19 income: £1.726m) and expenditure was £3.070m (2018/19 expenditure: £1.855m), resulting in an operating surplus of £1.090m (2018/19 deficit for the year of £129k).

At 31 March 2020, total reserves were £1.446m including £723k which were restricted to delivery due to take place in 2020/21. Unrestricted reserves at 31 March 2020 were therefore £723k (2018/19 unrestricted reserves: £252k).

#### **Future Plans**

The coronavirus pandemic has generated unprecedented uncertainty and increased demand from young people for our support. Prince's Trust International and its partners are determined to do even more to support young people through and beyond the Covid-19 crisis, while at the same time ensuring that our delivery model and finances are efficient and sustainable.

#### Our three strategic priorities for 2020/21 are:

**Goal 1:** Adapt our delivery model, by accelerating the growth of our digital offer and maintaining face-to-face delivery where appropriate, aiming for year-on-year growth in delivery.

**Goal 2:** Support even more young people through this difficult time, through our colleagues and delivery partners.

**Goal 3:** Protect PTI's financial sustainability in the short and long term, so we can be there to support young people through and beyond this crisis.

With its delivery partners, PTI aims to support 8,750 young people during 2020/21, especially through digital and online channels, in 13 countries: Barbados, Ghana, Greece, India, Jamaica, Jordan, Kenya, Malaysia, Malta, Pakistan, Rwanda, Serbia and Trinidad & Tobago. We have been encouraged so far by the resilience of our delivery partners and their ability to support young people online; and have launched our own direct digital project, initially in Barbados.

During 2020/21, PTI plans to achieve £4.35m of income (2019/20 income: £4.16m) and deploy £4.6m of expenditure, delivering a planned operating deficit of £250k. We expect to achieve total unrestricted reserves of approximately three months of operating expenditure by 31 March 2021.

## PRINCE'S TRUST NEW ZEALAND

Prince's Trust New Zealand (PTNZ) launched in 2018 and is registered as a charity in New Zealand (registered number CC56358). The Prince's Trust is the settlor of PTNZ. The board of Trustees is chaired by Andrew Williams. Anya Satyanand is the Chief Executive. At 31 March 2020, the team included six staff and a number of highly valued volunteers.

The initial strategy of PTNZ was the outcome of an innovative participatory process and was developed with input from young New Zealanders. The mission of PTNZ is to equip and empower young people to live, learn and earn; its priority is to deliver high-quality, impactful programmes with young people.

2019/20 marked a period of sustained growth and development for PTNZ, with a substantial body of work to design and deliver quality, relevant employability and entrepreneurship programmes for young people. During 2019/20, PTNZ engaged with 169 young people through its programmes. PTNZ also launched a programme to catalyse powerful conversations with young people on racism, power and privilege. The PTNZ impact framework holds us accountable to the importance of self-determination for the young people we support; and enables PTNZ to demonstrate its impact in a way that aligns with the wider evaluation processes across The Prince's Trust Group.

A highlight of the year was the visit from our President. His Royal Highness The Prince of Wales, in November 2019. HRH met several young entrepreneurs engaging with our Enterprise programme. It was clear that the environmental vision that His Royal Highness has championed for many decades aligns with the sense of whanau (family) and kaitiakitanga (guardianship - of the natural world) that motivates the young people engaging with our programmes. Sustainability in its broadest sense has been a fundamental design principle in all of our programmes in New Zealand.

#### **Financial Performance**

Income for the year 1 April 2019 to 31 March 2020 was £442k (2018/19 income: £183k). Expenditure was £385k (2018/19 expenditure: £158k), delivering an operating surplus of £57k (2018/19 surplus of £25k).

At 31 March 2020, PTNZ's total reserves were £202k including reserves restricted for programme delivery in 2020/21 of £123k. Unrestricted reserves at 31 March 2020 were therefore £80k (2018/19 unrestricted reserves: £23k).

#### **Future Plans**

During 2020/21, PTNZ plans to secure £510k of income and deploy £404k of expenditure, to support 400 young people through its employability, entrepreneurship and other programmes.

Our mission is to activate young New Zealanders as the designers, creators and workers of a future economy that is sustainable, equitable and prosperous.

#### Our key strategic goals for 2020/21 are:

**Goal 1:** Achieve financial and operational sustainability while maximising the benefits and opportunities of being a part of The Prince's Trust Group.

**Goal 2:** Deliver tangible social impact through high quality programmes that are relevant and responsive to present day New Zealand.

**Goal 3:** Use our programme outcomes to inform systems level change.

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## ACHIEVEMENTS AND PERFORMANCE - GROUP

## FINANCIAL REVIEW FOR THE PRINCE'S TRUST GROUP

The results of The Prince's Trust Group for the year are set out in the Consolidated Statement of Financial Activities (SOFA) on page 51. Net incoming resources for the year after gain on investments were £7.7m (2019: £1.5m). The free reserves at the end of the financial year were £21.6m (2019: £31.1m) as analysed on page 20.

#### **Income and Endowments**

Total income was £88.3m in 2019/20 (2019: £67.4m), an increase of £20.9m from the prior year. The increase came from individual donations and legacies, which increased from £19.9m in 2018/19 to £42.2m in 2019/20 – including £12.4m of endowment funds.

#### Where our Group funds of £88.3m came from:

Group income	2020 £'000	2019 £'000
Corporates	16,068	14,255
Charitable Trusts	7,900	9,236
Individuals & Legacies	42,190	19,940
Gifts in Kind	3,744	3,690
Trading Income	5,121	5,939
Investment Income	779	255
Public Sector contracts	10,883	11,849
Programme fees	1,500	1,606
Other Income	155	637
Total	88,340	67,407

#### **Expenditure**

Total Group expenditure increased 10.6 per cent to £77.3m in 2019/20 (2018/19: £69.9m) in line with the increase in income.

The Group expenditure on raising funds increased by 13.4 per cent, to £15.2m (2018/19: £13.4m). This was driven by the increased fundraising activities of our international operations.

The total cost of charitable activities increased by 9.7 per cent to £62.1m (2018/19: £56.6m) in line with the increase in income.

	2020	2019
Group expenditure	£'000	£'000
Total	77,302	69,922
Less trading costs	(3,608)	(3,750)
Less expenditure on raising funds	(11,493)	(9,522)
Total expenditure to meet our objectives	62,201	56,650

#### Where our Group expenditure of £77.3m was used:

Group expenditure	2020 £'000	2019 £'000
Enterprise	9,878	10,010
Team	4,718	4,962
Development Awards	2,878	1,858
Achieve	8,465	5,147
Get into	11,224	8,255
Get Started	5,125	3,463
Local programmes & pilots	7,210	5,441
Adventurous Activities	-	3,665
Explore	7,680	8,005
Prince's Trust Online	-	2,235
The Prince's Trust - Charitable Activities	57,178	53,041
Subsidiaries - Charitable Activities		
Prince's Trust America	2,551	-
Prince's Trust International	362	1,381
Prince's Trust Australia	882	931
Prince's Trust Canada	1,155	1,060
Prince's Trust New Zealand	-	142
Charitable Activities Total	62,128	56,555
Expenditure on raising funds	15,174	13,367
The Prince's Trust Group – Total	77,302	69,922

The Prince's Trust charitable subsidiaries raise and spend their own funds and are included in restricted funds in the Group Consolidated Financial Statements. Funds raised for UK activity are spent in the UK and split between restricted, unrestricted and endowment depending upon conditions specified by the donor.

Notes 7, 8 and 9 to the financial statements provide a detailed analysis of expenditure by the Group.

The Trustees are pleased to present their report and audited financial statements for The Prince's Trust Group (which includes The Prince's Trust and its subsidiaries) for the year ended 31 March 2020.

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## STATEMENT OF THE TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales and Scotland requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and the group and of the incoming resources and application of resources of the group for that period.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011. the Charity (Accounts and Reports) Regulations 2008, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

#### Statement of disclosure of information to auditors

In so far as the Trustees are aware.

- there is no relevant audit information of which the Charity's auditors are unaware; and
- they have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the Charity's auditors are aware of that information.

#### 10hm350022

John Booth DL Chairman 25 November 2020

## REFERENCE AND ADMINISTRATIVE DETAILS

#### **Principal Address**

8 Glade Path London SEI 8EG

Telephone: 0800 842 842 info@princes-trust.org.uk www.princes-trust.org.uk

#### **Charity Registration Number:**

England and Wales 1079675, Scotland SC041198

#### **Royal Charter Number:** RC000772

#### **Governing Document**

The Prince's Trust is a company incorporated by Royal Charter. The Royal Charter is the governing document of The Trust.

#### President

His Royal Highness The Prince of Wales

#### Global Founding Patron

His Highness The Aga Khan

#### Chairman of The Prince's Trust Council

John Booth DL

#### Vice President

Michael Marks CVO, CBE (appointed July 2019)

#### Trustees and Members of The Prince's Trust Council John Booth DL (Chairman)

Joan Armatrading CBE
(appointed September 2020)
Alison Brittain CBE
Blondel Cluff CBE (retired

August 2019)
Mark Dearnley (appointed

September 2019) Kirstie Donnelly MBE (appointed

September 2019)
Sir Nigel Knowles (retired
September 2020)

Michael Marks CVO, CBE (retired July 2019)

lan Mukherjee Richard Oldfield OBE, DL Michelle Pinggera

Shabir Randeree CBE Tania Slowe (appointed September 2019)

Ramneek Sohal (appointed September 2019) Alistair Summers

#### Management

Jonathan Townsend, UK Chief Executive (appointed January 2020)

lan Jeffers, Deputy CEO (Design and Delivery)

Kimberley Cleland, Director of People and Learning (appointed January 2020)

Saras Seth, Chief Financial Officer (appointed February 2020)

Frances Milner, Director of Fundraising (appointed July 2020)

Dame Martina Milburn DCVO CBE, Group Chief Executive Simon Major, Group General

Counsel and Company Secretary

Nick Stace, UK Chief Executive (left December 2019)

Wayne Orr, Chief Operating Officer (left December 2019) Tara Hull (Leathers), Deputy CEO (Income and Innovation) (left May 2020)

#### **Independent Auditors**

PricewaterhouseCoopers LLP 1 Embankment Place, London WC2N 6RH

#### **Principal Solicitors**

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

#### **Bankers**

National Westminster Bank plc 3rd Floor, 280 Bishopsgate, London EC2M 4RB

Coutts and Co Villiers Branch, 440 Strand, London WC2R 0QS

#### **Investment Advisers**

Cazenove Capital Management Ltd 12 Moorgate, London EC2R 6DA 46 The Prince's Trust Group Independent Auditors' Report
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# INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE PRINCE'S TRUST

#### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

#### **Opinion**

In our opinion, The Prince's Trust's Group financial statements and parent charity financial statements ("the financial statements"):

- Give a true and fair view of the state of the group's and of the parent charity's affairs as at 31 March 2020 and of the group's and parent charity's incoming resources and application of resources, and of the group's cash flows, for the year then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- Have been prepared in accordance with the requirements of the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

We have audited the financial statements, included within The Prince's Trust Group Annual Report and accounts (the "Annual Report"), which comprise: the group consolidated and charity balance sheets as at 31 March 2020; the group consolidated statement of financial activities and The Prince's Trust statement of financial activities for the year then ended, the group consolidated cash flow statement for the year then ended; and the notes to the financial statements which include a summary of the significant accounting policies.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

#### Conclusions relating to going concern

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

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's and parent charity'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.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's and parent charity's ability to continue as a going concern.

#### Independent auditors' report to the Trustees of The Prince's Trust (continued)

#### Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

#### **Trustees' Report**

Under the Charities (Accounts and Reports) Regulations 2008 and the Charities Accounts (Scotland) Regulations 2006 (as amended) we are required to report to you if, in our opinion the information given in the Trustees' Report is inconsistent in any material respect with the financial statements. We have no exceptions to report arising from this responsibility.

### Responsibilities for the financial statements and the audit

#### Responsibilities of the trustees for the financial statements

As explained more fully in the statement of trustees' responsibilities set out on page 44, the trustees are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The trustees are also 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.

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

### Auditors' responsibilities for the audit of the financial statements

We are eligible to act and have been appointed auditors under section 144 of the Charities Act 2011 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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 auditors' 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 auditors' report.

#### Use of this report

This report, including the opinions, has been prepared for and only for the charity's trustees as a body in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under section 144 of the Charities Act 2011 and regulations made under those Acts (regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and Part 4 of The Charities (Accounts and Reports) Regulations 2008) and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

#### OTHER REQUIRED REPORTING

Charities Accounts (Scotland)
Regulations 2006 (as amended)
and Charities (Accounts and
Reports) Regulations 2008
exception reporting

Under the Charities Accounts (Scotland) Regulations 2006 and Charities (Accounts and Reports) Regulations 2008 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- sufficient accounting records have not been kept by the parent charity; or
- the parent charity financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors London

**25 November 2020** 

LA Those dark times were a few chapters, not my whole story. If a select few people at the **Prince's Trust** hadn't saw what they did in me, I'm not sure I'd be here today." -Fiona



#### **Group consolidated statement of financial activities** for the year ended 31 March 2020

	Note	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2020 £'000	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2019 £'000
Income and endowments from:	:								
Donations and legacies	3	22,827	34,681	12,394	69,902	14,921	31,200	1,000	47,121
Charitable activities	4	1,459	10,924	-	12,383	1,544	11,911	-	13,455
Other trading activities	5	5,100	21	-	5,121	5,903	36	-	5,939
Investments	6	771	8	-	779	242	13	-	255
Other		142	13	-	155	602	35	-	637
Total		30,299	45,647	12,394	88,340	23,212	43,195	1,000	67,407
Expenditure on:									
Raising funds	7	15,174	-	-	15,174	12,604	763	-	13,367
Charitable activities	8	22,838	39,290	-	62,128	13,422	43,133	-	56,555
Total		38,012	39,290	-	77,302	26,026	43,896	-	69,922
Net (losses)/gains on investments	16	(3,331)	-	-	(3,331)	514	20	-	534
Gain on disposal of Prince's Trust House	30	-	-	-	-	3,443	-	-	3,443
Net movement in funds/net		(11,044)	6,357	12,394	7,707	1,143	(681)	1,000	1,462
(expenditure)/income for the year									
Total funds brought forward		44,660	12,353	1.000	58,013	43,908	12,643	_	56,551
at the beginning of the year		,		,		-,			,
Movement of funds within the year		5,230	(5,230)	-	-	(391)	391	-	-
Total funds carried forward at the end of the year	30	38,846	13,480	13,394	65,720	44,660	12,353	1,000	58,013

Note 1 gives details of the basis of reporting for the financial statements.

The Notes on pages 55–88 form part of the financial statements.

There are no recognised gains and/or losses other than those passing through the consolidated statement of financial activities. All of the operations are continuing in the Group.

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## The Prince's Trust statement of financial activities for the year ended 31 March 2020

	Note	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2020 £'000	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2019 £'000
Income and endowments from:									
Donations and legacies	3	19,978	31,114	12,394	63,486	14,922	27,535	1,000	43,457
Charitable activities	4	1,459	10,754	-	12,213	1,545	11,644	-	13,189
Other trading activities	5	1,499	-	-	1,499	2,154	-	-	2,154
Investments	6	749	-	-	749	240	-	-	240
Other		-	-	-	-	602	-	-	602
Total		23,685	41,868	12,394	77,947	19,463	39,179	1,000	59,642
Expenditure on:									
Raising funds	7	10,492	-	-	10,492	8,854	-	-	8,854
Charitable activities	8	16,872	42,753	-	59,625	13,422	39,619	-	53,041
Total		27,364	42,753	-	70,117	22,276	39,619	-	61,895
Net (losses)/gains on investments	16	(3,331)	-	-	(3,331)	543	-	-	543
Gain on disposal of Prince's Trust House	30	-	-	-	-	3,443	-	-	3,443
Net movement in funds/net (expenditure)/income for the year		(7,010)	(885)	12,394	4,499	1,173	(440)	1,000	1,733
Total funds brought forward at the beginning of the year		44,692	9,664	1,000	55,356	43,519	10,104	-	53,623
Total funds carried forward at the end of the year	30	37,682	8,779	13,394	59,855	44,692	9,664	1,000	55,356

Note 1 gives details of the basis of reporting for the financial statements.

The Notes on pages 55-88 form part of the financial statements.

There are no recognised gains and/or losses other than those passing through the consolidated statement of financial activities. All of the operations are continuing in the Group.

## **Group consolidated and Charity balance sheets** as at 31 March 2020

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	Note	Group 2020 £'000	Group 2019 £'000	Charity 2020 £'000	Charity 2019 £'000
Fixed assets					
Intangible assets	14	3,946	7,182	3,944	7,181
Tangible assets	15	22,129	18,905	22,077	18,875
Investments - Fixed Asset	16	21,691	13,399	21,691	13,399
Investments - Property	16	296	319	296	319
Investments in subsidiaries		-	-	-	-
Programme Related Investments - loans to supported businesses (net of provisions):	5				
Amounts recoverable within one year	18	499	1,394	499	1,394
Total fixed assets		48,561	41,199	48,507	41,168
Current assets					
Stocks	19	-	47	-	-
Debtors	20	10,732	8,046	10,516	9,978
Cash held for investment purposes	21	1,772	2,015	1,303	1,470
Cash at bank and in hand	21	30,236	28,978	23,462	24,804
Total current assets		42,740	39,086	35,281	36,252
Creditors: amounts falling due within one year	22	23,750	21,042	22,125	20,823
Net current assets		18,990	18,044	13,156	15,429
Total assets less current liabilities		67,551	59,243	61,663	56,597
Creditors: amounts falling due after one year	23	206	249	206	249
Provisions for liabilities and charges	24	1,625	981	1,602	992
Net assets	_	65,720	58,013	59,855	55,356
The Funds of the Group/Charity					
Restricted income funds	28	13,480	12,353	8,779	9,664
Endowment funds		13,394	1,000	13,394	1,000
Unrestricted income funds	_	38,846	44,660	37,682	44,692
Total Group/Charity funds	29	65,720	58,013	59,855	55,356

The Notes on pages 55–88 form part of the financial statements. The financial statements on pages 51–54 were approved by the Trustees on 25 November 2020 and were signed on their behalf by:



**John Booth DL** Chairman 25 November 2020

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## Group consolidated cash flow statement for the year ended 31 March 2020

	Note	2020 £'000	2019 £'000
Cash flows from operating activities:			
Net cash generated from operating activities	Α	10,708	14,242
Cash flows from investing activities:			
Investment income		705	247
Net proceeds from the sale of Prince's Trust House (PTH)		-	25,196
Proceeds from the sale of property, plant and equipment		235	-
Purchase of property, plant and equipment		(5,718)	(11,862)
Proceeds from the sale of investments (excluding PTH)		29,886	5,881
Purchase of investments		(34,936)	(4,596)
Decrease in cash and deposits (investment assets)	_	111	576
		(0.717)	
Net cash (used in)/generated from investing activities		(9,717)	15,442
Cash flows from financing activities:			
Repayments of borrowings		(43)	(9,828)
Cash inflows from new borrowing	_	73	17
Net cash generated form/(used in) financing activities		30	(9,811)
Observation and each any include in year		1.001	10.070
Change in cash and cash equivalents in year		1,021	19,873
Cash and cash equivalents at the beginning of the year		30,993	11,120
Change in cash and cash equivalents due to exchange rate movements		(6)	-
Cash and cash equivalents at the end of the year	В	32,008	30,993

#### NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2020

#### Note A: Reconciliation of net income to net cash inflow from operating activities

	2020 £'000	2019 £'000
Net income for the year (as per the statement of financial activities)	7,707	1,462
Adjustments for:		
Depreciation charge	5,499	2,292
Loss on investments	(3,331)	(3,977)
Dividends, interest and rents from investments	(778)	(255)
Loss on sale of fixed assets	-	-
Decrease in stocks	47	6
(Increase)/decrease in debtors	(2,685)	2,697
Increase in creditors	3,353	11,349
Decrease in programme investments	377	1,442
Provision for (write off of) loans	519	(774)
Cash flows from operating activities:	10,708	14,242

#### Note B: Analysis of cash and cash equivalents

	2020 £'000	2019 £'000
Cash held for investment purposes	1,772	2,015
Cash at bank and in hand	30,236	28,978
Total cash and cash equivalents	32,008	30,993

## **NOTES TO THE ACCOUNTS**

#### 1 PRINCIPAL ACCOUNTING POLICIES

#### **Basis of Preparation**

The financial statements have been prepared on the going concern basis. There are no material uncertainties about The Prince's Trust (Charity) or its subsidiaries' ability to continue. The Charity is a public benefit entity.

Estimates and underlying assumptions are subject to constant assessment. Changes in estimates and assumptions are recognised in the period in which the estimates are revised.

The areas involving higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 2.

The accounting policies have been applied consistently throughout the financial statements in both the current year and the prior year.

#### **Basis of Accounting**

The Charities Act 2011 requires financial statements to be prepared in accordance with Charities (Accounts and Reports) Regulations 2008. These financial statements have been prepared to give a 'true and fair view' and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) effective from 1 January 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The consolidated financial statements have been prepared in accordance with the following:

Financial Reporting Standards 102

- The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102')

The Statement of Recommended Practice 'Accounting and Reporting by Charities' FRS 102 as revised in 2019 ('the SORP 2019').

The Charities Act 2011 and The Charities and Trustee Investment (Scotland)
Act 2005.

The historical cost convention, with the exception of investments which are included at fair value.

#### **Basis of Consolidation**

'Group' refers to The Prince's Trust and all its subsidiary undertakings. For the year ended 31 March 2020, the results, assets and liabilities of the following subsidiaries have been included in the financial statements:

Prince's Trust America Prince's Trust Australia Prince's Trust Canada Prince's Trust International Prince's Trust New Zealand Prince's Trust Trading Limited

Amounts were consolidated on a line by line basis.

Income and expenditure relating to subsidiaries have been included in the consolidated Financial Statements from the date at which each entity became part of the Prince's Trust Group. Where, upon joining the group, the fair value of assets exceeded the fair value of liabilities in an entity, the resulting gain has been recognised separately within income from donations (see note 3). All inter-company transactions, balances and unrealised gains or losses on transactions between Group companies are eliminated.

Transactions in local currency have been converted to GBP in the Statement of Financial Activities (SOFA) using an average exchange rate between the point of joining the group and the end of the financial year. Balances have been converted using the exchange rate at 31 March 2020 and a foreign exchange gain/loss adjustment has been posted to account for the difference between the opening and closing balance sheet rates.

There were no differences in accounting policies between the subsidiaries and The Prince's Trust Group policies which would result in a material misstatement.

The Charity prepares a consolidated cash flow statement and has therefore taken advantage of the exemption conferred by FRS 102 Section 1 not to prepare a cash flow statement for the Charity.

#### Income

Income is accrued and included in the SOFA when the Group is entitled to the income, receipts can be quantified, and the receipt is probable.

Grants receivable and legacies are included in the SOFA when The Trust believes it has entitlement, receipt is probable, and the amount can be measured reliably. Donations are accounted for when received, except sponsorships from events which is recognised when the event takes place and major gifts which are receiptised on a receivable basis where receipt is probable, there is entitlement to the income, and this can be measured reliably.

Grants from government and income from other public sector contracts have been recorded as income from charitable activities. All income is shown gross of related expenditure. Tax credits receivable from gift aid donations are recognised at the time of the donation.

Income is deferred where the donor has specified that the income is to be expended in a future period or where contractual conditions for entitlement will be met in a future period. Income is also deferred when the conditions applying to the grant are not wholly within the control of The Trust.

Retail income is accounted for when the sale takes place.

Donations in kind comprise goods, services and facilities donated to The Trust which would otherwise have had to be purchased. They are valued at the amount that The Trust would have paid in order to obtain them and are included both in income and expenditure.

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#### 1 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

#### **Expenditure**

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings, they have been allocated to activities on a basis consistent with the use of resources.

The expenditure on raising funds includes the salaries and overheads costs of the staff who undertake fundraising activities and the marketing and publicity costs associated with raising the profile of The Trust (but not those which are used in an educational manner in furtherance of the charity's obiects).

Grants payable, including multi-year grants, are recognised in the SOFA when awarded and the recipient has the control of meeting the conditions that have been communicated.

Expenditure on charitable activity includes the write off and movement in provision of loans to supported businesses. Other direct costs included within charitable activity expenditure comprise costs generated centrally and locally, identifiable as arising directly from the delivery of The Trust's programmes of charitable work.

Support costs include the salaries of those managerial staff which are not directly attributable to a particular programme of charitable work, governance costs, and of finance, IT, HR and other administrative staff and all office running costs and consumables and other overheads not specifically attributable to a particular programme of charitable work. Support costs are allocated to costs of generating funds and charitable activities on the basis of the relative size of the business units involved with fundraising and charitable work. The size of these functions is determined by reference to the number of staff (full time equivalents) in each business unit. Irrecoverable VAT is included with the item of expense to which it relates.

#### **Intangible Assets**

Intangible fixed assets costing more than £500 are capitalised and are valued at their purchase cost, including any incidental expenses of acquisition.

Acquired software is capitalised on the basis of the costs incurred to acquire and to bring to use the specific software. Software is amortised when the product is put in operation using the straight-line method, based on an estimated useful life of eight years.

Costs incurred on development projects (i.e. internally developed software) are recognised as an intangible asset when the product is technically feasible, can be demonstrated to enable delivery of our programmes and the expenditure attributable to the development can measured reliably. The expenditure that is capitalised includes purchases and the directly attributable employee costs. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Developed software is

equipment

amortised when the product is put in operation using the straight-line method, based on an estimated useful life of five years.

The useful economic life applied to each asset category is reviewed annually to ensure this is appropriate and any impairment is recognised in the year in which it occurs in the corresponding SOFA category.

#### **Tangible Assets**

Tangible fixed assets costing more than £500 are capitalised and are valued at their purchase cost, including any incidental expenses of acquisition. Any impairment is recognised in the year in which it occurs in the corresponding SOFA category. Donated assets are capitalised at a value equivalent to their notional cost at the time of acquisition. Depreciation is provided on all tangible fixed assets (excluding land but including donated assets) at rates calculated to write off the cost, less estimated residual values, on a straightline basis over their expected useful economic lives as follows:

Useful economic life Useful economic life as at 31 March 2019 as at 31 March 2020 Freehold Buildings 50 years 50 years Plant and Equipment 5 vears 5 years Computer Equipment 6-15 years 3 years Servers and communications 10 years 5 years Fixtures and fittings 10 years 10 years Leasehold improvements Over the lease Over the lease

#### 1 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

During 2019/20, the Charity undertook a review of its tangible and intangible assets, which resulted in some changes to the useful economic life of certain asset categories, as set out above.

#### **Fixed Asset Investments**

Listed investments are valued at bidmarket value at the balance sheet date. Gains and losses on sales of investments and unrealised revaluation surpluses or deficits are calculated by reference to the opening carrying amount and are shown on the face of the SOFA. Donated investment assets are valued at fair market value. Investments in subsidiaries are held at cost but, where necessary, impairment reviews have been conducted and reflected in the valuation stated.

#### **Investment Properties**

The investment properties are shown at the fair value in the balance sheet and the valuation has been provided by the independent, external surveyors. For the London and Glasgow properties. the investment method of valuation was adopted.

The portion of properties that is used by The Trust's own use is held at historical cost within tangible assets.

#### **Programme Related** Investments

Programme-related investments are held to further the charitable purposes of the Charity. They are held at cost less any provision for impairment. They are public benefit concessionary loans, which are arrangements entered into below the prevailing rate of interest, are not repayable on demand and are for the purposes of furthering the objectives of the Charity. Where a concessionary loan arrangement is entered into, the loan paid is retained on the balance sheet at the loan amount less an appropriate provision made for impairment.

Loans are made to individuals to startup businesses and are repayable over periods up to five years. Young people are eligible to apply for a loan if they are participating on the Enterprise programme with limited access to other funding.

Applicants must present a business plan to a panel that makes a recommendation to The Trust for each applicant regarding the suitability of the young person to run a business and the likelihood of the business's survival. A senior staff member with delegated authority makes the final decision on the loan application, based on affordability and viability of the business.

In prior years, loans awarded in the year include loans issued and outstanding loan commitments. Outstanding loan commitments were those successful loan applications where a loan was not yet issued however a constructive obligation exists between The Prince's Trust and the young person.

The Trust is authorised by the Financial Conduct Authority (FCA); we submitted financial information to them in May 2020 based on loan book data at the end of March 2020. The review of loan balances at that stage confirmed consistency to the values reported at Note 18 to the financial statements.

Repayments are normally collected by direct debits or standing orders from the bank accounts of the businesses on a monthly basis. A specific provision is made against the aggregate value of loans issued, based on past experience and on management's current expectations. Loans are only written off when there is no realistic prospect of recovering any further repayments. Interest is charged at 3% of the total loan amount for each year of the agreed term except for all loans provided by Start-Up Loan Company where interest is charged at 6.2% APR. Interest charged on loans represents a management fee and is recognised as the loan is repaid and not at the point of loan award.

#### **Impairment of Fixed Assets and Investments**

Fixed assets and investments are subject to review for impairment when there is an indication of a reduction in their carrying value. Any impairment is recognised in the year in which it occurs in the corresponding SOFA category.

#### Stocks

Stocks consist of purchased goods for resale. Stocks are valued at the lower of cost and net realisable value. Where necessary, provision is made for obsolete, slow moving and defective stock.

#### **Discounting**

The long-term loans included in creditors falling due after one year have been discounted to the present value by using the effective interest rate. Pensions

The Prince's Trust has arranged a defined contribution pension scheme for its staff. The assets of the scheme are not owned by The Trust. Pension contributions charged in the SOFA represent the contributions payable by The Trust in the year.

#### **Operating Leases**

Rentals payable under operating leases are charged to the SOFA on an accruals

#### **Contractual Liabilities**

The Trust provides for legal or constructive obligations that are of uncertain timing or amount at the balance sheet date on the basis of the best estimate of the expenditure required to settle the obligation.

#### **Foreign Currencies**

Items in the financial statements of the subsidiaries are measured in their primary operating currency. The consolidated financial statements are presented in sterling (£).

Transactions in foreign currencies during the year are translated at the rate ruling at the transaction date. Foreign currency balances are translated at the rate of exchange prevailing at the balance sheet date.

Foreign currency gains/(losses) are calculated as the difference between the book value of an asset at the balance sheet date less the sterling equivalent at the transaction date of disposal of that asset or the subsequent balance sheet date.

#### 1 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Foreign currency exchange gains and losses are presented in the SOFA either in the operating result if foreign currency transactions relate to operational activities, assets and liabilities, or within the financial result for non-operating financial assets and liabilities.

#### **Financial Instruments**

The Charity 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 their settlement value. The Charity has only taken reduced disclosure exemptions for sections 11 and 12 of FRS 102.

#### **Financial Assets**

Basic financial assets, including trade and other receivables, cash and bank balances and investments in commercial paper, are initially recognised at transaction price.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the SOFA.

If there is decrease in the impairment loss arising from an event occurring after the impairment was recognised the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the SOFA.

Other financial assets, including investments in equity instruments which are not subsidiaries, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in the SOFA, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Financial assets are de-recognised when (a) the contractual rights to the cash flows from the assets expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

#### Financial Liabilities

Basic financial liabilities, including trade and other payables, bank loans and loans from fellow group companies, are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Financial liabilities are de-recognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

#### Offsetting

Financial assets and liabilities are offset, and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a basis or to realise the asset and settle the liability simultaneously.

#### **Volunteers**

The Trust is grateful to the thousands of volunteers give their time freely to nurture and develop our young people. The value of this is not recognised in the Financial Statements.

#### **Funds**

The funds of The Trust have been segregated as follows:

Restricted Funds consist of donations, legacies and grants received, for which the donor or grant giver has specified the purposes for which the resources can be utilised. Outgoing resources on restricted funds reflect the appropriate expenditure that has been charged to those funds. Restricted funds are disclosed by programme in the notes to the financial statements. Individual restricted funds are disclosed where these are material in value.

Endowment Funds: An Endowment Fund to support the long-term sustainability of The Prince's Trust was established in 2018/19. Significant donations were made during the year to support the growth of the Endowment Fund

Designated Funds: At the year end, the Trustees designated further funds with the intention of contributing to and growing the Endowment Fund.

Unrestricted Funds consist of all other income that has not been restricted. They are expendable at the discretion of the Trustees in furtherance of the objects of The Trust.

Transfers are made between funds where there is a release of restricted funds to unrestricted funds or charges are made between funds.

#### 2 CRITICAL ACCOUNTING JUDGEMENTS AND KEY ESTIMATES AND ASSUMPTIONS

Estimates and assumptions are continually evaluated and are based on historical evidence and other factors, including expectations of future events that are believed to be reasonable under the circumstances have been made by The Trust in recognising investment property and long-term liabilities and assets.

### a) Critical judgements in applying the entity's accounting policies

#### (i) Exemptions on transition to FRS 102

The Charity has elected to use the exemption provided in FRS 102 regarding the restatement of lease incentives entered into before the date of transition.

#### (ii) Grant income recognition

The majority of grant income is recognised in line with expenditure against the grant contract, as this is deemed the most accurate proxy for the performance conditions within the grant being met. Where such grants are received in advance of delivering the goods or services required, the income is not recognised. Instead it is recognised as a liability until performance can be measured.

#### b) Key estimates and assumptions

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

#### (i) Support costs

The cost allocation methodology requires judgement as to what are the most appropriate bases to use to apportion support costs; these are reviewed annually for reasonableness. Support costs, and other expenditure judgements, are detailed in note 1.

#### (ii) Provisions for liabilities and charges

Provisions for liabilities and charges (see note 24) represents the best estimate of the liability at the balance sheet date of future unavoidable costs in respect of any legal disputes and an estimate of the probable future costs and an estimate of the probable future costs of settling these. The actual liability will be dependent on future events including whether a settlement is reached with the relevant parties.

The calculation of the value of amounts payable in dilapidation costs as at the reporting date includes an assumption this would be payable to the landlord where the planned exit is confirmed.

#### (iii) Fixed Assets

Management carried out a review of the useful life of each category of fixed asset during the year and further details can be found in notes 1, 14 and 15.

50

6,994

18,460

824

3,552

43,457

950

10,201

33,500

2,875

3,605

63,486

10,554

1,840

12,394

#### 3 INCOME AND ENDOWMENTS FROM DONATIONS AND LEGACIES

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total 2020	Total 2019
Group	£'000	£'000	£'000	£'000	£'000
Corporate donations	2,669	13,399	-	16,068	14,255
Grant from The Queen's Trust	-	-	-	-	495
Grant from The Prince of Wales's Charitable Foundation	380	570	-	950	405
Charitable Trusts	1,512	5,438	-	6,950	8,336
Individual donations	13,987	14,774	10,554	39,315	19,116
Legacies	1,035	-	1,840	2,875	824
Donations in kind	3,244	500	-	3,744	3,690
	22,827	34,681	12,394	69,902	47,121
	Unrestricted Funds	Restricted Funds	Endowment Funds	Total 2020	Total 2019
Charity	£'000	£'000	£'000	£'000	£'000
Corporate donations	2,492	9,863	-	12,355	13,082
Grant from The Queen's Trust	-	-	-	-	495

At 31 March 2020, in addition to legacy income that has been included in the financial statements, The Prince's Trust Charity expected to benefit from a number of legacies from estates for which the administration had yet to be finalised. The Trust's future income from these legacies is estimated at £1,083k (2019: £2,356k). Accrued legacy income included within the financial statements amounts to £801k (2019: £92k).

613

12,786

1,035

3,052

19,978

950

9,588

10,160

553

31,114

Donations in kind represent the estimated cost of services donated to the Group and Charity, at the value at which The Trust would have paid.

These amounts are included as costs in the appropriate expenditure category and consist of:

Grant from The Prince of Wales's Charitable Foundation

Charitable Trusts

Donations in kind

Individual donations

Group	Group 2020 £'000	Group 2019 £'000	Charity 2020 £'000	Charity 2019 £'000
Advertising and publicity	1,412	1,434	1,412	1,434
Charitable programme facilities	1,680	1,288	1,680	1,288
Other Professional Fees	121	72	29	24
Seconded staff	215	340	215	340
Other	132	302	119	299
Audit Fees	150	167	150	144
Office and occupation costs	34	87	0	23
	3,744	3,690	3,605	3,552

#### **4 INCOME AND ENDOWMENTS FROM CHARITABLE ACTIVITIES**

Group	Unrestricted Funds £'000	Restricted Funds £'000	Total 2020 £'000	Total 2019 £'000
Public sector contracts for operational programmes				
Income from local and national government	5	4,151	4,156	2,675
Other public sector sources	1	1,407	1,408	2,062
European Union income	-	4,580	4,580	4,297
Big Lottery Fund	20	719	739	2,815
	26	10,857	10,883	11,849
Fees from programme attendance				
School fees – Explore	-	-	-	4
Qualifications income	508	-	508	627
Employers' fees - Team	108	-	108	153
Training fees	745	-	745	759
Other income from charitable activities	72	67	139	63
	1,433	67	1,500	1,606
	1,459	10,924	12,383	13,455

Income in the form of government grants from local and national government support the Group's charitable activities and can be further analysed as follows:

Group	Unrestricted Funds £'000	Restricted Funds £'000	Total 2020 £'000	Total 2019 £'000
Department for Business, Energy and Industrial Strategy	5	1,106	1,111	130
England	-	1,140	1,140	558
Northern Ireland	-	120	120	106
Scotland	-	1,640	1,640	1,677
Wales	-	-	-	-
Canadian government	-	111	111	204
Australian government	-	34	34	-
	5	4,151	4,156	2,675

#### 4 INCOME AND ENDOWMENTS FROM CHARITABLE ACTIVITIES (CONTINUED)

Public sector contracts for operational programmes		£'000	£'000	2019 £'000
Public sector contracts for operational programmes				
Income from local and national government	5	4,006	4,011	2,471
Other public sector sources	1	1,407	1,408	2,062
European Union income	-	4,580	4,580	4,297
Big Lottery Fund	20	720	740	2,815
	26	10,713	10,739	11,645
Fees from programme attendance				
School fees - Explore	-	-	-	4
Qualifications income	508	-	508	628
Employers' fees - Team	108	-	108	153
Training fees	745	-	745	759
Other income from charitable activities	72	41	113	0
	1,433	41	1,474	1,544
	1,459	10,754	12,213	13,189

Income in the form of government grants from local and national government support the Group's charitable activities and can be further analysed as follows:

Unrestricted Funds £'000	Restricted Funds £'000	Total 2020 £'000	Total 2019 £'000
5	1,106	1,111	130
-	1,140	1,140	558
-	120	120	106
-	1,640	1,640	1,677
-	-	-	-
5	4,006	4,011	2,471
	Funds £'000 5 - -	Funds £'000  5 1,106  - 1,140  - 120  - 1,640	Funds £'000         Funds £'000         2020 £'000           5         1,106         1,111           -         1,140         1,140           -         120         120           -         1,640         1,640           -         -         -

#### **5 INCOME AND ENDOWMENTS FROM OTHER TRADING ACTIVITIES**

Group	Unrestricted Funds £'000	Restricted Funds £'000	Total 2020 £'000	Total 2019 £'000
Income from fundraising events	2,397	-	2,397	2,661
Sponsorship	1,296	-	1,296	1,474
Sale of goods	1,266	-	1,266	1,632
Income from training	50	-	50	53
Rental	80	-	80	75
Other	11	21	32	44
	5,100	21	5,121	5,939
Charity	Unrestricted Funds £'000	Restricted Funds £'000	Total 2020 £'000	Total 2019 £'000
Other	1,499	-	1,499	2,154
	1,499	-	1,499	2,154

The unrestricted income is generated by the subsidiary Prince's Trust Trading Limited, the results of which are shown in Note 17.

#### **6 INCOME AND ENDOWMENTS FROM INVESTMENTS**

Group	Unrestricted Funds £'000	Restricted Funds £'000	Total 2020 £'000	Total 2019 £'000
Income from fixed asset investments	624	-	624	216
Interest received on programme related investments	60	-	60	8
Bank interest receivable	87	8	95	31
	771	8	779	255
Charity	Unrestricted Funds £'000	Restricted Funds £'000	Total 2020 £'000	Total 2019 £'000
Income from fixed asset investments	624	-	624	215
Income from fixed asset investments Interest received on programme related investments	624 60	-	624 60	215
		-		

#### **7 EXPENDITURE ON RAISING FUNDS**

Group	Direct staff costs £'000	Other direct costs £'000	Allocated support Costs £'000	Total 2020 £'000	Total 2019 £'000
Cost of raising funds	5,175	989	5329	11,493	9,522
Fundraising through trading	929	2,157	522	3,608	3,750
Investment management costs	-	73	-	73	95
	6,104	3,219	5,851	15,174	13,367
Charity	Direct staff costs £'000	Other direct costs	Allocated support Costs £'000	Total 2020 £'000	Total 2019 £'000
Charity  Cost of raising funds	costs	costs	support Costs	2020	2019
•	costs £'000	costs £'000	support Costs £'000	2020 £'000	2019 £'000
Cost of raising funds	costs £'000	costs £'000	support Costs £'000 4,828	<b>2020 £'000</b> 10,420	2019 £'000

The costs for fundraising through trading are analysed further in Note 17 showing the results of The Prince's Trust Trading Limited subsidiary.

#### **8 EXPENDITURE ON CHARITABLE ACTIVITIES**

Group	Grant Funding (see Note 10) £'000	Direct staff costs £'000	Other direct costs	Allocated Support costs £'000	Total 2020 £'000	Total 2019 £'000
Enterprise	398	4,153	395	4,932	9,878	10,010
Team	-	1,770	888	2,060	4,718	4,962
Development Awards	870	891	84	1,033	2,878	1,858
Achieve	-	3,654	445	4,366	8,465	5,147
Get into	3	3,805	2,907	4,509	11,224	8,255
Get Started	-	1,907	968	2,250	5,125	3,463
Local programmes & pilots	101	3,119	490	3,500	7,210	5,441
Adventurous Activities	-	-	-	-	-	3,665
Explore	-	2,751	1,521	3,408	7,680	8,005
Prince's Trust Online	-	-	-	-	-	2,235
Prince's Trust America	-	647	1,076	828	2,551	-
Prince's Trust Australia	-	259	198	425	882	931
Prince's Trust Canada	-	735	326	94	1,155	1,060
Prince's Trust International	-	-	58	304	362	1,381
Prince's Trust New Zealand	-	-	-	-	-	142
	1,372	23,691	9,356	27,709	62,128	56,555

Charity	Grant Funding (see Note 10) £'000	Direct staff costs £'000	Other direct costs £'000	Allocated Support costs £'000	Total 2020 £'000	Total 2019 £'000
Enterprise	398	4,153	395	4,932	9,878	10,010
Team	-	1,770	888	2,060	4,718	4,962
Development Awards	870	891	84	1,033	2,878	1,858
Achieve	0	3,654	445	4,366	8,465	5,147
Get into	3	3,805	2,907	4,509	11,224	8,255
Get Started	-	1,907	968	2,250	5,125	3,463
Local programmes & pilots	101	3,117	2,940	3,500	9,658	5,441
Adventurous Activities	-	-	-	-	-	3,665
Explore	-	2,751	1,520	3,408	7,679	8,005
Prince's Trust Online	-	-	-	-	-	2,235
	1,372	22,048	10,147	26,058	59,625	53,041

#### 9 SUPPORT COSTS

	Expenditure on raising funds	Charitable expenditure	Total 2020	Total 2019
Group	£'000	£'000	£'000	£'000
Staff costs:				
Managerial staff	374	1,652	2,026	1,893
Communications and marketing	391	796	1,187	825
Finance, IT, HR, H&S & administration	1,100	4,746	5,846	7,283
Recruitment, secondment & other costs	227	1,230	1,457	1,631
	2,092	8,424	10,516	11,632
Other expenditure:				
Office rents, maintenance & consumables	1,377	7,219	8,596	6,625
Staff travel and vehicle costs	378	1,988	2,366	2,129
Sundry other fees and costs	2,004	10,078	12,082	9,087
	3,759	19,285	23,044	17,841
	5,851	27,709	33,560	29,473

Charity	Expenditure on raising funds £'000	Charitable expenditure £'000	Total 2020 £'000	Total 2019 £'000
Staff costs:				
Managerial staff	226	1,218	1,444	1,268
Communications and marketing	135	728	863	632
Finance, IT, HR, H&S & administration	784	4,232	5,016	6,670
Recruitment, secondment & other costs	226	1,224	1,450	1,541
	1,371	7,402	8,773	10,111
Other expenditure:				
Office rents, maintenance & consumables	1,330	7,178	8,508	6,258
Staff travel and vehicle costs	342	1,844	2,186	1,951
Sundry other fees and costs	1,785	9,634	11,419	8,597
	3,457	18,656	22,113	16,806
	4,828	26,058	30,886	26,917

#### **10 GRANTS PAYABLE**

Group and Charity	2020 £'000	2020 number of awards	2019 £'000	2019 number of awards
Grants to individual beneficiaries:				
Enterprise grants	398	793	385	1,075
Development Awards	870	5,093	722	3,507
	1,268	5,886	1,107	4,582
Other grants:				
Get into programmes	3		13	
Local programmes & pilots	101		22	
	1,372		1,142	

#### Grants to individual beneficiaries

The Prince's Trust Charity awards Enterprise grants to individuals, for test marketing projects or to start up new businesses. Development Awards are described in more detail in the Trustees' Report.

#### Other grants

Grant-making activities occur under the charitable activities undertaken within the Enterprise, Awards and Get into programmes, and within local programmes and pilots.

#### 11 GROUP EMPLOYEE INFORMATION AND TRUSTEES' EMOLUMENTS

Staff members	2020 No.	2019 No.
Average headcount of employees analysed by function:		
Charitable purposes and support staff	1,499	1,106
Fundraising	169	135
	1,668	1,241
	2020 No.	2019 No.
Average monthly number of employees analysed by function:		
Charitable purposes and support staff	976	977
Fundraising	163	130
	1,139	1,107
	2020 No.	2019 No.
Staff costs for the above employees were:		
Wages and salaries	34,863	32,580
Social security costs	3,462	3,265
Pensions and post-retirement benefits	1,605	1,717
	39,930	37,562

For The Prince's Trust Charity, the increase in the delivery of Government funded public sector contracts, both nationally and locally, as well as the overall increase in the level of funding during the year, allowed us to deliver programmes to a greater number of young people in the UK. This necessitated the overall increase of our headcount during the year.

The Prince's Trust Charity paid £403k (2019: £1,502k) in redundancy costs during the year. Of this, £94k (2019: £7k) was related to ex-gratia payments. The nature of the payments was due to restructuring and has been accounted for on accrual basis. This was funded by unrestricted income.

The Prince's Trust Charity received donations in kind for the services of seconded staff valued at £215k (2019: £340k).

#### 11 GROUP EMPLOYEE INFORMATION AND TRUSTEES' EMOLUMENTS (CONTINUED)

#### **Employee emoluments (Group)**

The following number of employees earned emoluments in respect of the year in excess of £60,000 within the bands shown below. This represents Group employees, including all Prince's Trust subsidiary entities. Emoluments include taxable benefits but exclude employer pension costs.

	2020 £'000	2019 £'000
£60,001 - £70,000	32	22
£70,001 - £80,000	15	10
£80,001 - £90,000	5	8
£90,001 - £100,000 *	3	4
£100,001 - £110,000	-	-
£110,001 - £120,000	3	-
£120,001 - £130,000	2	4
£130,001 - £140,000	-	1
£140,001 - £150,000	-	-
£150,001 - £160,000	-	1
£160,001 - £170,000	-	-
£170,001 - £180,000 *	2	1

\*In addition to the staff emoluments, £129k was paid out in severance payments for employees who left The Prince's Trust Charity during 2019/20.

The Prince's Trust Charity paid £218k (2019: £123k) into defined contribution schemes for 35 (2019: 27) higher paid employees. Total aggregate emoluments for Key Management Personnel of the Group were as follows:

Group	2020 £'000	2019 £'000
Key Management Personnel	2,089	1,615

Key Management Personnel include the senior leadership of The Prince's Trust Charity, the Group Chief Executive and Chief Executives of each of Prince's Trust Australia, Prince's Trust Canada, Prince's Trust International and Prince's Trust New Zealand.

#### **Trustee Emoluments**

No trustee received salaries, fees, reimbursement of travel expenses or other benefits from the Group during the year (2019: £nil). Total donations from trustees are disclosed in Note 31.

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#### **12 TAXATION**

The Charity was a registered charity throughout the year. As such it is not liable to corporation tax on the surplus of income over expenditure for the year (s478 CTA 2010) or gains arising from the disposal of assets (s256 TCGA 1992) so far as the proceeds are used for charitable purposes only.

The Charity is registered for VAT and, where applicable, expenditure is recorded net of recoverable VAT.

#### 13 NET INCOME FOR THE YEAR

	2020 £'000	2019 £'000
Net income for the year is stated after charging:		
Depreciation of intangible and tangible fixed assets	5,499	2,289
Operating lease rentals:		
-Land and buildings	1,326	2,828
-Other	194	140
Auditors' remuneration:		
-For external audit only - Group and Charity	217	184
-For external audit only - UK subsidiaries	21	22
-For external audit only - Overseas subsidiaries	34	23
-Other services	3	7

All numbers exclude VAT.

The auditors' remuneration for the Group and Charity was £217k (2019: £184k), of which £150k (2019: £139k) represents donated services. The auditors made no charge for the audit of Prince's Trust Trading Limited (2019: £1il), where the value of the donated services was £11k (2019: £10k). The auditors' remuneration for Prince's Trust International was £13k (2019: £12k). The audit of Prince's Trust Canada was undertaken by PWC in Canada (£5k, 2019: £3k), PT Australia was undertaken as donated services by EY in Australia (£26k, 2019: £20k), PT New Zealand was undertaken by a local firm (£2k, 2019: £1k) and PT America was undertaken by PKF O'Connor Davies (£14k, 2019:£nil).

#### **14 INTANGIBLE ASSETS**

Additions   S8	Group	Databases and Software £'000	Assets under construction £'000	Total £'000
Additions   58	Cost or valuation on transfer			
Disposals   - (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)   (167)	At 1 April 2019	9,823	167	9,990
Reciassification	Additions	58	-	58
At 31 March 2020   9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881   - 9,881	Disposals	-	(167)	(167)
Accumulated Amortisation	Reclassification	-	-	-
At 1 April 2019   2,808   - 2,808   - 2,808   Charge for year   3,127   - 3,72     Disposals	At 31 March 2020	9,881	-	9,881
Charge for year   3,127   - 3,17     Disposals	Accumulated Amortisation			
Disposals	At 1 April 2019	2,808	-	2,808
Reclassification         -         -         -         -         -         5,935         -         5,935         -         5,935         -         5,935         -         5,935         -         5,935         -         5,935         -         5,935         -         5,935         -         5,935         -         5,935         -         5,935         -         5,935         -         5,935         -         5,935         -         3,946         -         3,946         -         3,946         -         3,946         -         3,946         -         3,946         -         3,946         -         3,946         -         3,946         -         3,946         -         3,946         -         3,946         -         3,946         -         3,946         -         3,946         -         3,946         -         3,946         -         3,946         -         3,946         -         3,946         -         3,946         -         3,946         -         3,946         -         3,946         -         3,946         -         3,946         -         3,946         -         3,946         -         3,946         -         3,946         -         3,94	Charge for year	3,127	-	3,127
At 31 March 2020         5,935         -         5,935           At 31 March 2020         3,946         -         3,946           At 31 March 2019         7,015         167         7,16           Charity         Databases and Software Properties         Assets under Construction Properties         7000         7000         7000         7000         7000         7000         7000         7000         7000         7000         7000         7000         7000         7000         7000         7000         7000         7000         7000         7000         7000         7000         7000         7000         7000         7000         7000         7000         7000         7000         7000         7000         7000         7000         7000         7000         7000         7000         7000         7000         7000         7000         7000         7000         7000         7000         7000         7000         7000         7000         7000         7000         7000         7000         7000         7000         7000         7000         7000         7000         7000         7000         7000         7000         7000         7000         7000         7000         7000         7000 <t< td=""><td>Disposals</td><td>-</td><td>-</td><td>-</td></t<>	Disposals	-	-	-
Net book value         At 31 March 2020         3,946         -         3,946           At 31 March 2019         7,015         167         7,167           Charity         Databases and Software £'000         Assets under construction £'000         Tot £'000           Cost or valuation on transfer         41 April 2019         9,809         167         9,97           Additions         56         1         5         5           Disposals         -         (167)         (166)         166           Reclassification         -         9,865         -         9,865           At 31 March 2020         9,865         -         9,865         -         9,865           Charge for year         3,126         -         3,126         -         3,126         -         3,126         -         3,126         -         3,126         -         3,126         -         3,126         -         3,126         -         3,126         -         3,126         -         3,126         -         3,126         -         3,126         -         3,126         -         3,126         -         3,126         -         3,126         -         3,126         -         3,126         - <th< td=""><td>Reclassification</td><td>-</td><td>-</td><td>-</td></th<>	Reclassification	-	-	-
At 31 March 2020         3,946         -         3,946           At 31 March 2019         7,015         167         7,167           Charity         Databases and £ 1000         Assets under £ 1000         7,015         167         7,167           Charity         Databases and £ 1000         Assets under £ 1000         7,010         7,010         7,010         9,000         167         9,97           Additions         56         -         5         5         5         5         5         5         5         5         5         5         5         6         5         5         5         5         6         5         5         6         5         5         6         5         5         5         6         5         5         6         6         5         5         7         9,86         6         7         9,86         6         7         9,86         7         9,86         7         9,86         7         9,86         7         9,86         7         9,86         7         9,86         7         9,86         7         9,86         7         9,86         7         9,86         7         9,86         7         9,86 <th< td=""><td>At 31 March 2020</td><td>5,935</td><td>-</td><td>5,935</td></th<>	At 31 March 2020	5,935	-	5,935
At 31 March 2019         7,015         167         7,16           Charity         Databases and scritture construction reconstruction \$2,000         Assets under construction \$2,000         Tot per construction \$2,000           Cost or valuation on transfer         41 April 2019         9,809         167         9,97           Additions         56         -         5         5         -         5           Disposals         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -	Net book value			
Charity         Databases and £'000         Assets under construction £'000         Tot £'000           Cost or valuation on transfer         8'000         167         9.97           At 1 April 2019         9,809         167         9.97           Additions         56         -         167         166           Reclassification         -         -         167         166           Accumulated Amortisation         -         -         2,795         -         2,795           Charge for year         3,126         -         3,126         -         3,12           Disposals         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -	At 31 March 2020	3,946	-	3,946
Charity         Software £'000         construction £'000         Tot £'000           Cost or valuation on transfer         3,809         167         9,97           At 1 April 2019         9,809         167         9,97           Additions         56         -         5           Disposals         -         167         -           Reclassification         -         -         -           Accumulated Amortisation         -         -         -           At 1 April 2019         2,795         -         2,795           Charge for year         3,126         -         -           Disposals         -         -         -         -           Reclassification         -         -         -         -         -           At 31 March 2020         5,921         -         5,921         -         5,922           Net book value         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -	At 31 March 2019	7,015	167	7,182
At 1 April 2019       9,809       167       9,97         Additions       56       -       5         Disposals       -       (167)       (16         Reclassification       -       -         At 31 March 2020       9,865       -       9,86         Accumulated Amortisation       -       -       2,795       -       2,795         Charge for year       3,126       -       3,126       -       3,12         Disposals       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -		Databases and	Assets under	
Additions       56       -       55         Disposals       -       (167)       (168)         Reclassification       -       -         At 31 March 2020       9,865       -       9,865         Accumulated Amortisation       2,795       -       2,795         Charge for year       3,126       -       3,12         Disposals       -       -       -         Reclassification       -       -       -         At 31 March 2020       5,921       -       5,92         Net book value         At 31 March 2020       3,944       -       3,944	Charity		construction	Total £'000
Additions       56       -       55         Disposals       -       (167)       (168)         Reclassification       -       -       -         At 31 March 2020       9,865       -       9,865         Accumulated Amortisation       -       -       2,795       -       2,795         Charge for year       3,126       -       3,126       -       3,12         Disposals       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       - <td></td> <td></td> <td>construction</td> <td></td>			construction	
Reclassification       -       -         At 31 March 2020       9,865       -       9,865         Accumulated Amortisation       -       2,795       -       2,795         Charge for year       3,126       -       3,126         Disposals       -       -       -         Reclassification       -       -       -         At 31 March 2020       5,921       -       5,921         Net book value       -       3,944       -       3,944	Cost or valuation on transfer	£'000	construction £'000	£'000
At 31 March 2020 9,865 - 9,865  Accumulated Amortisation  At 1 April 2019 2,795 - 2,795 Charge for year 3,126 - 3,126 Disposals  Reclassification  At 31 March 2020 5,921 - 5,921  Net book value  At 31 March 2020 3,944 - 3,944	Cost or valuation on transfer At 1 April 2019	<b>£'000</b> 9,809	<b>construction £'000</b>	
Accumulated Amortisation         At 1 April 2019       2,795       -       2,795       -       2,795       -       3,126       -       3,126       -       3,126       -       3,126       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       - <t< td=""><td>Cost or valuation on transfer At 1 April 2019 Additions</td><td>9,809 56</td><td>2'000 167</td><td><b>£'000</b> 9,976</td></t<>	Cost or valuation on transfer At 1 April 2019 Additions	9,809 56	2'000 167	<b>£'000</b> 9,976
At 1 April 2019       2,795       - 2,795         Charge for year       3,126       - 3,12         Disposals        -         Reclassification        -         At 31 March 2020       5,921       - 5,92         Net book value         At 31 March 2020       3,944       - 3,944	Cost or valuation on transfer At 1 April 2019 Additions Disposals	9,809 56	2'000 167 - (167)	<b>£'000</b> 9,976 56
Charge for year       3,126       - 3,12         Disposals        -         Reclassification        -         At 31 March 2020       5,921       - 5,92         Net book value         At 31 March 2020       3,944       - 3,94	Cost or valuation on transfer  At 1 April 2019  Additions  Disposals  Reclassification	9,809 56 -	167 (167)	<b>£'000</b> 9,976 56
Disposals       -       -         Reclassification       -       -         At 31 March 2020       5,921       -       5,92         Net book value       -       -       3,944       -       3,944	Cost or valuation on transfer  At 1 April 2019  Additions  Disposals  Reclassification  At 31 March 2020	9,809 56 -	167 (167)	9,976 56 (167)
Disposals	Cost or valuation on transfer  At 1 April 2019  Additions  Disposals  Reclassification  At 31 March 2020  Accumulated Amortisation	9,809 56 9,865	167 - (167)	9,976 56 (167)
At 31 March 2020 5,921 - 5,921  Net book value  At 31 March 2020 3,944 - 3,944	Cost or valuation on transfer  At 1 April 2019  Additions  Disposals  Reclassification  At 31 March 2020  Accumulated Amortisation  At 1 April 2019	9,809 56 - 9,865	167 - (167)	9,976 56 (167) - 9,865
Net book value  At 31 March 2020 3,944 - 3,944	Cost or valuation on transfer  At 1 April 2019  Additions  Disposals  Reclassification  At 31 March 2020  Accumulated Amortisation  At 1 April 2019  Charge for year	9,809 56 - 9,865	167 - (167)	9,976 56 (167) - 9,865
At 31 March 2020 3,944 - 3,94	Cost or valuation on transfer  At 1 April 2019 Additions Disposals Reclassification At 31 March 2020  Accumulated Amortisation At 1 April 2019 Charge for year Disposals	9,809 56 - 9,865	167 - (167)	9,976 56 (167) - 9,865  2,795 3,126
	Cost or valuation on transfer  At 1 April 2019 Additions Disposals Reclassification  At 31 March 2020  Accumulated Amortisation  At 1 April 2019 Charge for year Disposals Reclassification	9,809 56 9,865  2,795 3,126	167 - (167)	9,976 56 (167) - 9,865  2,795 3,126
	Cost or valuation on transfer  At 1 April 2019 Additions Disposals Reclassification At 31 March 2020  Accumulated Amortisation At 1 April 2019 Charge for year Disposals Reclassification At 31 March 2020	9,809 56 9,865  2,795 3,126	167 - (167)	9,976 56 (167) - 9,865  2,795 3,126 -
At 31 March 2019 7,014 167 7,1i	Cost or valuation on transfer  At 1 April 2019 Additions Disposals Reclassification  At 31 March 2020  Accumulated Amortisation  At 1 April 2019 Charge for year Disposals Reclassification At 31 March 2020  Net book value	9,809 56 9,865  2,795 3,126 - 5,921	167 - (167)	9,976 56 (167) - 9,865  2,795 3,126 -

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See Note 1 regarding the review of the useful economic lives that was carried out in 2019/20.

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#### **15 TANGIBLE ASSETS**

Group	Freehold Land & Buildings £'000	Fixtures & Fittings £'000	Computer Equipment £'000	Plant & Equipment £'000	Leasehold Improvements £'000	Assets under construction £'000	Total £'000
Cost or valuation on transfer							
At 1 April 2019	2,140	837	3,686	115	4,572	10,945	22,295
Additions	2,397	361	979	-	1,583	341	5,661
Disposals	-	-	-	-	(65)	-	(65)
Reclassification	10,490	(1)	1	-	523	(11,013)	-
At 31 March 2020	15,027	1,197	4,666	115	6,613	273	27,891
Accumulated Depreciation							
At 1 April 2019	159	225	1,815	92	1,099	-	3,390
Charge for year	106	109	1,727	18	499	-	2,459
Disposals	-	-	-	-	(87)	-	(87)
Reclassification	-	-	-	-	-	-	-
At 31 March 2020	265	334	3,542	110	1,511	-	5,762
Net book value							
At 31 March 2020	14,762	863	1,124	5	5,102	273	22,129
At 31 March 2019	1,981	612	1,871	23	3,473	10,945	18,905

Charity	Freehold Land & Buildings £'000	Fixtures & Fittings £'000	Computer Equipment £'000	Plant & Equipment £'000	Leasehold Improvements £'000	Assets under construction £'000	Total £'000
Cost or valuation on transfer							
At 1 April 2019	2,140	816	3,650	115	4,572	10,945	22,238
Additions	2,397	353	958	-	1,575	341	5,624
Disposals	-	(0)	(2)	-	(65)	-	(67)
Reclassification	10,490	-	-	-	523	(11,013)	-
At 31 March 2020	15,027	1,169	4,606	115	6,605	273	27,795
Accumulated Depreciation							
At 1 April 2019	159	218	1,795	92	1,099	-	3,363
Charge for year	106	103	1,716	18	499	-	2,442
Disposals	-	-	-	-	(87)	-	(87)
Reclassification	-	-	-	-	-	-	-
At 31 March 2020	265	321	3,511	110	1,511	-	5,718
Net book value							
At 31 March 2020	14,762	848	1,095	5	5,094	273	22,077
At 31 March 2019	1,981	598	1,855	23	3,473	10,945	18,875

During the year, The Prince's Trust Charity undertook an internal review of its fixed assets' useful economic lives and the outcome of this review resulted in a change of useful economic lives as shown in Note 1. This change resulted in an additional £1m amortisation charge for intangible assets and £2m depreciation charge for tangible assets, all of which was charged in the 2019/20 financial year.

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#### **16 INVESTMENTS**

Group and Charity	2020 £'000	2019 £'000
Listed investments at market value:		
Open Ended Investment Companies	-	5,873
Common Investment Funds	20,328	2,894
Unit Trusts	-	133
Other managed funds	-	2,660
UK equities	-	70
Fixed interest investments	-	288
Gilts and cash	1,363	1,481
Total fixed asset investments	21,691	13,399
Wolfson House, Glasgow	296	319
Total property investments	296	319
Group and Charity	2020 £'000	2019 £'000
Investment assets in the UK	21,987	6,602
Investment assets outside the UK	-	7,116
Total fixed asset investments	21,987	13,718
Balance brought forward	13,718	22,487
Acquisitions at cost	38,266	4,596
Proceeds of disposals	(26,555)	(5,881)
Cash held for investment	(111)	(576)
Disposal of PT House (Investment property)	-	(7,450)
Net (losses)/gains in value of investments	(3,331)	542
Write down of investment	-	-
Transfer from tangible assets to investment properties	-	-
Balance carried forward	21,987	13,718

The increase in the fixed asset investments year on year primarily relates to the endowment income that has been received in year. The trustees believe that the carrying value of the investments is supported by their underlying net assets.

The following investments are considered significant and contribute more than 5 per cent of the total investment value:

2020: Investment	% Proportion of Total Investments
HSBC FTSE All-World Index Fund	47%
Xtrackers MSCI World UCITS ETF	46%

The investment properties are shown at the fair value in the balance sheet and the valuation has been provided by the external surveyors. The properties portion that is used by The Trust for its own use is held at historical cost within tangible assets.

A valuation has been prepared for Wolfson House on the basis of the market value, which is defined as the estimated amount for which an asset or liability should be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.

#### 16 INVESTMENTS (CONTINUED)

The valuation reports for both properties were prepared by CBRE Limited, independent property valuer, who is qualified for purpose of valuation as per the Red Book.

CBRE Limited confirms that "Fair Value reported is effectively the market value of the properties and does not have any restrictions on the realisability of the investment property".

The Prince's Trust does not have any contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements.

#### 17 INVESTMENT IN SUBSIDIARIES

Name		Control	Interest	Activity
Prince's Trust America	Registered as a Not-for-Profit EIN: 82-5457122	Deemed Control	Sole Member	Charitable activities in USA
Prince's Trust Australia	Prince's Trust Australia is a public limited company and registered as a charity with the Australian Charities and Not-for-profits Commission no. ABN 73 161 872 993	Deemed Control	Sole Member	Charitable activities in Australia
Prince's Trust Canada	Designated as a Charitable Organisation in Canada with the registered number 83229 5406 RR0001	Deemed Control	Sole Member	Charitable activities in Canada
Prince's Trust International	Company Registration No. 9090276 Charity No. 1159815	Deemed Control	Sole Member	Charitable activities in the international sector
Prince's Trust New Zealand	Registered as a charity with registered number CC56358	Deemed Control	Settlor	Charitable activities in New Zealand
Prince's Trust Trading Limited	Company Registration No. 3161821	100% share capital	2 ordinary £1 shares	Fundraising activities and operation of Tomorrow's Store

#### 17 INVESTMENT IN SUBSIDIARIES (CONTINUED)

The Prince's Trust Charity made a working capital facility of up to £1.2m available to Prince's Trust International during 2019/20. There was no drawdown of this facility (2019: £nil) and it expired in July 2020.

The Prince's Trust Charity supports Prince's Trust America, Prince's Trust Australia, Prince's Trust Canada, Prince's Trust International and Prince's Trust New Zealand with the provision of advice on fundraising, operations and events. The Prince's Trust also provides administrative support to Prince's Trust International.

The shares in Prince's Trust Trading Limited are ordinary shares at par. Where the Charity has 'deemed control' this is by virtue of it having the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The control is achieved through sole membership or the power to remove and appoint trustees from the board.

All of the above entities' financial statements are subject to audit. All entities work to a 31 March year end. PTI and PT Australia are audited by PwC; PT Australia is audited by EY; and PT New Zealand and PT America each use a local firm.

The summarised financial information of subsidiary undertakings from their local statutory accounts is provided below:

Name		Prince's Trust America £'000	Prince's Trust Australia £'000	Prince's Trust Canada £'000	Prince's Trust International £'000	Prince's Trust New Zealand £'000	Prince's Trust Trading Limited £'000
Expenditure   (5,161)   (985)   (1,448)   (3,070)   (385)   (3,608)	2020						
Amount paid under deed of covenant to The Trust  Retained profit for the year  1,744 121 - 1,090 57 - Assets 2,055 994 875 2,449 239 2,540 Liabilities (311) (251) (199) (1,002) (159) (4,672)  Net assets/(liabilities)  1,744 743 676 1,447 80 (2,132)  2019  Income - 973 1,288 1,726 183 5,904  Expenditure - (954) (1,284) (1,855) (158) (3,750)  Amount paid under deed of covenant to The Trust  Retained profit/(loss) for the year - 864 859 619 47 3,441 Liabilities - (215) (218) (3,441)	Income	6,905	1,106	1,448	4,160	442	5,107
Retained profit for the year   1,744   121   - 1,090   57	Expenditure	(5,161)	(985)	(1,448)	(3,070)	(385)	(3,608)
Assets 2,055 994 875 2,449 239 2,540 Liabilities (311) (251) (199) (1,002) (159) (4,672)  Net assets/(liabilities) 1,744 743 676 1,447 80 (2,132)  2019 Income - 973 1,288 1,726 183 5,904  Expenditure - (954) (1,284) (1,855) (158) (3,750)  Amount paid under deed of covenant to The Trust  Retained profit/(loss) for the year - 19 4 (129) 25 -  Assets - 864 859 619 47 3,441 Liabilities - (215) (218) (263) (21) (3,441)		-	-	-	-	-	(1,499)
Liabilities         (311)         (251)         (199)         (1,002)         (159)         (4,672)           Net assets/(liabilities)         1,744         743         676         1,447         80         (2,132)           2019         Income         -         973         1,288         1,726         183         5,904           Expenditure         -         (954)         (1,284)         (1,855)         (158)         (3,750)           Amount paid under deed of covenant to The Trust         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -	Retained profit for the year	1,744	121	-	1,090	57	-
Liabilities         (311)         (251)         (199)         (1,002)         (159)         (4,672)           Net assets/(liabilities)         1,744         743         676         1,447         80         (2,132)           2019         Income         -         973         1,288         1,726         183         5,904           Expenditure         -         (954)         (1,284)         (1,855)         (158)         (3,750)           Amount paid under deed of covenant to The Trust         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -	Assets	2 055	994	875	2 449	239	2.540
Net assets/(liabilities)         1,744         743         676         1,447         80         (2,132)           2019         Income         - 973         1,288         1,726         183         5,904           Expenditure         - (954)         (1,284)         (1,855)         (158)         (3,750)           Amount paid under deed of covenant to The Trust         - 1         - 2         - 3         - 3         - 4         (129)         25         - 3           Retained profit/(loss) for the year         - 19         4         (129)         25         - 3           Assets         - 864         859         619         47         3,441           Liabilities         - (215)         (218)         (263)         (21)         (3,441)	1.552.55				· · · · · · · · · · · · · · · · · · ·		,
Income	Net assets/(liabilities)	1,744	743	` '		` ,	
Income							
Expenditure         -         (954)         (1,284)         (1,855)         (158)         (3,750)           Amount paid under deed of covenant to The Trust         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         - </td <td>2019</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td>	2019						
Amount paid under deed of covenant to The Trust       -       -       -       -       -       -       -       (2,154)         Retained profit/(loss) for the year       -       19       4       (129)       25       -         Assets       -       864       859       619       47       3,441         Liabilities       -       (215)       (218)       (263)       (21)       (3,441)	Income	-	973	1,288	1,726	183	5,904
to The Trust         Retained profit/(loss) for the year       -       19       4       (129)       25       -         Assets       -       864       859       619       47       3,441         Liabilities       -       (215)       (218)       (263)       (21)       (3,441)	Expenditure	-	(954)	(1,284)	(1,855)	(158)	(3,750)
Assets - 864 859 619 47 3,441 Liabilities - (215) (218) (263) (21) (3,441)		-	-	-	-	-	(2,154)
Liabilities - (215) (218) (263) (21) (3,441)	Retained profit/(loss) for the year		19	4	(129)	25	-
Liabilities - (215) (218) (263) (21) (3,441)							
	Assets	-	864	859	619	47	3,441
Net assets/(liabilities) - 649 641 356 26 -	Liabilities	-	(215)	(218)	(263)	(21)	(3,441)
	Net assets/(liabilities)	-	649	641	356	26	-

#### 18 PROGRAMME RELATED INVESTMENTS: LOANS TO SUPPORTED BUSINESSES

Charity and Group	Total 2020 £'000	Total 2019 £'000
Loan reconciliation		
Loans at the beginning of the year	2,866	4,308
Loans awarded in the year	4	35
Loans repaid in the year	(379)	(630)
Loans written off in the year	-	(847)
Loans at the end of the year	2,491	2,866
Provision reconciliation		
Provision at the beginning of the year	1,472	2,246
Movement on loans provision during the year	520	73
Remove Write off	<u> </u>	(847)
Provision at the end of the year	1,992	1,472
Net loan balance at the beginning of the year	1,394	2,062
Net loan balance at the end of the year	499	1,394
Charity and Group	Total 2020 £'000	Total 2019 £'000
Disclosed as:		
Amounts recoverable within one year	499	1,394
Amounts recoverable in more than one year	-	-

The Prince's Trust Charity provides loans to young people who are being supported to start up their own business. The average loan size during the year was £3,740. In exceptional circumstances, the loan size can be up to a maximum of £5,000. The loans are normally repayable over three years (up to a maximum of five years). An interest rate of 6.2 per cent is charged on new loans provided by Start Up Loans Company (SULCo).

The historic SULCo loan book was assigned to finance partner, The Enterprise Fund (trading as Growth Company Business Finance), during the year 2019/20. All new loans were also provided by the finance partner, essentially putting The Prince's Trust in the position of a broker for which appropriate Financial Conduct Authority (FCA) permissions were issued.

All remaining loans that The Prince's Trust issued have been assigned to the same finance partner, as well as new loans funded by The Prince's Trust. This now means that The Prince's Trust is a broker for all new financing activity, while remaining as a funder of these loans.

The carrying amount of the concessionary loans at the year-end was £2.5m (2019 £2.9m).

There are no loans committed but not taken up at 31 March 2020 (2019: £nil).

#### 19 STOCKS

	Group	Group	Charity	Charity
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Goods for resale	-	47	-	-

#### **20 DEBTORS**

	Group 2020 £'000	Group 2019 £'000	Charity 2020 £'000	Charity 2019 £'000
Amounts falling due within one year				
Trade debtors	2,560	1,269	258	495
Gift aid recoverable	68	268	68	247
Amounts owed by Group undertakings	-	-	2,382	2,970
Central Government & European grants receivable	6,265	3,820	6,265	3,820
Taxation and social security	76	71	39	-
Other debtors	107	41	56	38
Prepayments	1,462	1,294	1,316	1,158
Accrued income	194	1,283	132	1,250
	10,732	8,046	10,516	9,978

The Prince's Trust Charity played the role of lead charity in a consortium, administering contractual arrangements on behalf of other members with the donor, Skills Development Scotland (SDS). At 31 March 2020, the total balance outstanding from SDS and due to other consortium members was £357k (2019: £348k) and the balance received from SDS but not yet paid out to other consortium members was £nil (2019: £nil).

#### 21 CASH AT BANK AND IN HAND

	Group 2020 £'000	Group 2019 £'000	Charity 2020 £'000	Charity 2019 £'000
Cash held for investment purposes	1,772	2,015	1,303	1,470
Cash at bank and in hand	30,236	28,978	23,462	24,804
	32,008	30,993	24,765	26,274

Cash held by The Prince's Trust Charity for investment purposes represents cash under the management of the Investment Committee and cash held on deposit.

 $\pounds 5m$  of the cash may be repayable to a funder, which is therefore recognised as a creditor. See Note 22.

#### 22 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2020 £'000	Group 2019 £'000	Charity 2020 £'000	Charity 2019 £'000
Trade creditors	1,228	1,052	1,022	814
Enterprise loans awarded but not yet paid	-	-	-	-
Amounts owed to group undertakings	-	-	-	963
Taxation and social security	946	808	916	754
Other creditors	5,877	12,602	7,030	12,560
Accruals	4,183	3,738	4,038	3,371
Deferred income	11,471	2,797	9,074	2,316
Mortgage	45	45	45	45
	23,750	21,042	22,125	20,823

Accruals for The Prince's Trust Charity include a holiday accrual as at 31 March 2020 of £715k (2019: £741k).

Reconciliation of Deferred Income	Group £'000	Charity £'000
Brought forward at April 1 2019		
Contract and conditional Income	2,526	10,316
Income for events	271	-
Total brought forward at April 1 2019	2,797	10,316
Deferred income released during year		
Contract and conditional Income	3,025	10,316
Income for events	271	-
Total deferred income released during year	3,296	10,316
Incoming resources deferred during year		
Contract and conditional Income	11,679	9,074
Income from events	291	-
Total incoming resources deferred during year	11,970	9,074
Deferred income carried forward at 31 March 2020		
Contract and Conditional Income	11,180	9,074
Income for Events	291	-
Total carried forward at 31 March 2020	11,471	9,074

#### 23 CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	Group 2020 £'000	Group 2019 £'000	Charity 2020 £'000	Charity 2019 £'000
Mortgage - Wolfson House				
Between one and five years	206	182	206	182
Over five years	-	67	-	67
	206	249	206	249

The outstanding mortgage was taken out in 2014 by The Prince's Trust Charity for the purchase of Wolfson House, 15 Carlton Court, Glasgow.

#### **24 PROVISIONS FOR LIABILITIES AND CHARGES**

Group	Dilapidations £'000	Other £'000	Total £'000
As at 1 April 2019	614	367	981
Charged to the SOFA	62	579	641
Amount utilised	-	3	3
As at 31 March 2020	676	949	1,625

Charity	Dilapidations £'000	Other £'000	Total £'000
As at 1 April 2019	614	378	992
Charged to the SOFA	62	548	610
Amount utilised		-	-
As at 31 March 2020	676	926	1,602

In 2011, Fairbridge (which had long ceased to have any involvement in child migration programmes) became part of The Prince's Trust. At the time, The Prince's Trust inherited the archives. Fairbridge was subsequently dissolved in 2013.

In March 2020, Fairbridge was restored to the register of companies in England & Wales. Fairbridge (Restored) Limited was then placed into administration with the appointment of administrators on 25 March 2020.

There are ongoing discussions with the Commonwealth of Australia about redress for a number of former child migrants of Fairbridge. A provision has been recognised of £700k in relation to this matter, representing an offer made in August 2019. As no subsequent counteroffer has been made this represents The Prince's Trust's best estimate.

#### **25 FINANCIAL INSTRUMENTS**

The Group has the following financial instruments:

	Group 2020 £'000	Group 2019 £'000	Charity 2020 £'000	Charity 2019 £'000
Financial assets measured at amortised cost:				
Trade debtors	2,560	1,269	258	495
Cash	32,008	30,993	23,462	26,274
Other debtor transactions	10,347	6,777	10,258	9,483
	44,915	39,039	33,978	36,252
Financial assets that are equity investments measured at cost less impairment:				
Programme-related investments	499	1,394	499	1,394
Financial assets measured at fair value through income and expenditure				
Investments	21,987	13,399	21,987	13,399
Financial liabilities measured at amortised cost				
Trade creditors	(1,228)	(1,052)	(1,022)	(814)
Other creditor transactions	(6,823)	(20,239)	(7,945)	(20,258)
	(8,051)	(21,291)	(8,967)	(21,072)
	59,350	32,541	47,497	29,973

The amortised mortgage interest expense for The Prince's Trust Charity for the year was £6k (2019: £318k).

#### **26 PENSION SCHEMES**

The Trust provides defined contribution pension schemes that are available to all UK-based eligible employees. During the year, the Trust contributed 5 per cent of gross salary of employees subject to a minimum of 3 per cent from the employee.

The Trust contributes a minimum of 5 per cent from the employee, for those employees who were auto enrolled into The Trust's work-based pension scheme. There are a number of employees whereby The Trust contributes 7.5 per cent of gross salary subject to a minimum of 2.5 per cent from the employee. This scheme is now closed for new employees.

There are a number of employees whereby The Trust contributes into a scheme as a result of the Prince's Trust Youth Business Scotland merger. The contribution rate of 10 per cent from the employer for existing and eligible members is paid into this scheme.

The assets of all of the schemes are held separately from The Trust. The pension cost of these schemes in the year was £1,469k (2019: £1,631k). The contributions outstanding as at 31 March 2020 were £212k (2019: £151k). Pension costs are allocated to unrestricted funds

#### **27 FINANCIAL COMMITMENTS**

At 31 March 2020, as lessee, the Group and Charity had total commitments under non-cancellable operating leases for land and buildings, vehicles and photocopiers as follows:

	Group 2020 £'000	Group 2019 £'000	Charity 2020 £'000	Charity 2019 £'000
Land and Buildings				
Operating leases which expire:				
Within one year	1,252	2,322	1,252	2,322
Between one and five years	3,874	4,249	3,596	3,923
Over five years	3,192	4,123	3,192	4,123
	8,318	10,694	8,040	10,368
Vehicles - operating leases which expire:				
Within one year	138	34	138	34
Between one and five years	264	-	264	-
	402	34	402	34
			,	
Office machinery - operating leases which expire:				
Within one year	2	4	2	4
Between one and five years	-	6	-	5
	2	10	2	9
	8,722	10,738	8,444	10,411

At 31 March 2020, as lessor, the Group and Charity was due total commitments under non-cancellable operating leases for land and buildings as follows:

	Group 2020 £'000	Group 2019 £'000	Charity 2020 £'000	Charity 2019 £'000
Land and Buildings				
Operating leases which expire:				
Within one year	52	52	52	52
Between one and five years	-	-	-	-
	52	52	52	52

#### **28 RESTRICTED INCOME FUNDS**

Group	Balance 1 April 2019 £'000	Income in year £'000	Expenditure in year £'000	Transferred from unrestricted £'000	Balance 31 March 2020 £'000
Enterprise	1,935	5,554	5,200	-	2,289
Team	-	812	809	-	3
Awards	58	601	582	-	77
Achieve	39	2,540	2,226	-	353
Get into	841	5,876	5,252	-	1,465
Get Started	305	1,595	1,766	-	134
Pilots and local programmes	1,265	3,933	4,061	-	1,137
Regional & other restrictions	6,274	11,855	13,654	-	4,475
Explore	249	1,627	1,728	-	148
Prince's Trust America	-	6,568	5,024	-	1,544
Prince's Trust Australia	446	441	414	-	473
Prince's Trust Canada	359	1,103	1,155	-	307
Prince's Trust International	357	3,062	2,443	-	976
Prince's Trust New Zealand	225	79	205	-	99
	12,353	45,646	44,519	-	13,480

Restricted funds relating to Prince's Trust International were historically included in the programmatic categories above. However, The Trust has decided to treat all of Prince's Trust International's income as restricted and show it as a separate line.

Charity	Balance 1 April 2019 £'000	Income in year £'000	Expenditure in year £'000	Transferred from unrestricted £'000	Balance 31 March 2020 £'000
Enterprise	1,935	5,554	5,200	-	2,289
Team	-	812	809	-	3
Awards	58	601	582	-	77
Achieve	39	2,540	2,225	-	354
Get into	960	5,876	5,252	-	1,584
Get Started	305	1,595	1,766	-	134
Pilots and local programmes	1,205	3,933	4,062	-	1,076
Regional & other restrictions	4,913	19,329	21,128	-	3,114
Explore	249	1,627	1,728	-	148
	9,664	41,867	42,752	-	8,779

All the funds disclosed above are restricted in so far as the funders have specified that the income can only be expended on particular programmes and activities.

Due to the additional requirements of the funder, the income, expenditure and restricted fund balances of the following grants are disclosed below:

#### 28 RESTRICTED INCOME FUNDS (CONTINUED)

	Opening balance 1 April 2019 £'000	Income in year £'000	Expenditure in year £'000	Closing balance 31 March 2020 £'000
The Big Lottery (BLF)				
Big Lottery Fund & ESF Building Better Opportunities - West of England Works	-	88	(78)	10
BLF - Reaching Communities Southampton	(8)	117	(81)	28
BLF - Youth Hub	-	518	(506)	12
National Lottery Community Fund - Scotland	-	114	(100)	14
Grantham Building Better Opportunities	-	7	(7)	-
Leicester Building Better Opportunities	-	28	(28)	-
Hertfordshire Building Better Opportunities	-	0	(O)	-
Hertfordshire Building Better Opportunities	-	3	(3)	-
Luton Building Better Opportunities	-	1	(1)	-
Big Lottery Fund & ESF Building Better Opportunities - Coast to Capital Make Trax	-	-	-	-
Government				
Securing a Diverse Future Workforce for Health and Social Care	-	2,038	(1,034)	1,004
Future Workforce Funding - GMCA	-	1,168	(738)	430
Scotland				
Scottish Government - Early Intervention Fund	-	150	(150)	-
Apr 19 - Jun 20 Social Care delivery	-	68	(68)	-
Northern Ireland				
Department for Foreign Affairs - Youth Academy	-	17	-	17
Careers and Enterprise Company				
Mentoring Fund	(32)	179	(147)	-
ERDF				
Enterprise 1830 - Small Business Loans	-	-	-	-
Enterprise 1830 - Small Business Loans	-	-	-	-
Enterprise 1830 - Small Business Loans	-	-	-	-
ERDF Enterprise - Coventry and Warwickshire Phase 2	-	27	(27)	-
ERDF Enterprising - West of England	-	117	(117)	-
ERDF GLA EP London - Boost your Business	-	264	(264)	-
ERDF EP Devon April 2018- 21	-	88	(88)	-

#### 28 RESTRICTED INCOME FUNDS (CONTINUED)

	Opening balance 1 April 2019 £'000	Income in year £'000	Expenditure in year £'000	Closing balance 31 March 2020 £'000
ESF				
Elevate Berkshire	-	44	(44)	-
Newcastle City Council - ESF	(22)	-	(79)	(101)
Active Lancashire - More Positive Together 16-19	-	48	(48)	-
Other				
Hampshire PCC - Community	6	6	(12)	-
Hampshire PCC - Prison	-	20	(20)	-
Doncaster Borough Council - Life Skills	23	-	(23)	-
Help for Heroes	-	10	(10)	-

#### 28 RESTRICTED INCOME FUNDS (CONTINUED)

Due to the additional requirements of the funder, the following amounts received during the year are also disclosed:

Funder	Project	Amount £'000
City Bridge Trust	Ten-year partnership to support young Londoners	1,004
London Borough of Tower Hamlets	Mainstream Grants - Bridging the Gap 2018/19	18
Health Education Kent & Sussex - Innovation Fund	Get into Health & Social Care 2017/18 (Kent & Sussex)	14
Luton Borough Council	Luton Young People First	135
King Baudouin Foundation United States (Caterpillar Foundation)	King Baudouin Foundation United States (Caterpillar Foundation)	113
The Bransford Trust	The Bransford Trust 2019/20	20
Simon Clarke	Staffordshire delivery	63
Norfolk Community Foundation	Community Challenge 19/20	20
Norfolk Community Foundation	Summer Project	6
Norfolk Community Foundation	Women's Mentoring Project	14
Central Bedfordshire Council	Youth Support Services	7
Gannochy Trust	Explore - Dundee	15
Robertson Trust	Gi Health Care	20
Hertfordshire Partnership Foundation Trust	Hertfordshire Partnership Foundation Trust	15
Staffordshire PCC	The Prince's Trust Targeted Prevention Project 2	73
DWP	ESF - Steps to Work	80
Birmingham City Council	Birmingham Youth Promise Plus - Phase 2	441
Coventry City Council	Coventry Ambition Phase 2	55
University Hospitals Birmingham	Birmingham Youth Promise Plus - NHS Phase 2	92
Earl of Caledon	Support young people in NI	333
Education Authority - NI	19/20 Education Authority	60
Education Authority - NI	Workforce Development Fund 19/20	2
HEE	HEE NHS GI Sussex Apr 19- Apr 20	15
HEE	HEE NHS Gi Kent, Apr 19 - Apr 20	15
Walsall Metropolitan Borough Council	Walsall Integration Area	5
WMCA	WMCA Digital Skills	8
West Midlands PCC	West Midlands PCC Active Citizens Sandwell	4
West Midlands PCC	Youth Opportunities Fund	90
Cosaraf Charitable Foundation	Enterprise Programme	30
Cosaraf Charitable Foundation	Mosaic Secondary Schools mentoring programme	32

#### 29 ANALYSIS OF NET ASSETS BETWEEN FUNDS

Group	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2020 £'000
Fund balances at 31 March 2020 are represented by:				
Intangible fixed assets	3,946	-	-	3,946
Tangible fixed assets	22,129	-	-	22,129
Investments	9,092	-	13,394	22,486
Current assets	14,924	27,816	-	42,740
Current liabilities	(9,414)	(14,336)	-	(23,750)
Long-term liabilities	(1,831)	-	-	(1,831)
	38,846	13,480	13,394	65,720

Charity	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2020 £'000
Fund balances at 31 March 2020 are represented by:				
Intangible fixed assets	3,944	-	-	3,944
Tangible fixed assets	22,077	-	-	22,077
Investments	9,092	-	13,394	22,486
Current assets	12,166	23,115	-	35,281
Current liabilities	(7,789)	(14,336)	-	(22,125)
Long-term liabilities	(1,808)	-	-	(1,808)
	37,682	8,779	13,394	59,855

#### **30 RECONCILIATION OF MOVEMENT IN FUNDS**

	Group 2020 £'000	Group 2019 £'000	Charity 2020 £'000	Charity 2019 £'000
Opening funds	58,013	56,550	55,356	53,623
Net incoming resources for the year	11,038	(2,514)	7,830	(2,253)
Net (losses)/gains on investments	(3,331)	534	(3,331)	543
Gain on Disposal of PT House	-	3,443	-	3,443
Closing funds	65,720	58,013	59,855	55,356

#### 31 RELATED PARTY TRANSACTIONS

The Prince's Trust in the UK entered into the following material transactions with its subsidiaries during the year. All income and expenditure is removed on consolidation.

			Transactions du ended 31 Ma £'000	rch 2020	Balances at 31 March 2020 £'000	
Entity	Nature of Relationship	Transaction	Income	Expenditure	Debtor	Creditor
Prince's Trust America	Deemed control	PTUSA made a total of £5.024m in programme grants to The Prince's Trust	5,024	-	-	-
Prince's Trust Australia	Deemed control	Sub-grant of funding from the Prince of Wales's Charitable Fund for delivery of charitable activities in Australia	-	350	-	-
Prince's Trust Canada	Deemed control	Sub-grant of funding from the Prince of Wales's Charitable Fund for delivery of charitable activities in Canada	-	350	-	-
Prince's Trust International	Deemed control	Costs incurred by the Prince's Trust on behalf of Prince's Trust International. These costs relate to staff salaries and expenses, procurement cards, travel and recharge for facilities, license fees and management fees	691	-	249	-
Prince's Trust New Zealand	Deemed control	Sub-grant of funding from the Prince of Wales's Charitable Fund for delivery of charitable activities in New Zealand	-	250	-	-
Prince's Trust Trading	Wholly owned subsidiary	Management charge for costs incurred by The Prince's Trust on behalf of Prince's Trust Trading Limited	1,452	-	739	-
Prince's Trust Trading		Distribution of year-end profit to the Prince's Trust, under deed of covenant	1,499	-	1,499	-

Expenses reimbursed to trustees and the remuneration of key management personnel are disclosed in Note 11. Transactions by the Charity with its defined contribution pension scheme are set out in Note 26.

The following transactions were entered into with members of The Prince's Trust Council or its committees, or with organisations in which those individuals hold a position of influence. There were no outstanding balances in relation to any of these transactions at the year end.

£5m was received in donations from the John Booth Foundation, whose Director, John Booth, joined The Prince's Trust Council in March 2018.

£50k was received from The Randeree Charitable Trust of which Shabir Randeree CBE is a related party. Mr. Randeree joined the Prince's Trust Council in July 2016.

£220k was received as a donation from Ian Mukherjee. Mr. Mukherjee joined The Prince's Trust Council in December 2015.

£35k was received in individual donations from Michelle Pinggera, who was appointed as Trustee to the Council in July 2017.

There were no other transactions with the directors or board members of any of The Prince's Trust Group's subsidiaries, or their affiliated organisations.

#### 32 EVENTS AFTER THE REPORTING PERIOD

In response to the emergence of the global coronavirus pandemic in the UK in early 2020, The Prince's Trust in March 2020 closed all of its youth centres and offices and cancelled all fundraising events in order to safeguard young people, staff, volunteers and supporters.

Our support to young people at this time remains more crucial than ever. Since March 2020, we have taken steps to ensure we can continue to deliver our support remotely and through digital means. Between July and September 2020, we were able to re-open five of our youth centres in a limited capacity, with the introduction of extensive safety measure. As at November 2020, the majority of our offices remain closed.

The impact on fundraising events and on income projections more widely has been significant and, as a result, The Trust has taken advantage of support from the UK Government's Coronavirus Job Retention Scheme in respect of furloughed staff. Despite this and the introduction of a number of cost cutting measures across The Trust, we expect to return an operational deficit in 2020/21 and will be reviewing our operating model and financial forecasts in depth to ensure longer term sustainability.

Following the decline in equity market valuations during 2019/20 which contributed to the reported net investment loss, markets have recovered in the period since 31 March 2020. This has led to a recovery of the loss as at 30 September 2020.

#### **Additional Unaudited Information**

#### INCOME AND EXPENDITURE ACCOUNT FOR WALES, SCOTLAND AND NORTHERN IRELAND

To meet the audit requirements of some funders in the UK, the results of each of Wales, Scotland and Northern Ireland are summarised below. The results are presented in The Trust's management accounts and include an allocation of the shared support costs of head office and UK-wide. These costs are allocated based on the most appropriate driver for each function; full-time equivalent employees, young people supported or income/expenditure per function.

#### **Activities undertaken in Wales**

	2020 £'000	2019 £'000
Incoming Resources		
Private Sector	2,216	2,541
Public Sector	170	152
Other	133	275
	2,519	2,968
Resources Expended (including support costs)		
Direct Charitable	(410)	(396)
Fundraising	(6)	(26)
Staff Costs	(2,455)	(2,537)
Other	(1,025)	(792)
	(3,896)	(3,751)
Deficit for the year	(1,377)	(783)

Further commentary on the activities in Wales is included within the Trustees' report on page 18.

#### **Activities undertaken in Scotland**

	2020 £'000	2019 £'000
Incoming Resources		
Private Sector	2,138	4,291
Public Sector	3,104	3,060
Other	371	389
	5,613	7,740
Resources Expended (including support costs)		
Direct Charitable	(1,741)	(1,800)
Fundraising	(3)	(162)
Staff Costs	(4,993)	(5,446)
Other	(2,280)	(1,459)
	(9,017)	(8,867)
Deficit for the year	(3,404)	(1,127)

Further commentary on the activities in Scotland is included within the Trustees' report on page 18.

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#### **Additional Unaudited Information (continued)**

#### **Activities undertaken in Northern Ireland**

	2020 £'000	2019 £'000
Incoming Resources		
Private Sector	659	1,076
Public Sector	1,674	1,497
Other	170	204
	2,503	2,777
Resources Expended (including support costs)		
Direct Charitable	(753)	(592)
Fundraising	(17)	(36)
Staff Costs	(2,819)	(2,622)
Other	(1,361)	(815)
	(4,950)	(4,065)
Deficit for the year	(2,447)	(1,288)

Further commentary on the activities in Northern Ireland is included within the Trustees' Report on page 18.



Without you, none of this is possible. So if you believe in young people, join us by donating your money, time, support or leaving a gift in your will to be there for young people today and into the future.

#### **CONTACT DETAILS**

Principal Address: 8 Glade Path London SE1 8EG

Telephone: 0800 842 842 info@princes-trust.org.uk www.princes-trust.org.uk

THE PRINCE'S TRUST

princes-trust.org.uk

**PRINCE'S TRUST AMERICA** 

princestrust.us

PRINCE'S TRUST AUSTRALIA

princes-trust.org.au

**PRINCE'S TRUST CANADA** 

princestrust.ca

PRINCE'S TRUST INTERNATIONAL

princestrustinternational.org

PRINCE'S TRUST NEW ZEALAND

princes-trust.org.nz

Log in to digital service (https://portal.update-charity-details.service.gov.uk/)

About the register of charities

#### THE PRINCE'S TRUST



Charity reporting is up to date

Charity number: 1079675

**Charity overview** 

What, who, how, where

Governance

**Trustees** 

Financial history

Assets and liabilities

Accounts and annual returns

**Governing document** 

**Linked charities** 

**Contact information** 

#### **Governing document**

Details of the type of governing document the charity has and when it was established.

It is not the full text of the charity's governing document.

ROYAL CHARTER GRANTED 12TH OCTOBER 1999 AND AMENDED ON 9 DECEMBER 2009.

#### Charitable objects

(1) TO PROMOTE BY ALL CHARITABLE MEANS THE MORAL MENTAL, SPIRITUAL, AND PHYSICAL DEVELOPMENT AND IMPROVEMENT OF YOUNG PEOPLE AND TO PROVIDE OPPORTUNITIES FOR THEM TO DEVELOP THEIR FULL CAPACITIES AND ENABLE THEM TO BECOME RESPONSIBLE MEMBERS OF SOCIETY SO THAT THEIR CONDITIONS OF LIFE MAY BE IMPROVED, TO INCLUDE: (A) PROVIDING FACILITIES FOR YOUNG PEOPLE FOR RECREATION OR OTHER LEISURE TIME OCCUPATION IN THE INTERESTS OF SOCIAL WELFARE (B) ADVANCING THE EDUCATION OF YOUNG PEOPLE BY THE PROVISION, ENCOURAGEMENT AND PROMOTION OF EDUCATION, INSTRUCTION OR TRAINING PROFESSIONS, VOCATIONS, INDUSTRIES, CRAFTS, TRADES OR THE SKILLS NEEDED IN EMPLOYMENT; (C) RELIEVING POVERTY AMONGST YOUNG PEOPLE THROUGH THE PROVISION OF ASSISTANCE (INCLUDING FINANCIAL ASSISTANCE) AND ENCOURAGEMENT WHILST THEIR EDUCATION IS BEING ADVANCED AS AFORESAID OR WHILST THEY ARE IN THE PROCESS ESTABLISHING NEW BUSINESSES OR PREPARING FOR ENTERING UPON OR ENGAGING IN A PROFESSION, TRADE, CRAFT OR SERVICE; (D) ARRANGING PERIODS OF VOLUNTARY WORK IN THE COMMUNITY; AND (E) FOR THE BENEFIT OF THE PUBLIC ENCOURAGING AND ACCICTING VOLING DEODLE IN THEID HINDEDCTANDING

ASSISTING YOUNG PEOPLE IN THEIR UNDERSTANDING OF AND PRACTICAL ACTION IN SUPPORT OF THE NATURAL AND BUILD ENVIRONMENT. (11) TO PROMOTE AND CONDUCT RESEARCH INTO SOCIAL CONDITIONS AFFECTING YOUNG PEOPLE AND THE MENTAL, SPIRITUAL, MORAL AND PHYSICAL NEED OF YOUNG PEOPLE AND TO PUBLISH THE USEFUL RESULTS OF SUCH RESEARCH. (111) TO CARRY OUT ANY SUCH APPROVED OBJECTS (AS DEFINED BY REGULATION 33 OF THE LANDFILL TAX REGULATIONS 1996 OR ANY THERETO) AS ARE **EXCLUSIVELY** AMENDMENT CHARITABLE AND TO ENCOURAGE YOUNG PEOPLE PARTICULARLY TO DO SO. (IV) TO SUPPORT SUCH CHARITY OR CHARITIES OR SUCH CHARITABLE PURPOSE OR PURPOSES AS THE COUNCIL SHALL IN ITS ABSOLUTE DISCRETION THINK FIT.

### Area of benefit

1/27/2021

The area the charity can operate in, as set out in its governing document.

**NOT DEFINED** 

Print charity details

Log in to digital service (https://portal.update-charity-details.service.gov.uk/)

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## THE PRINCE'S TRUST



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**Linked charities** 

**Contact information** 

#### **Linked charities**

THE SYDNEY
HILL
BIRMINGHAM
SCHOOL
LEAVERS
BUSINESS START
UP TRUST

Linked charity 1079675-1 THE SYDNEY
HILL BIRMINGHAM SCHOOL LEAVERS
BUSINESS START UP TRUST

### **Governing document**

WILL OF SYDNEY HILL PROVED AT THE NEWCASTLE-UPON-TYNE DISTRICT PROBATE REGISTRY ON 1ST DECEMBER 19999, AND THE LETTER OF WISHES DATED 23RD DECEMBER 1998 AS ALTERED BY SCHEME OF CHARITY COMMISSIONERS DATED 25 JULY 2005

### **Charitable objects**

UPON TRUST TO PAY OR APPLY THE INCOME OF THE SYDNEY HILL TRUST WITH POWER IN THEIR ABSOLUTE DISCRETION FROM TIME TO TIME TO PAY OR APPLY THE WHOLE OR ANY PART OR PARTS OF THE CAPITAL OF THE SYDNEY HILL TRUST TO OR FOR THE BENEFIT OF ALL OR SUCH ONE OR MORE OF THE BENEFICIARIES ("THE BENEFICIARIES" MEANS ALL SCHOOL LEAVERS LEAVING SCHOOLS ADMINISTERED BY THE BIRMINGHAM CITY COUNCIL EDUCATION AUTHORITY) FOR THE TIME BEING LIVING IN SUCH SHARES IF MORE THAN ONE AND IN SUCH MANNER AS THE TRUSTEES SHALL FROM TIME TO TIME IN THEIR ABSOLUTE DISCRETION THINK FIT

### Area of benefit

#### **Registration history**

14 September 2005 : registered23 September 2005 : removed

Log in to digital service (https://portal.update-charity-details.service.gov.uk/)

About the register of charities

# THE PRINCE'S TRUST



Charity reporting is up to date

Charity number: 1079675

**Charity overview** 

What, who, how, where

Governance

**Trustees** 

Financial history

**Assets and liabilities** 

Accounts and annual returns

**Governing document** 

**Linked charities** 

**Contact information** 

Address: The Princes Trust

8 Glade Path LONDON SE1 8EG

**Phone:** 02075431234

Email: <u>info@princes-trust.org.uk</u>

Website: <u>www.princes-trust.org.uk</u>

Print charity details

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# **Our history**

It all began in 1976, when HRH The Prince of Wales had a bold idea. Having completed his duty in the Royal Navy, His Royal Highness became dedicated to improving the lives of disadvantaged young people in the UK. He founded His Trust to deliver on that commitment.

"

What struck me was that young people weren't being given the opportunities quickly enough. No one was putting the trust in them they needed.



# **European Structural and Investment Funds**

A significant number of programmes and projects across the UK are part-funded through European Structural and Investment Funds 2014-2020 Growth Programme. These projects are listed below.

















European Social Fund helps local areas stimulate their economic development by investing in projects which will support skills development, employment and job creation, social inclusion and community regeneration.

→ Building Better Opportunities - Community Fund and the European Social Fund jointly invest in local projects tackling the root causes of poverty, promoting social inclusion and driving local jobs and growth.

Youth Employment Initiative together with European Social Fund provides targeted support for young people in eligible areas to support with skills development, employment and job creation, social inclusion and community regeneration.

**European Regional Development Fund** helps local areas stimulate their economic development by investing in projects which will support innovation, businesses, create jobs and local community regenerations.

In England, the Department for Work and Pensions is the Managing Authority for European Social Fund. The Department for Communities and Local Government is the Managing Authority for the European Regional Development Fund. Further information on Structural Funds in England can be found here (https://www.gov.uk/guidance/england-2014-to-2020-european-structural-and-investment-funds).

Scottish Government, Welsh Government and Department for the Economy are Managing Authorities for European Social Fund in Scotland, Wales and Northern Ireland respectively.

# **Projects**

The Prince's Trust is currently delivering the following projects:

## **European Social Fund**

Area: Scotland

Programme: Explore, Get Started, Get into, Team

End of project: June 2021

**Overview: Explore** - The project supports unemployed and inactive participants domiciled in Scotland with multiple barriers to employment - minimum of two - to progress towards employment with a focus on Stages 1 and 3 of the Employability Pipeline. It supports activities that enable the participants to address the barriers that are preventing them from moving along the skills pipeline and allow them to progress into employment, education, training or the next stage of the Pipeline for further support.

Area: Northern Ireland

Programmes: Explore, Get into, Get Started, Team, Enterprise

End of project: March 2022

Overview: Journey to Success - Supports 4991 young people and aims to reduce the number of 16-24 year olds who are Not in Employment, Education or Training (NEET). This project is part funded through the Northern Ireland European Social Fund Programme 2014-2020 and the Department for the Economy.





Area: Northern Ireland

Programme: Explore, Get into, Get Started, Team, Enterprise

End of project: March 2022

Overview: Reaching Further - Supports 1160 young people and aims to:

1. Reduce unemployment by assisting those furthest from the labour market to overcome their barriers to accessing and sustaining employment.

2. Combat economic inactivity by helping individuals to make the transition towards the labour market.

This project is part funded through the Northern Ireland European Social Fund Programme 2014-2020 and the Department for the Economy.

**Area:** North East

Programmes: Explore, Get Started, Get into

End of project: March 2021

Overview: An intensive employment support programme aimed at 16-29 year olds who are not working

or training.

Area: Kent, East Sussex and Essex

Programmes: Get into and Get Started

**Overview: Steps to Work** - is part funded by the European Social Fund through the Department for Work and Pensions. The project will support 268 NEET young people aged 16-24 across Kent, Essex and East Sussex, targeting those furthest from the labour market, who face socio-economic barriers to employment.

Area: South East Midlands (Bedfordshire, Northamptonshire, Milton Keynes and Luton)

Programmes: Get Started, Get into, Achieve-in-Centre, Mosaic

End of project: 30 September 2023

**Overview: Passport to Success (P2S)** is a programme part-funded by the European Social Fund. It will support an additional 441 NEET young people aged 15 – 24 across the South East Midlands, targeting

marginalised young people furthest from the labour market across the region with a focus on Bedfordshire, Northamptonshire, Milton Keynes and Luton.

Area: Lancashire

Programme: Explore, Get into, Get Started, Enterprise

End of project: 31 December 2019

**Overview:** The Prince's Trust is a partner in the **More Positive Together** partnership led by Active Lancashire and part-funded by European Social Fund. Supporting 268 unemployed and economically inactive young people into employment, self-employment, job searching, education or training.

#### **Youth Employment Initiative**

Area: Hull

Programmes: Get into and Get Started

End of project: July 2022

**Overview: The Springboard Hull and Humber project** is part-financed by the European Union through the European Social Fund (ESF) and is supported by the Youth Employment Initiative (YEI) to extend employment opportunities and develop a skilled workforce. The Prince's Trust is a member of the partnership led by Humber Learning Consortium and will support 152 young people aged 16-25 who are furthest from the labour market into education, training or employment.

Area: Tees Valley

Programmes: Explore, Get Started

End of project: 31st July 2022

Overview: Tees Valley Pathways Programme will support 6,040 young people aged 15 to 29 years old across the Tees Valley who are unemployed or inactive with the aim of progressing the individuals into education, employment, training or self-employment. The programme is supported under the Youth Employment Initiative and delivered by a consortium of organisations from the Public, Private and Voluntary Sector. The programme is part-funded by the European Social Fund and Youth Employment Initiative as part of the 2014-2020 European Structural & Investment Funds Growth Programme in England.

**Area:** Tees Valley

Programmes: Get into

End of project: 31st July 2022

Overview: Tees Valley Routeways Programme will support 575 young people aged 15 to 29 years old across the Tees Valley who are unemployed or inactive with the aim of progressing the individuals into education, employment, training or self-employment. The programme is supported under the Youth Employment Initiative and delivered by a consortium of organisations from the Public, Private and Voluntary Sector. The programme is part-funded by the European Social Fund and Youth Employment Initiative as part of the 2014-2020 European Structural & Investment Funds Growth Programme in England.

Area: Liverpool City Region

Programmes: Explore, Get Started, Get into

End of project: July 2021

**Overview: Liverpool YEI** supports 1,126 socially excluded young people aged 16-30 in Liverpool City Region who are furthest from the labour market, into education, training or employment. The project is part-funded by the European Social Fund and supported under the Youth Employment Initiative.

**Area:** Greater Birmingham and Solihull LEP **Programmes:** Explore, Get Started, Get into

End of project: 31 October 2021

Overview: Youth Promise Plus, Greater Birmingham and Solihull YEI partnership led by Birmingham City Council is a project part-funded by the European Social Fund and the Youth Employment Initiative. As part of it, The Prince's Trust will support 2,700 young people on three key programmes: Explore, Get Started and Get into.

Area: Coventry City Council

Programmes: Explore, Get Started, Get into

End of project: 31 December 2020

Overview: Ambition Coventry, Coventry City Council YEI partnership, led by Coventry City Council is a project part-funded by the European Social Fund and the Youth Employment Initiative. As part of it, The Prince's Trust will support 170 young people on three key programmes: Explore, Get Started and Get into.

### **Building Better Opportunities**

Area: Greater Cambridge and Peterborough LEP

Programme: Get into

End of project: October 2019

Overview: Community Fund Building Better Opportunities partnership bid led by TCHC. The Prince's Trust will provide opportunities for 60 young people on its pre-employment Get into programme.

Area: South London

Programme: Get Started
End of project: July 2022

Overview: Make Trax is a project funded by the European Social Fund and The National Lottery

Community Fund. The Prince's Trust will support 50 young people aged 16-24 who are furthest from the

labour market, into education, training or employment.

Area: SE Midlands LEP
Programme: Get into
End of project: July 2020

Overview: Community Fund Building Better Opportunities partnership bid led by Luton Brough

Council. 24 young people will be supported on The Prince's Trust Get into programmes.

Area: Hertfordshire LEP

Programme: Strategic Cross Programme

End of project: September 2019

Overview: Community Fund Building Better Opportunities partnership bid led by Hertfordshire

Council. The Prince's Trust will be a strategic partner to inform on key opportunities offered by PT

programmes.

Area: Hertfordshire LEP

Programme: Strategic - enhancing Outreach capability

End of project: September 2019

Overview: Community Fund Building Better Opportunities partnership bid led by Hertfordshire

Council. The Prince's Trust outreach integrated into the services offered by the partnerships to clients.

**Area:** Leicester and Leicestershire LEP **Programmes:** Outreach and Get into

End of project: October 2019

Overview: Community Fund Building Better Opportunities partnership bid led by Voluntary Action

**Leicestershire.** The Prince's Trust will support 126 young people through intensive outreach and participation on its Get into programme.

Area: West of England

**Programme:** Explore and Get Started

End of project: June 2022

**Overview:** As part of the **West of England Works** partnership, The Prince's Trust will support 119 young people aged 16-30 who are furthest from the labour market, into education, training or employment. The project is part of the national Building Better Opportunities fund and is funded jointly by ESF and The Community Fund.

### **European Regional Development Fund**

Area: Central Region

Programme: Enterprise

End of project: September 2021

Overview: Better off in Business will engage 3800 potential young entrepreneurs across 9 LEP areas

who have the potential to establish and grow a business.

Area: Coventry and Warwickshire

**Programme:** Enterprise

End of project: December 2021

**Overview:** Through the **Coventry and Warwickshire Council led 'SME Growth programme',** The Prince's Trust will engage with 240 potential young entrepreneurs from under-represented groups who have the potential to establish and grow a business.

Area: Greater Birmingham & Solihull

**Programme:** Enterprise

End of project: March 2022

Overview: Better off in Business will engage 400 potential young entrepreneurs across Greater

Birmingham & Solihull who have the potential to establish and grow a business.

Area: South Bristol

**Programme:** Enterprise

End of project: 30 June 2023

**Overview:** South Bristol Enterprise Support will engage 90 young people aged 18-30 from underrepresented groups in the south of Bristol who have the potential to establish and grow a business.

Area: North East

Programme: Enterprise
End of project: June 2021

Overview: Enterprise Support in the North East 2 project. We are a Delivery Partner within the

**Enterprise Support in the North East 2 project**. This is a business start-up project being delivered across Northumberland, Tyne & Wear and County Durham to assist potential entrepreneurs to become enterprise ready and ultimately self-employed. This is part-funded by European Regional Development

Fund.

**Area:** South Coast (Brighton and Chichester)

**Programme:** Enterprise

End of project: December 2022

**Overview: The Business Hot House** is a project part-funded by the European Regional Development Fund. The Prince's Trust will engage 180 young people aged 18-30 from under-represented groups, who have the potential to establish and grow a business.

Area: Tees Valley

Programme: Enterprise
End of project: June 2021

Overview: Business Compass Start Up 2 project. We are a Delivery Partner within the Business Compass Start Up 2 project. This is a business start-up project being delivered across Tees Valley to assist potential entrepreneurs to become enterprise ready and ultimately self-employed. This is partfunded by European Regional Development Fund.

Area: Leeds City Region
Programme: Enterprise
End of project: June 2022

**Overview: Ad:Venture** will engage 600 young people aged 18-30 from under-represented groups in the Leeds City Region who have the potential to establish and grow a business and investigate the opportunity of becoming Self Employed within the Leeds City Region.

Area: Sheffield City Region
Programme: Enterprise
End of project: March 2022

**Overview: Launchpad** will engage 490 young people aged 18-30 from under-represented groups in Sheffield City Region, who have the potential to establish and grow a business and investigate the opportunity of becoming Self Employed within the Sheffield City Region.

**Area:** Greater Manchester **Programme:** Enterprise

End of project: 31 March 2022

**Overview: Excelerate Labs** will engage 435 young people aged 18-30 from under-represented groups in Greater Manchester, who have the potential to establish and grow a business.

**Area:** Liverpool City Region **Programme:** Enterprise

End of project: 30 November 2021

**Overview: Enterprise Hub** will engage 59 young people aged 18-30 from under-represented groups in Liverpool City Region, who have the potential to establish and grow a business.

**Area:** West of England **Programme:** Enterprise

End of project: 30 March 2020

Overview: Enterprising West of England will engage 696 young people aged 18-30 from under-

represented groups in the West of England, who have the potential to establish and grow a business.

Area: Devon

Programme: Enterprise

End of project: December 2021

**Overview:** Through the **Heart of the South West Enterprise Coaching** project, The Prince's Trust will engage young people from Devon aged 18-30 from under-represented groups, who have the potential to establish and grow a business.

Area: London

**Programme:** Enterprise

End of project: December 2021

**Overview: Boost your Business** is a project part-funded by the European Regional Development Fund. **Boost your Business** is an intensive enterprise approach across London delivering pre-start up support to 1200 potential entrepreneurs (aged 18-30) and assisting 300 new businesses to start up and grow.

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# We're proud to have supported more than 900,000 young people across the UK.

### 1970s

The UK was struggling with record levels of unemployment and spiraling inflation; young people were being left behind. The Prince used his Navy severance pay -£7,400 – to fund a number of community initiatives.

Twenty-one pilot projects were set up around the country. Grants were given to a 19-year old woman to run a social centre for the Haggerston Housing Estate in East London and for two ex-offenders to run a fishing club. Funds hired swimming baths in Cornwall to train young life guards and for a self-help bicycle repair scheme.

These early initiatives were the founding projects of The Prince's Trust.

### 1980s

Unemployment rose above three million. Brixton, Leeds, Birmingham and Liverpool were torn by riots. Too many young people felt they had no stake in society.

Against this backdrop The Prince's Trust grew up. The **Enterprise programme (https://www.princes-trust.org.uk/help-for-young-people/support-starting-business)** was launched in 1983 and within three years 1,000 young people were supported to start a business.

The Prince of Wales Community Venture also began. This was an intensive 42-week programme, containing a mix of challenges, outdoors activity, teamwork, and community projects. This later developed into the hugely successful 12-week **Team programme (https://www.princes-trust.org.uk/help-for-young-people/get-job/boost-your-confidence)**.

During the same period, The Trust decided to break the charity mould and held its first fundraising concerts. The first Prince's Trust Rock Gala was held at the Dominion Tottenham Court Road, with Madness, Joan Armatrading, Phil Collins, Kate Bush and Pete Townshend. Rock galas continued through the 80s and 90s.

### 1990s

The Team programme was launched in 1990, starting a decade of innovation which saw the foundation of **Development Awards (https://www.princes-trust.org.uk/help-for-young-people/get-funding-train-learn)** and Sound Live, a forerunner of the current Get Started programme.

The Trust held the first rock concert in Hyde Park for over 20 years and began its partnership with the **Premier League**, **Football Foundation and Professional Footballers' Association (https://www.princestrust.org.uk/about-the-trust/success-stories/premier-league-and-professional-footballers-association)**. The Trust realised that it could tap into young people's passions – fashion, music, media and sport – to engage

New initiatives were launched: mentors for teenagers leaving care, a scheme to target young offenders and xl clubs (https://www.princes-trust.org.uk/help-for-young-people/unlock-your-potential/explore-your-potential) to motivate 15 and 16-year-olds and keep them at school.

In 1999, the various Trust charities were brought together as The Prince's Trust. This was recognised by HM The Queen at a ceremony in Buckingham Palace where The Trust was granted a Royal Charter.

### 2000s

them in programmes which would change their lives.

By 2001, The Trust was supporting 25,000 young people each year; a national charity with impressive scale and impact. Mass unemployment seemed a thing of the past and The Trust turned its attention to the long-term jobless, those in greatest need of support.

In 2004, Martina Milburn CBE (https://www.princes-trust.org.uk/about-the-trust/history/people/senior-management-team) joined as Chief Executive. Her mission was to secure the long-term future of the charity through a focus on consistent, high-quality support to all the young people The Trust engaged.

Party in the Park was followed by the Urban Music Festivals, Fashion Rocks and a spectacular 30<sup>th</sup> birthday fundraiser on ITV.

In 2007, The Trust launched a landmark report, in partnership with RBS, which calculated the Cost of Exclusion. Unemployment, youth crime and educational underachievement were costing society billions. The Trust began to communicate its worth through the news media and the rapidly developing digital channels.

In 2009 The Trust sent its first Tweet (http://www.twitter.com/princestrust).

### 2010s

The economic crisis had a devastating impact on young people with one in five 16 to 25-year-olds out of work. The Trust responded by tightening its belt and helping more young people each year, despite the challenge of raising more than a million pounds each week.

In 2011, The Trust merged with another youth charity, **Fairbridge (https://www.princes-trust.org.uk/help-for-young-people/try-something-new)**, extending the reach of its programmes through a **network of centres** (https://www.princes-trust.org.uk/about-the-trust/where-we-work).

will.i.am donated £500,000 to The Trust to kick-start a focus on **STEM** (https://www.princes-trust.org.uk/about-the-trust/initiatives/stem) (science, technology, engineering and maths) skills to better equip young people for a digital future.

Even as the economy recovered, long-term youth unemployment remained stubbornly high. The Trust joined forces with Marks & Spencer (https://www.princes-trust.org.uk/about-the-trust/success-stories/marks-and-spencer), HSBC (https://www.princes-trust.org.uk/about-the-trust/success-stories/hsbc) and other major employers to tackle youth unemployment through the Movement to Work.

To date, The Trust has reached more than 825,000 young people with three in four achieving a positive outcome – moving into education, employment or training.

In 2016, The Trust launched its new education programme - **Achieve (https://www.princes-trust.org.uk/help-for-young-people/unlock-your-potential/explore-your-potential)**, offered to 13 to 19-year-olds. We recognised that not all young people thrive in a traditional education setting, such as a school, so we developed our Achieve programme to provide a flexible approach to learning. The programme can be delivered in a variety of settings such as PRUs, YOIs, colleges and in some locations, in a Prince's Trust **centre** (https://www.princes-trust.org.uk/about-the-trust/where-we-work).

The Trust acquired a very special birthday present - for its 40th anniversary - in the form of mentoring initiative **Mosaic (https://www.princes-trust.org.uk/help-for-young-people/programmes/mosaic)**. Mosaic offer accredited mentoring programmes in schools; creating opportunities for 9 to 30-year-olds who are growing up in our most deprived communities.

### Keep in touch

Inspired by what we do and want to stay up-to-date on our latest news? Sign up to our e-newsletter.

Sign up (https://www.princes-trust.org.uk/stay-informed)

### Get to know us a little better

OUR PEOPLE (HTTPS://WWW.PRINCES-TRUST.ORG.UK/ABOUT-THE-TRUST/HISTORY/PEOPLE)

>

OUR INITIATIVES (HTTPS://WWW.PRINCES-TRUST.ORG.UK/ABOUT-THE-TRUST/INITIATIVES)

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# "EVERYTHING MATTERS" IS NOT JUST ABOUT OUR INTERACTIONS WITH CLIENTS. IT ALSO DESCRIBES OUR COMMITMENT TO MAKING A POSITIVE DIFFERENCE TO OUR LOCAL AND GLOBAL COMMUNITIES.

In each of our offices around the world, we make a serious commitment to public service by dedicating our time and legal experience to projects related to education, enterprise and equality. Our contribution ranges from major, multi-regional initiatives of global concern to local arrangements benefiting schools and charities in each of our communities.

In 2011, DLA Piper donated more than 193,000 hours, for a contribution of \$108 million worldwide through our pro bono and corporate responsibility programmes. We believe this makes us the largest provider of pro bono legal services in the world.

Along with our commitment to helping those in need, we have also pledged a firm commitment to the global environment. In 2007, we became one of the first in the legal field to launch a global sustainability initiative aimed at reducing our environmental impact.

Another key element in our commitment to the clients and communities we serve is diversity. Around the world at DLA Piper, our people reflect the diversity of our communities and our global marketplace. We believe that our efforts to understand, value and incorporate the differences that our people bring to our business enable us to acquire the best talent, create effective teams and establish a culture that is inclusive and sensitive to the needs of all.

We are determined to achieve our vision of becoming the leading global business law firm by conducting our business in a way that is consistent with our values. By engaging with individuals, non-profit groups and nongovernmental organisations where we have something of value to offer and where our efforts can make a difference, we can enrich our own professional and personal experiences and strengthen our ties to the community, our clients and one another.

We use a strategic framework to deliver CR outcomes through Pro Bono, Community Engagement, Environmental Sustainability, Client Engagement and Workplace.

**Pro Bono** - As the world's leading provider of pro bono legal services, we provide access to justice and legal advice that would otherwise be unattainable for communities, charities and social entrepreneurs.

**Community Engagement** - Education, Equality and Enterprise focused activities help us to make a positive difference in the local communities in which we operate.

**Environmental Sustainability** - We inspire our people, our suppliers and our clients to reduce their environmental impacts.

**Client Engagement** - Our clients face many of the same issues we do and they want to work with an organisation that reflects their own CR principles and values.

**Workplace** - Our people are at the core of what we do and we are committed to recruiting, developing and retaining the most talented professionals.

#### **PRO BONO**

As a large global business law firm, one of the main ways that we contribute to our community is through the provision of free legal assistance. In 2011 we undertook more than 190,000 hours of pro bono legal work, making DLA Piper the world's largest provider of pro bono legal

Our pro bono clients receive the same high standard of service as our commercial clients. Our pro bono practice is managed by full-time, dedicated pro bono partners, demonstrating a strong institutional commitment to this practice. Our pro bono practice is truly local, and truly global.

#### Local

At a local level we operate legal clinics and give free legal advice directly to the community. We have established specialist legal clinics for people suffering from mental illness, prisoners and post release prisoners, refugees, clients experiencing homelessness or who are at risk of homelessness, people suffering financial hardship as a result of unpaid debts, women experiencing domestic violence and juveniles charged with criminal offences. We also provide free legal assistance to local charities working with disadvantaged people and we provide pro bono lawyers on secondment to local community legal advice centres.

#### Global

At a global level we act for several global NGOs and UN Agencies, such as Oxfam, Care, ActionAid, Habitat for Humanity, Red Cross, Amnesty, WSPA, UNOPS, UN World Food Programme, UNHCR, UN Office of Humanitarian Assistance Coordination and UNICEF. We also provide pro bono lawyers on secondment to global NGOs and governments in developing countries. For example during the past four years DLA Piper has provided four full-time pro bono lawyers to assist the Government of Timor Leste, one of the newest nations recognised by the UN, and a member of the G7 Group of Fragile Nations.

#### **New Perimeter**

In 2005 DLA Piper established New Perimeter, our non-profit affiliate dedicated to delivering long-term, high-impact pro bono legal support to qualifying nonprofits, governments and academic institutions, primarily in developing and post-conflict regions. New Perimeter draws on the skills of more than 4,000 DLA Piper lawyers globally. We focus our work on legal education, women's and children's rights, access to justice and law reform, environmental protection, economic development and food security.

New Perimeter supports social and economic development, as well as transparent and sound legal institutions. We do this in part by providing direct assistance on projects designed to strengthen a country's legal system, improve the skills of its judges and lawyers, encourage economic growth, promote the rule of law and strengthen human rights. We also do this by providing internal strategic legal counsel to institutions working to further these same goals. Whether we are teaching at a law school, training judicial officials, helping a government draft laws or providing technical assistance to a NGO, one of our primary goals is to increase the capacity of the local institution. Because New Perimeter is committed to an interdisciplinary approach, we regularly partner with DLA Piper clients, academic institutions and NGOs to achieve our mutual goals. Recent New Perimeter projects have included:

Kosovo Law Reform - New Perimeter's project focused on restoring Kosovo's judicial and prosecutorial systems and transferring judicial functions from the United Nations Mission in Kosovo (UNMIK) to local control. A team of DLA Piper lawyers assisted working groups composed primarily of local judges and prosecutors to draft new laws creating the Kosovar court system and system of prosecution. The Kosovo Law on Courts, Law on State Prosecutor and the laws on the Kosovo Judicial and Prosecutorial Councils were passed by the Kosovo Assembly and signed into law by the President in 2010. The New Perimeter team also provided legal skills training to lawyers in the Kosovo Ministry of Justice.

Zimbabwean Women's Rights - In collaboration with international advocacy group AIDS-Free World, New Perimeter worked to document and combat human rights abuses committed against Zimbabwean women in conjunction with the 2008 Zimbabwe presidential elections. A New Perimeter team of DLA Piper lawyers participated in four trips to southern Africa to interview Zimbabwean women who were targeted with sexual violence because of their political views. The team drafted sworn affidavits for over 70 women outlining the details of the abuse. New Perimeter's assistance was vital in producing the report: Electing to Rape: Sexual Terror in Mugabe's Zimbabwe. New Perimeter lawyers also helped AIDS-Free World create litigation and advocacy strategies with the dual goals of bringing about accountability and raising awareness of these grave human rights abuses.

#### **COMMUNITY ENGAGEMENT**

To concentrate our community efforts across DLA Piper's global offices, we focus on supporting projects that benefit **Education**, **Equality and Enterprise**.

Everyone is entitled to a good education, regardless of socio-economic status, gender, ethnicity, geographic location or age. Access to education is paramount for the economic survival and success of future generations globally. DLA Piper contributes to regional and international educational needs by ensuring that we allocate skills and resources to programmes that develop people's skills and knowledge in order to improve their chances of making a better life for themselves.

Equality in Education - China - In China, DLA Piper has joined forces with client Nord Anglia, the British School of Beijing and the Wuxun Education Foundation to launch The Rural Teacher Training Programme. The programme looks to address poor standards of education in China's rural schools, which can be attributed to the significant lack of training and teaching materials available. The Chinese government has identified the poor standards of education as a key contributing factor to the poverty cycle afflicting the country's 800 million rural inhabitants. Whilst this pilot provided opportunities for 100 rural teachers to experience creative teaching methods and gain exposure to a high standard education theories and techniques, the Government has approved this initiative and is in the process of scaling it up by incorporating the materials into other Government education departments.

#### **BreakThrough - Creating Brighter Futures**

- In Australia, DLA Piper runs a programme called 'BreakThrough' as part of our partnership with The Smith Family, a children's charity helping disadvantaged Australian children to get the most out of their education in order to create a better future for themselves. The BreakThrough programme was designed by DLA Piper to benefit marginalised 14-15 year olds with CV and interview techniques, and in the last 18 months 130 employees have worked with 62 students. For DLA Piper, BreakThrough offers a source of engaging and challenging volunteer opportunities, whilst enabling our employees to develop their own interpersonal skills and learn more about other areas of the firm.

Equality means equal rights to education, employment, leadership, justice, decent shelter, food, water and resources, and to not be denied the possibility to access opportunities, services or resources due to age, gender, race, religion, sexual orientation, wealth or health. DLA Piper contributes to initiatives and programmes that improve equal access to opportunities which can improve livelihoods and futures, particularly for those in our communities who are marginalised or disadvantaged.

Faculty of Law, UAE University - We support the UAE University, through their Faculty of Law, to compete in international mooting competitions through sponsorship and training. DLA Piper's engagement with the UAE University law teams represents an example of the firm's commitment to using the resources and skills of our people to unlock local talent and enable social mobility, in this instance encouraging Emiratis to work in the private sector. Diversifying the employment mix away from a reliance on public sector work is a material issue within many Middle Eastern countries and forms an important government focus in the United Arab Emirates called Emiratization.

In the UAE only Arabic law is taught during university courses. Therefore access to international law experience is integral to the success of UAE law students seeking

roles at international firms and wanting to understand the full scope of the legal sector. The law students benefit from the expertise of our lawyers and the training in English and international law, but they also benefit from the opportunity to gain first-hand knowledge of what it is like to work for an international firm. We are in the fifth year of supporting the UAE University and their Moot team. We have sponsored and trained the team to compete three times in the Jessup Moot in Washington and for the past two years in Oxford at the Monroe E. Price International Media Law Moot Court Competition. We train the students on advocacy skills, review their memorials and support them putting together their oral presentations.

**Reconciliation Action Plan** - DLA Piper Australia's Reconciliation Action Plan (RAP) features 14 key actions which the firm aspires to achieve to build relationships and opportunities with indigenous peoples, communities and organisations. DLA Piper believes these actions demonstrate how we, as a major law firm, can truly make a difference working alongside indigenous peoples to achieve reconciliation in Australia. Where relevant, the legal advice that DLA Piper provides to clients will include an assessment of the possible positive or negative impact that our legal advice may have on the rights and interests of indigenous peoples. This commitment is in line with the firm's belief that we have a responsibility to make the communities in which we operate a better place.

Enterprise means access to capital, mentorship and employability/business skills to raise aspirations, inspire entrepreneurialism and innovation, and to provide improved access to employment opportunities.

The Prince's Trust Legal Helpline - Over the past two years in the UK, as part of a multi layered, 15 year partnership with The Prince's Trust, DLA Piper has provided approximately 1,600 hours of free legal and commercial advice to around 250 young entrepreneurs through 'The Prince's Trust Free Legal Helpline'. This support has been integral to helping these young entrepreneurs to successfully grow their businesses during an increasingly difficult economic climate, and at a time when youth unemployment is at a record high. For DLA Piper our partnership with The Prince's Trust provides us with the opportunity to have a positive impact on key issues of access to justice, education, enterprise and equality, but also to strengthen our relationships with key clients and develop the skills of our people that provide support to projects like the Legal Helpline.

**Supporting Enterprise to Tackle Youth** Unemployment in Asia - In 2005, DLA Piper helped set up Youth Business Hong Kong ("YBHK"), a charity which provides start up loans and business mentoring to first time entrepreneurs from disadvantaged backgrounds. Since then, DLA Piper has provided a range of support to the young entrepreneurs from free legal advice,

business mentoring, training seminars and careers advice to developing a 'Legal Guide for Business Starters' in response to the needs of its entrepreneur clients. This publication provides a guide to employment contracts, intellectual property, tax, insurance and more, the sales of which generate income for the charity. For DLA Piper, the partnership with YBHK demonstrates that our firm is aligned with one of the Government's key objectives of reducing unemployment, and enables us to use our strengths and resources to have a positive impact on a significant issue affecting our local community.

#### **ENVIRONMENTAL SUSTAINABILITY**

In January 2007, DLA Piper became one of the first in the legal field to introduce a Global Sustainability Initiative programme, affirming our commitment to reduce our environmental impact and conduct our business in a responsible manner. Our approach is to develop a living strategy, which will change and adapt as we respond to the demands and challenges of creating a more environmentally responsible business.

Within the first year of launching our Global Sustainability Initiative, we were honoured to become the first global law firm to achieve global certification to ISO 14001 – the worldwide standard for environmental management that ensures we take account of our environmental impacts and live up to our commitment to operating in a responsible way. We are now in our 5th year of global certification and we are proud that we remain one of very few global law firms to achieve this far-reaching roll out of their Environmental Management System.

Through our Global Sustainability Initiative and the sustained commitment of our people, we will continually strive to reduce our environmental impact in four key areas: energy, waste, travel and procurement.

#### **Energy**

In all DLA Piper offices globally, we aim continually to reduce electrical energy consumption. Throughout all offices, we are promoting energy-saving actions such as installing movement sensors for lighting systems in many offices. In April 2009, to encourage smarter use of electricity among our global workforce, we conducted a firm-wide "EnergySmart" campaign featuring communications, contests and idea sharing. In 2011, the firm was awarded the Carbon Trust Standard, which certifies organisations for real carbon reduction and commitment to ongoing reductions.

#### Waste and recycling

We are committed to reducing, reusing and recycling potential waste and have an ongoing campaign to educate our people on how to produce less waste and recycle more. We have established initiatives to reduce paper use globally and recycling photocopier/printer cartridges, paper, glass and plastics.

#### **Travel**

To raise awareness about the importance of responsible business travel among all our people, we conducted a global campaign in 2008 called "TravelSmart," which featured a variety of helpful tips and activities. This is still available and distributed to our colleagues. This campaign had an immediate impact and between 2008 and 2009 we reduced air travel spend by 33.57% and reduced taxi spend by 26.26% over the three years from 2007 baseline. However, we have not been able to maintain these reductions over recent years and are looking at running another campaign on responsible business travel.

We are committed to using the latest technology to support reductions in business travel and greater cost savings. In July 2009 we became the first law firm to acquire TelePresence virtual meeting technology, aimed at reducing our carbon footprint through decreased travel. This has now been implemented in over half of our offices worldwide.

#### **Procurement**

During 2011 and 2012 we updated our IT hardware across our global offices, including introducing the latest energy efficient dell computers and cloud printing that has seen an increase in the number of printers with duplex printing set as default. Other responsible procurement practices include the purchase of paper made from recycled paper and our existing cleaning contractors using environmentally friendly options. In October 2009, we conducted a firm wide "ProcureSmart" campaign to focus on what DLA Piper is doing to purchase supplies and materials sustainably and what our people can do to support our procurement efforts.

#### **Encouraging Sector Collaboration on Sustainability**

Working with Business in the Community and the Law Society of England and Wales, DLA Piper conceived the idea of a legal sector collaboration and in 2007 The Legal Sector Alliance Acting on Climate Change was launched. LSA membership now exceeds 200 law firms who work in partnership on matters of environmental sustainability and climate change.

The LSA has developed the Legal Sector Alliance Carbon Footprint Protocol to assist the profession in managing and measuring its environmental footprint, together with a set of environmental sustainability principles to encourage public reporting of carbon impacts so that real progress can be made to measure, manage, reduce and report progress.

#### **Thought Leadership**

Since 2007 DLA Piper has run and participated in many high profile climate change-related forums and conferences. For example, the firm organised a Climate Change Conference with Former Vice President, Al Gore, with speakers including the Chairman Emeritus, Senator

George Mitchell, who was at the forefront of advocating the need to conduct business more sustainably when he addressed the conference. More recently, Alexander Sarac, a Legal Director in our Energy, Infrastructure Finance and Commodities team in London was in Durban at the UNFCCC's COP 17 providing video updates and insight on the critical issues that were discussed at this important conference on Climate Change.

The firm is one of the sponsors of the Mayday Network, which is collaboration of businesses taking action on climate change and resource depletion. Sir Nigel Knowles, our Joint CEO, takes an active role in supporting a number of climate related activities including being on the Leadership Team of the Mayday Network.

#### **Environmental Legal Services**

By far the greatest impact we can have on environmental sustainability is through the legal advice we give clients relating to environmental best practice and climate change. These services include advising clients on renewable energy, climate change and emissions trading and they fall under our Energy and Water sector and Regulatory and Government affairs practice. DLA Piper has for some considerable time provided commercial environmental legal advice, advising commerce and industry on fast-changing carbon trading regulations and their obligations under mechanisms such as the Carbon Reduction Commitment Energy Efficiency Scheme.

#### **CLIENT ENGAGEMENT**

Working alongside clients on our corporate responsibility projects enables us to demonstrate shared values, address key social issues, develop stronger client relationships and provides our clients with access to pro bono and community projects that their employees might not otherwise have had the opportunity to engage in.

#### The New Perimeter Tanzania Law School Project

- Through our fully integrated non-profit affiliate, New Perimeter, DLA Piper's lawyers are able to contribute to large scale pro bono projects primarily in developing and post-conflict countries. As part of New Perimeter, DLA Piper has been collaborating with major clients GE and Barclays Bank to bring legal and commercial expertise to the University Law School of Tanzania. The programme provides a two week training course to the next generation of lawyers who will represent the interests of governments, businesses and the wider community in Tanzania. Students are given a chance to learn through hands on practical workshops, while engaging with practicing lawyers from our global offices, filling a gap in the predominantly academic delivery of their curriculum. "We are very proud and excited to have participated in this CR initiative as it fits well with our efforts to expand our international endeavours, now also on the African continent. This gives us an opportunity to give something back to communities, by sharing with the students some

of the professional skills and expertise we have built up during our long and intense legal careers at GE." -Hendrik Bourgeois GE, General Counsel, EMEA

#### **Achieving More Through Collaboration** – DLA

Piper and Verizon were recently granted the 2011 Pro Bono Partner Award by Corporate Pro Bono, in recognition of their collaboration on an integrated pro bono programme which addresses veterans, education, and domestic violence issues in the US. From providing co-counselling for individuals and non-profit organisations, to working with Corporate Pro Bono to induce a change in legislation to enable more pro bono work in Virginia, DLA Piper and Verizon have demonstrated the value of using combined strengths and expertise to achieve a greater impact.

Beyond the US, DLA Piper and Verizon have also teamed up on innovative and successful projects in both Brussels and Moscow. In Brussels, DLA Piper has worked with Verizon to support Interface3, an organisation which provides disadvantaged women with access to free IT courses and education to help them gain employment in the IT sector. In Moscow, DLA Piper and Verizon designed and delivered, alongside partners White & Case, Microsoft and PILnet, a flagship 'Professional Responsibility and Ethics in the Global Legal Market' course at Moscow State University. Students benefitted from the chance to interact with experienced lawyers who could deliver first-hand knowledge of the ethical issues faced by global organisations. As professional responsibility and ethics are not taught widely in Russian universities, the success of the course is expected to result in its future replication in universities throughout the country.

#### WORKPLACE

"We are defined by our people. Our people are our global identity as an organisation. Our brand is based on relationships and our people define our relationships. Diversity at DLA Piper goes to the heart of the DLA Piper values" Sir Nigel Knowles, Joint CEO, DLA Piper.

We believe in making DLA Piper a great place to work and one of our core values is investing in the careers and reputations of our people. We were the first international legal practice to receive the prestigious HR Excellence Award for our learning and development strategy, recognising our commitment to developing our people. We have also recently won The Lawyer 'Award for Excellence in Training' (2012), The Legal Education and Training Group 'Award for Best Programme for Lawyers' (2011) and The British Legal 'Award for Education and Training' (2011).

DLA Piper's vision in terms of equality and diversity is not only to comply with legislation, but to take a progressive approach so that we create a diversity of talent that makes us more successful as a business. We recognise that a willing and committed workforce, where there is

equality for all and where difference is visibly welcomed and people are actively included, is a key ingredient in our recipe for success.

We have different approaches to managing diversity across our global offices. In the US, for example, we have a Diversity and Inclusion strategic plan, Diversity and Inclusion team and a Diversity and Inclusion Steering Committee. In Australia, we have a defined Diversity strategy, supported by a Diversity Steering Committee and champions in each office. In the UK, we have established a Women's Network, which looks to create an empowering environment and provide a platform for the development and support of the careers of female employees. We were recently shortlisted for The Lawyer 'Most Effective Diversity Programme - Gender' (2012).

We aim to share best practice with our clients and other stakeholders through innovative programmes like the Global Women's Leadership Summit that we held in Chicago in October 2011 that was aimed at women general counsel, associate general counsel and other executive level women in the legal field.

We are also proud of the good work done by DLA Piper and New Perimeter who together work to support the advancement of women's rights and equality through ongoing efforts to empower women in all corners of the world. The firm works with organisations such as Women Win, Oxfam, Vital Voices, Room to Read, MADRE and UNICEF. We represent CARE, which increases rural African women's access to financial services, as well as the Global Fund for Women, the grant-making foundation that promotes women's human rights by funding womenled organisations worldwide. These efforts aim to give women and girls a voice and framework to grow and enrich their lives.

Corporate Responsibility is embedded into the firm's reward and recognition. A key aspect of our employees' performance management reviews is the requirement to outline what 'wider contribution' have they made. Employees who play an active role in the firm's corporate responsibility and pro bono programmes will receive greater recognition and reward, with 'Wider Contribution' accounting for approximately 10% of a DLA Piper employees' bonus. Therefore the firm places a great deal of importance on not only what has been achieved but also how it has been achieved.

#### **MORE INFORMATION**

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#### www.dlapiper.com

**DLA Piper** is a global law firm operating through various separate and distinct legal entities.

For further information, please refer to www.dlapiper.com

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