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**THE PRINCE'S TEACHING INSTITUTE**  
**(An incorporated charity limited by Guarantee)**

**Registered Charity No. 1116224**

**Company No. 05910443**

**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH SEPTEMBER 2010**

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

## **Trustees' Report for the year ended 30 September 2010**

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The directors and charity trustees (the "Trustees") of The Prince's Teaching Institute (the "PTI") present their fourth report together with the audited financial statements of the charity for the year to 30 September 2010. The financial statements are prepared in accordance with the *Statement of Recommended Practice for Accounting and Reporting by Charities* ("SORP 2005") published by the Charity Commission in 2005 and with the *Financial Reporting Standard for Smaller Entities* published by the Accounting Standards Board in April 2008.

# The Prince's Teaching Institute

## Trustees' Report for the year ended 30 September 2010

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### Reference and administrative information

#### *Company and charity details*

The PTI is a registered charity numbered 1116224 and a company limited by guarantee numbered 05910443. The company was incorporated on 18 August 2006 and effectively commenced its activities on 1 January 2007. The company is registered in England & Wales and its registered office is Nutmeg House, 60 Gainsford Street, London SE1 2NY.

#### *President*

HRH The Prince of Wales KG KT GCB OM

#### *Directors and charity trustees*

Mr Alan H M Kelsey  
Mr Harvey McGrath (Chairman)  
Dr Katharine B Pretty FSA  
Sir Michael Wilshaw

Since the year end Mr Alan H M Kelsey was reappointed as a trustee for a further 3 years from the 6<sup>th</sup> November 2010.

#### *Company secretary*

Martin B M Williams FSA (resigned 30/09/2010)  
Julia Bagguley (appointed 01/10/10)

#### *Co-directors*

Bernice McCabe  
Christopher Pope

#### *Accountants and auditors*

Kingston Smith LLP  
Devonshire House  
60 Goswell Road  
London EC1M 1AD

#### *Legal advisers*

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

#### *Bankers*

HSBC Bank plc  
69 Pall Mall  
London SW1Y 5EY

#### *Principal address*

PO BOX 50473  
London W8 9DN

The foregoing legal and administrative information correct as at 22<sup>nd</sup> November 2010

# The Prince's Teaching Institute

## Trustees' Report for the year ended 30 September 2010

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### Structure, governance and management

#### Governing document and membership

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

#### Recruitment, appointment and induction of Trustees

The Trustees of the charity are also directors of the company for the purposes of company law. The number of Trustees may not be less than three or more than 10. The President (provided that he is HRH The Prince of Wales) may appoint a Prince's Trustee for such period as he sees fit. To date this appointment has not been filled.

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

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

#### Chairman

The governing document provides for the President (after consultation with the Trustees) to appoint a chairman from amongst their number. Mr Harvey McGrath has served as Chairman throughout the financial year. He is chairman of Prudential plc and the London Development Agency.

#### Membership of the Trustee body

The current trustees are listed on page 1 of this Report and have served for the year under review. Since the year end Alan Kelsey has been re-appointed, under Article 34, to serve as a Trustee for a term of a further 3 years from 6 November 2010.

#### Organisational structure and decision-making process

##### *The President*

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

##### *Trustees*

The Trustee body administers the PTI. It met twice during the period under review. At no time during the year did any Trustee have a beneficial interest in the charity save that relating to Dr. Katherine Pretty. The 2009 Summer Schools were held at Homerton College, where Dr. Pretty is Principal. At all times negotiations were held at arms length in order to avoid any conflict of interest between the College and the Charity.

The Trustees have a standing committee: the Academic Steering Group (the "ASG") whose purpose is to direct the PTI's academic strategy. During the year in review the Trustees set up a Development Committee, whose purpose is to help the charity with fundraising.

# The Prince's Teaching Institute

## Trustees' Report for the year ended 30 September 2010

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### *Organisation*

The Trustees have appointed two Co-directors. Christopher Pope manages the day-to-day operations of the PTI and Bernice McCabe leads academic policy. They are assisted by a Business Development and Operations Manager (Patrick Wigg) and an Administrator/Project Co-ordinator (Jane McCallum).

In September 2009 Melanie Wilkinson was appointed as Development Manager for three days a week. She tendered her resignation and left the charity in July 2010, and the trustees and co-directors would like to record their thanks for her significant contribution in diversifying the charity's sources of voluntary income and in so doing reducing the risk of income volatility. The trustees are pleased to welcome Dhivya Srinivasan, who joined the PTI from Lloyds Banking Group in October 2010, taking over from Melanie Wilkinson.

Martin Williams acted as part-time Company Secretary for the period under review. He stood down at the year end on 30 September 2010 and, from 1 October 2010, is replaced by Julia Bagguley who will also act on a part-time basis. The trustees and co-directors would like to record their thanks to Martin Williams, who was instrumental in establishing the Prince's Teaching Institute as a legal entity, defining robust governance procedures, and who provided much valued strategic, financial and managerial guidance.

Academic activities are led by a group of practising teachers acting as consultants. Christopher Pope, Patrick Wigg, Jane McCallum and Dhivya Srinivasan are full-time employees.

### *The Prince's Charities' Group (the "Charities Group")*

The PTI is one of the group of more than 20 charities that enjoy the direct patronage of HRH The Prince of Wales. The chief executives and senior staff of this group meet with members of the Prince's Charities' Office and the other charities within the Charities Group on a regular basis in order to discuss matters of common interest.

### Internal controls and the mitigation of risk

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

The key controls used include:

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

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

# The Prince's Teaching Institute

## Trustees' Report for the year ended 30 September 2010

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### Objectives, activities and achievements

#### Objectives

The PTI is committed to improving the education of children in state schools in England. Working in partnership with the University of Cambridge, it believes that all children, regardless of background or ability, are entitled to be taught a rigorous subject-based curriculum by teachers who are passionate and knowledgeable about their subject.

The Trustees are pursuing this object by working with secondary school teachers, and the charity focuses on three areas:

- **Promoting inspirational subject teaching:** Whereas doctors, lawyers and other professionals have a legal requirement to stay up to date with their knowledge, this is not so with teachers. Despite research confirming that a teacher's knowledge of their subject is the most important factor in effective teaching, there is little such training available to teachers. Working with Cambridge University and Britain's most eminent speakers (such as Prof Simon Schama, Prof Susan Greenfield and Sir Tom Stoppard), the PTI updates teachers' subject knowledge, and promotes the idea that enthusiasm for good knowledge and subject rigour are essential requirements for effective teaching to children of all abilities.
- **Encouraging high curriculum standards:** The PTI works with school departments to ensure that they make rigorous curriculum choices, avoiding "easy choices" that result in children not receiving a good grounding of knowledge for life. It also provides a channel of communication from teachers to government and its agencies to promote high curriculum standards.
- **Teaching beyond the test:** Teachers often feel a need to "teach to the test", and this has been highlighted by independent committees as a problem in many schools. The PTI empowers teachers to change their classroom practices and encourages them to develop extra-curricular provision and helps them build networks outside school.

#### Activities

The PTI helps teachers to learn from the example of the best of their peers re-inspiring them to give their best in the classroom. Working in English, History, Mathematics, Science and Geography, the PTI offers:

##### *The Schools Programme*

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

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

##### *Residentials*

Three-day residential events where top academics join teachers to re-inspire them and provide a stimulating introduction to the Schools Programme.

# The Prince's Teaching Institute

## Trustees' Report for the year ended 30 September 2010

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### *Heads' Conference*

A one day conference for head teachers and policy-makers that provides a forum for reflection on issues about school leadership coupled with the opportunity to disseminate the conclusions to others within the profession.

### *Continuous Professional Development ("CPD")*

One-day subject-based training for teachers by teachers which introduces the latest thinking in specific areas of the curriculum.

### Achievements in 2009/10

#### *Summary*

Ever since its creation in 2006, the Prince's Teaching Institute has grown its activities without diluting the quality of its work. 2009/10 has proved no exception. Particularly exciting have been the strong results of the second year of the Schools Programme. Yet again, despite nearly threefold growth of membership, 85% of participating departments have increased the challenge of their work thanks to the inspiration of the Prince's Teaching Institute. We estimate that this will have benefitted some 110,000 children.

Highlights of the year are:

- Growth of the Schools Programme to 228 departments in 132 schools in English, History, Geography, Science and Mathematics
- 85% of participating departments have succeeded in implementing more challenging departmental plans, and have been awarded the PTI Mark as a result
- Expansion of the successful one-day CPD programme to include Mathematics
- Growth of PTI event attendees to 827 teachers in 2009/10, representing 41% increase on 08/09.
- Growth of the PTI's overall teacher reach to 1900 teachers in 2009/10
- A 42% increase in alumni schools to a total of 940, on top of last year's 40% increase. This means that since 2002, 21% of secondary schools in England have attended at least one PTI event
- Successful conference for School Heads which confirmed the importance of the PTI's further engagement with Heads
- Yet again our events have won consistent praise from teachers attending. "I have kept the vulnerable young people I work with in mind - everything has been related to them and I take on the responsibility of providing them with a 'key'. Thank you" is a typical quote.

We were delighted to welcome some very eminent speakers once again, with Professor Marcus du Sautoy, Michael Wood, Tom Stoppard and Kazuo Ishiguro to mention only a few. We were delighted that the new Secretary of State, the Rt Hon Michael Gove MP made a special effort to join our Summer School, and we were also pleased to welcome the new Minister for Schools, Nick Gibb MP, who spent a morning touring the lectures and seminars and talking to lecturers and teachers.

### *The Schools Programme*

The growth of the Schools Programme has been rapid. From 88 English, History and Science

# The Prince's Teaching Institute

## Trustees' Report for the year ended 30 September 2010

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departments in 08/09, 09/10 saw 228 departments of English, History, Geography, Science and Mathematics from 132 state secondary school participate.

Yet, despite this growth in scale and the number of subjects, the Schools Programme continues to achieve astonishing results. Following one-to-one consultations with all 228 Heads of Departments participating, we awarded the PTI Mark to 85% of them for:

- Increasing the challenge of their teaching within the curriculum
- Further enthusing pupils through subject-based extra-curricular activities
- Increasing their staff's own specialist subject knowledge
- Increasing the number of subject-based links to departments in neighbouring schools and subject-based organisations

When Heads of Department were asked about the impact of the PTI on their work, 90% felt they had increased the challenge of their work and that, for the second year in a row, in 100% of cases this has been due to the PTI. Although there has been a slight drop in enthusiasm of the Heads of Departments' response compared to the first year, we are extremely pleased with this outcome, given that the Schools Programme has moved from 88 early adopters to the much more general membership of 228 departments.

The Schools Programme is proving to be a powerful model for school improvement: we estimate that some 110,000 children have benefitted from more rigorous and enriching subject provision in 2009/10.

### *The Summer School*

This year's Summer School was held at Homerton College, Cambridge, and was for Heads of English, History and Geography. The 107 delegates enjoyed lectures from members of Cambridge University's English, History and Geography departments, as well as a number of eminent speakers including Sir Tom Stoppard, Lord Richard Wilson, Michael Wood, and the young mountaineer Jake Meyer.

We were delighted that the new Secretary of State, the Rt Hon Michael Gove MP made a special effort to join us, and we were also pleased to welcome the new Minister for Schools, Nick Gibb MP, who spent a morning touring the lectures and seminars and talking to lecturers and teachers.

Evaluations from the event have, once again, been extremely strong, with 98% of delegates saying they found the event a valuable experience and 91% saying that within six months the course will be having an impact on their pupils. The event also serves as an induction onto the Schools Programme for any departments wishing to join, and we are pleased that over 85% of the delegates from new departments chose to join the Schools Programme. Typical quotes from this year's evaluations are:

"I have kept the vulnerable young people I work with in mind - everything has been related to them and I take on the responsibility of providing them with a 'key'. Thank you"

"It helped me to escape the focus which has become narrower and narrower in school and broaden my horizons, helped me to get back in touch with why I went into teaching English"

"This has been an enriching and rewarding experience which I will carry with me for a very long time"

### *One day Continuing Professional Development courses*

The PTI increased its one day Continuing Professional Development courses from 13 events in 08/09 to 18 events in 09/10, reaching 402 teachers – up from 332 last year. We introduced Mathematics one day events for the first time, starting with a day devoted to the inclusion of the History of Maths to

# The Prince's Teaching Institute

## Trustees' Report for the year ended 30 September 2010

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enrich Mathematics classes. The prestigious speakers included Professors Marcus du Sautoy and Robin Wilson.

These events, run by teachers with administrative help from the PTI office, are an important way to reach teachers who tell us that they feel starved of the kind of high quality subject-based professional development that the PTI provides. One delegate spoke for many when she said, "A colleague recommended the PTI to me, as he told me that [unlike other providers] you treat us as grown-ups. It's true".

The evaluations are very strong – with some 86% of teachers confirming that their attendance at the courses will have an impact on their pupils.

We are delighted that from September 2010, Warwick University have agreed to accredit our CPD days, providing 30 Masters-level credits for delegates who attend two of our days, and develop a portfolio for assessment resulting from their attendance at our days.

### *The Heads' Conference*

Last year, 100% of the Heads attending urged us to continue with our activities for Heads. Facing the dilemma of having to turn a great number of Heads away last year, this year we booked Drapers' Hall in London, and held a conference for 107 Heads – up from 40 Heads last year.

Building on the conclusions of What Works in Schools from last year, the conference focused on the importance of subjects in schools. The delegates heard from eminent educationalists (Professor Michael Young, Professor David Lambert), successful heads (Sir Paul Grant, Robert Clack School in Dagenham, East London and Catherine McCormack from South Wirral High School), universities (representatives from the Universities of Cambridge, York and Anglia Ruskin) and employers (UBS, Clear Channel and RM plc)

The day consisted of lectures and workshops, and a plenary panel which allowed conclusions to be drawn from the views of those present. The discussion highlighted a tension between the aspirations of Headteachers to provide a challenging academic curriculum and the imperative to work within a culture of what was felt to be of narrow accountability and compliance. Specifically:

- In the past 20 years, there has been too much encroachment of politics into education, with schools being asked to "mop up all kinds of social problems"
- As a result of pressure from performance tables, traditional academic subjects like History and Modern Languages are becoming more and more the preserve of independent schools, with a potential detriment to social mobility
- The more rigorous inspection regime may have raised standards of teaching but has created an environment where all that matters is compliance with regulations
- The habit of personal reading can no longer be taken for granted - the comparative impoverishment of children's language means that they find many forms of literature difficult to understand even at a basic level

The full report of the day can be found on the PTI website at [www.princes-ti.org.uk/wwis](http://www.princes-ti.org.uk/wwis)

Evaluations from the day were strong, again, with 92% of delegates finding the conference a valuable experience and 95% stating that The Prince's Teaching Institute should run similar events in the future.

### *Fundraising and Ambassadors*

In a challenging fundraising environment and with the growth of the organisation, steps were begun in February 2009 to provide greater structure to the organisation's fundraising activities, with a view to

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## Trustees' Report for the year ended 30 September 2010

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raising the £3.4m funding over four years that we estimate our growing activities will require.

Our strategy has been to establish a Development Committee of philanthropists who report to the trustees, approach celebrities with academic credibility to lend public support for the work we do, and recruit a Development Manager to drive fundraising.

In February 2010, we were delighted to welcome seven eminent philanthropists, enthusiastic about the work we do, to join Harvey McGrath and trustee Alan Kelsey to form our Development Committee. We feel privileged to count the following senior individuals as current members of the Development Committee:

Harvey McGrath (Chairman)  
Keith Breslauer  
Anthony Frieze  
Nicholas Hanney  
Ben Iversen  
Alan Kelsey  
Edmund Lazarus  
Ajmal Rahman  
David Tucker

It is our intention to grow the group during the year ahead to over 12 people, and in October 2010 the trustees were pleased to welcome to the committee Dr Curly Moloney, founder and Managing Director of Moloney Search.

In addition, we have approached eminent personalities to become ambassadors for the charity by supporting the charity at events in the future and by providing supportive statements. We are delighted to count the following people in that group:

Jeremy Irons  
Kazuo Ishiguro OBE  
Lennie James  
Michael Palin CBE  
Prof Simon Schama CBE  
Sir Tom Stoppard OM, CBE  
David Starkey, CBE  
Juliet Stevenson CBE  
Sir Patrick Stewart OBE

### Public benefit

The PTI's aim is to improve the education of children in state schools in England. The trustees of the charity believe that all children, regardless of background or ability, are entitled to be taught a rigorous subject-based curriculum by teachers who are passionate and knowledgeable about their subject.

The trustees have referred to the Charity Commission's general guidance on this subject when reviewing the charity's aims and objectives, in administering its activities during the year and in planning its future activities. They believe that the activities described above demonstrate the benefit derived by the nation's children from the charity's activities.

The PTI's activities are open to all teachers in the United Kingdom. A modest charge is made for some of its events (e.g. the one-day CPD courses). These are intended to defray immediate costs and to discourage people from withdrawing at short notice.

# The Prince's Teaching Institute

## Trustees' Report for the year ended 30 September 2010

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### Environmental impact

The Prince's Teaching Institute has adopted a sustainability policy which underpins all of its work and raised awareness around the office of the importance of reducing the Institute's carbon footprint. The Prince's Teaching Institute measured its carbon emissions for the year using the Carbon Trust's Carbon Footprint calculator and has reported this information both to staff and to The Prince's Mayday Network. The Prince's Teaching Institute produced 4.06 tonnes of CO<sub>2</sub> during the year and it has made progress in reducing its waste and paper usage since the previous reporting period.

### **Financial commentary**

During the period under review, there was Net Income of £65K compared to Net Income of £35K in 2008/09. The Trustees consider this to be a satisfactory out-turn.

Total Incoming Resources amounted to £656K (2008/09: £601K). £80K of income was earned from admissions to events (2008/09: £46K) and £574K (2008/09: £391K) of voluntary income was raised mainly in the form of generous philanthropic donations from a large number of individuals and charitable trusts. £65K of this income consisted of grants from government sources (the Training and Development Agency and the National Centre for the Excellence in the Teaching of Mathematics). Voluntary income from the Training and Development Agency was £60K compared to £140K in 2008/9. This decrease was due to the phasing of payments from a two year support agreement resulting in there being only one payment in the year as opposed to two in 2008/9.

Total Resources Expended amounted to £591K (2008/09: £566k). £161K (2008/09: £228k) was spent on the Summer School. This fall in spending was because only one three-subject Summer School was held during the year as opposed to two two-subject summer schools in 2008/9. £159K (2008/09: £129k) was spent on Schools Programme administration, school visits and end of year reunion days, £124K (2008/09: £108k) on one day CPD events, and £29K (2008/09: £26K) on the Heads' Conference.

The home page of the website was refreshed and a "Donate Now" function was added, resulting in £34K costs compared to £26K in 2008/09.

The costs of generating funds was £52K compared to £14K in 2008/9. This increase was due to the employment of a part-time development manager during the year, in order to diversify sources of funding in an increasingly challenging fundraising environment. Governance costs of £32K (2008/09: £35K) amounted to 4.9% of income.

At the year-end the Net Assets of the charity totalled £332K compared with £267K at 30 September 2009.

### Risk

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

### Reserves and Investment policies

The reserves policy is to maintain cash reserves approximately equal to three months' ordinary running costs (approximately £125k). The cash at bank and in hand on the 30<sup>th</sup> September 2010 was £427K, and throughout the year the reserves policy was not breached.

The charity's investment policy states that the Institute's surplus funds are kept on deposit with three AAA-rated deposit takers.

# The Prince's Teaching Institute

## Trustees' Report for the year ended 30 September 2010

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### Funders

The Trustees record their thanks to all the PTI's donors and supporters - both large and small. Particular gratitude is extended to Harvey McGrath for his generous support of the work of the charity.

### **Future plans**

#### *Activities*

The experience of the 2009/10 year has confirmed the strength of our model. Focusing on teachers' subject knowledge and enthusiasm, we have been successful in encouraging them to go the extra mile to ensure that all their children, irrespective of background or ability, receive an inspirational, rigorous and challenging education. Thanks to the increasing breadth of our activities, we estimate to raise the number of pupils to be benefitting from our activities from 110,000 in 2009/10 to over 180,000 in 2010/11.

In 2010/11, as well as the continued expansion of the Schools Programme and one day events, we have three important new initiatives which are intended to strengthen our impact in schools further:

- Build on the Heads' Conference by running a two day residential event for Headteachers in January 2011. This will allow a deeper engagement with Heads, and will allow discussion of whole-school improvement.
- Introduce Modern Foreign Languages at the 2011 Summer School
- Introduce the option to gain 30 Masters-level credits from Warwick University for teachers who attend 2 or more of our events.

#### *Fundraising*

Our activities would not take place were it not for the generous support of our donors, who continue to support us in an extremely challenging financial environment.

The strategy of establishing a fundraising Development Committee supported by a Development Manager has proven successful to date, and its expanding activities have required the PTI to increase the role of Development Manager from three days a week to full-time, as outlined above.

### **Audit information**

In so far as the Trustees are aware:

- a) there is no relevant audit information of which the charitable company's auditor is unaware; and
- b) the trustees have taken all relevant steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

#### *Auditors*

Messrs Kingston Smith LLP have indicated their willingness to continue in office as auditors and in accordance with the provisions of the Companies Act, the Trustees propose their re-appointment for a further period.

#### *Statement of Trustees' responsibilities in relation to the Financial Statements*

The trustees (who are also directors of the Prince's Teaching Institute for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law applicable and United Kingdom Accounting Standards (United Kingdom Generally

# **The Prince's Teaching Institute**

## **Trustees' Report for the year ended 30 September 2010**

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Accepted Accounting Practice). Company law requires trustees to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period.

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

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

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

This report was approved by the directors and charity trustees on 25<sup>th</sup> January 2011 and signed on their behalf by:

**Harvey McGrath**  
Chairman

# **Independent Auditors' Report to the Members of The Prince's Teaching Institute**

We have audited the financial statements of The Prince's Teaching Institute for the year ended 30 September 2010 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective April 2008).

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

## **Respective Responsibilities of Trustees and Auditors**

The trustees' (who are also the directors of the company for the purposes of company law) responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and have been prepared in accordance with the Companies Act 2006. We also report to you whether, in our opinion, the information given in the Trustees' Annual Report is consistent with those financial statements.

In addition we report to you if, in our opinion, the charity has not kept adequate accounting records, if the charity's financial statements are not in agreement with the accounting records and returns, if we have not received all the information and explanations we require for our audit, or if certain disclosures of trustees' remuneration specified by law are not made.

We read the Trustees' Annual Report and consider the implications for our report if we become aware of any apparent misstatements within it.

## **Basis of Audit Opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

# Independent Auditors' Report to the Members of The Prince's Teaching Institute (continued)

## Opinion

In our opinion:

- the financial statements give a true and fair view of the state of the charitable company's affairs as at 30th September 2010 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- the financial statements have been properly prepared in accordance with the Companies Act 2006; and
- the information given in the Trustees' Annual Report is consistent with the financial statements.

James Cross, Senior Statutory Auditor  
for and on behalf of Kingston Smith LLP  
Statutory Auditor

Devonshire House  
60 Goswell Road  
London EC1M 7AD

Date: 25th January 2011

**The Prince's Teaching Institute**  
**(An incorporated charity limited by Guarantee)**  
**Statement of Financial Activities**  
**Income and Expenditure Account**  
**For the year ended 30th September 2010**

	Note	Unrestricted Funds 2010 £	Restricted Funds 2010 £	Total Funds 2010 £	Total Funds 2009 £
<b>Incoming Resources</b>					
<b>Incoming resources from generated funds</b>					
Voluntary income					
Training and Development Agency for Schools		50,000	10,000	60,000	140,000
Other grants and donations		497,587	16,390	513,977	409,321
Investment income - bank interest		1,865	-	1,865	5,972
<b>Incoming resources from charitable activities</b>					
Summer Schools		13,428	-	13,428	1,900
Continuing Professional Development events		66,280	-	66,280	44,192
<b>Total Incoming Resources</b>		<u>629,160</u>	<u>26,390</u>	<u>655,550</u>	<u>601,385</u>
<b>Resources Expended</b>					
<b>Cost of generating funds</b>	3	51,778	-	51,778	14,094
<b>Cost of charitable activities</b>	2				
Schools Programme		158,724	-	158,724	128,750
Summer Schools		149,534	11,390	160,924	228,440
Continuing Professional Development		123,689	-	123,689	108,100
Heads' Conference		14,281	15,000	29,281	26,026
Website		33,896	-	33,896	26,302
<b>Total Cost of Charitable Activities</b>		<u>480,124</u>	<u>26,390</u>	<u>506,514</u>	<u>517,618</u>
<b>Governance costs</b>	4	<u>32,260</u>	-	<u>32,260</u>	<u>34,491</u>
<b>Total Resources Expended</b>		<u>564,162</u>	<u>26,390</u>	<u>590,552</u>	<u>566,203</u>
<b>Net Income for the year</b>		64,998	-	64,998	35,182
Balance brought forward at 1st October 2009		<u>266,577</u>	-	<u>266,577</u>	<u>231,395</u>
<b>Balance carried forward at 30th September 2010</b>		<u><u>331,575</u></u>	<u><u>-</u></u>	<u><u>331,575</u></u>	<u><u>266,577</u></u>

**The Prince's Teaching Institute**  
**(An incorporated charity limited by Guarantee)**  
**Balance Sheet at 30th September 2010**

	Note	2010 £	2010 £	2009 £	2009 £
<b>Fixed assets</b>					
Tangible fixed assets	6		<u>5,909</u>		<u>10,954</u>
			5,909		10,954
<b>Current assets</b>					
Debtors	7	55,304		107,584	
Cash at bank and in hand		<u>426,594</u>		<u>268,667</u>	
		481,898		376,251	
<b>Creditors</b>					
Amounts falling due within one year	8	<u>(156,232)</u>		<u>(120,628)</u>	
<b>Net current assets</b>					
			<u>325,666</u>		<u>255,623</u>
<b>Net assets</b>					
			<u>331,575</u>		<u>266,577</u>
<b>Funds</b>					
Restricted funds	9		-		-
Unrestricted funds	9		331,575		266,577
			<u>331,575</u>		<u>266,577</u>

These accounts have been prepared in accordance with the special provisions of Part 15 of Companies Act 2006 and the Financial Reporting Standard for Smaller Entities (effective April 2008).

Approved by the Board of Trustees  
and authorised for issue on: 25th January 2011

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Harvey McGrath, Chairman

**The Prince's Teaching Institute**  
**(An incorporated charity limited by Guarantee)**  
**Notes to the Financial Statements**  
**For the year ended 30th September 2010**

**1 Accounting policies**

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

**a) Basis of preparation of the financial statements**

The financial statements have been prepared under the historical cost convention and under the going concern principle, in accordance with the Statement of Recommended Practice for Accounting and Reporting by Charities published in March 2005 and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The charitable company has taken advantage of the exemption in Financial Reporting Standard No. 1 from the requirement to produce a cash flow statement on the grounds that it is a small company. As permitted by Section 394 of the Companies Act 2006, a Statement of Financial Activities is presented in place of a Profit and Loss Account due to the nature of the charity's activities.

**b) Fund Accounting**

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

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

**c) Incoming Resources**

All incoming resources are included in the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

**d) Resources expended**

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

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

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

Governance costs comprise the expenditure on governance of the charity including audit fees, legal advice for trustees, costs of trustee meetings and an apportionment of relevant staff costs to reflect time spent on governance-related matters.

**e) Tangible fixed assets and depreciation**

Tangible fixed assets costing more than £100 are capitalised. Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

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

In 2009, office fittings and equipment was depreciated at 10%. However, it was felt that an increase in the rate of depreciation to 20% was more appropriately reflecting the use of the assets within the charitable company.

**f) Pensions**

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

**The Prince's Teaching Institute**  
**(An incorporated charity limited by Guarantee)**  
**Notes to the Financial Statements**  
**For the year ended 30th September 2010**

**2 Cost of Charitable Activities**

	Schools Programme	Summer Schools	CPD	Heads' Conference	Website	Total Funds 2010	Total Funds 2009
	£	£	£	£	£	£	£
Activities direct costs							
Schools Programme	48,797	-	-	-	-	48,797	24,196
Summer Schools	-	85,922	-	-	-	85,922	151,455
Continuing Professional Development (CPD)	-	-	57,372	-	-	57,372	37,236
Heads' Conference	-	-	-	11,449	-	11,449	-
Website Development	-	-	-	-	12,785	12,785	4,764
	<u>48,797</u>	<u>85,922</u>	<u>57,372</u>	<u>11,449</u>	<u>12,785</u>	<u>216,325</u>	<u>217,651</u>
Support costs							
Wages and salaries	75,269	44,238	48,636	10,137	14,943	193,223	186,965
Consultancy	19,260	21,525	5,363	5,385	2,318	53,851	55,332
General office costs	13,899	8,339	11,119	2,085	3,475	38,917	35,921
Depreciation charges	1,386	832	1,109	208	347	3,882	20,472
Auditor fees - non-audit services	113	68	90	17	28	316	1,277
	<u>109,927</u>	<u>75,002</u>	<u>66,317</u>	<u>17,832</u>	<u>21,111</u>	<u>290,189</u>	<u>299,967</u>
	<u><u>158,724</u></u>	<u><u>160,924</u></u>	<u><u>123,689</u></u>	<u><u>29,281</u></u>	<u><u>33,896</u></u>	<u><u>506,514</u></u>	<u><u>517,618</u></u>

**The Prince's Teaching Institute**  
**(An incorporated charity limited by Guarantee)**  
**Notes to the Financial Statements**  
**For the year ended 30th September 2010**

<b>3</b>	<b>Cost of generating funds</b>	<b>2010</b>	<b>2009</b>
		£	£
	Wages and salaries	23,142	1,061
	General office costs	14,628	-
	Direct fundraising costs	14,008	13,033
		<u>51,778</u>	<u>14,094</u>
<b>4</b>	<b>Governance Costs</b>	<b>2010</b>	<b>2009</b>
		£	£
	Wages and salaries	12,996	11,544
	Consultancy	6,900	11,000
	General office costs	4,860	4,128
	Auditors' remuneration: - current year	5,365	5,000
	- prior year underprovision	2,111	1,450
	Non-audit services	28	1,369
		<u>32,260</u>	<u>34,491</u>
<b>5</b>	<b>Staff Costs (including directors' emoluments)</b>	<b>2010</b>	<b>2009</b>
		£	£
	Wages and salaries	191,711	163,717
	Social security costs	21,577	18,791
	Contributions to personal pension schemes	16,073	15,493
		<u>229,361</u>	<u>198,001</u>

One employee (2009: one) received remuneration between £90,000 and £100,000 during the year. Pension contributions of £10,052 (2009: £10,236) were paid on behalf of this individual.

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

	<b>2010</b>	<b>2009</b>
Charitable activities	3.8	2.8
Governance	<u>0.2</u>	<u>0.2</u>
	<u>4.0</u>	<u>3.0</u>

No trustees received or waived any remuneration in the year or were reimbursed any expenses during the year (2009: Nil).

<b>6</b>	<b>Tangible Fixed Assets</b>	<b>Website and Computer Equipment</b>	<b>Office Fittings and Equipment</b>	
	<b>Cost</b>	£	£	<b>Total £</b>
	At 1st October 2009	66,610	4,452	71,062
	Additions	<u>500</u>	<u>-</u>	<u>500</u>
	At 30th September 2010	<u>67,110</u>	<u>4,452</u>	<u>71,562</u>
	<b>Depreciation</b>			
	At 1st October 2009	59,555	553	60,108
	Charge during the year	<u>4,655</u>	<u>890</u>	<u>5,545</u>
	At 30th September 2010	<u>64,210</u>	<u>1,443</u>	<u>65,653</u>
	<b>Net Book Value</b>			
	At 30th September 2010	<u>2,900</u>	<u>3,009</u>	<u>5,909</u>
	At 30th September 2009	<u>7,055</u>	<u>3,899</u>	<u>10,954</u>

**The Prince's Teaching Institute**  
**(An incorporated charity limited by Guarantee)**  
**Notes to the Financial Statements**  
**For the year ended 30th September 2010**

<b>7</b>	<b>Debtors</b>		<b>2010</b>	<b>2009</b>	
			£	£	
	Prepayments		1,240	3,543	
	Accrued Income		<u>54,064</u>	<u>104,041</u>	
			<u>55,304</u>	<u>107,584</u>	
<b>8</b>	<b>Creditors: Amounts falling due within one year</b>		<b>2010</b>	<b>2009</b>	
			£	£	
	Trade creditors		39,876	60,039	
	Other creditors		79,376	46,030	
	Accruals		36,166	12,160	
	Pensions creditor		<u>814</u>	<u>2,399</u>	
			<u>156,232</u>	<u>120,628</u>	
<b>9</b>	<b>Movements in funds</b>	<b>at 1st October 2009</b>	<b>Incoming Resources</b>	<b>Outgoing Resources</b>	<b>at 30th September 2010</b>
		£	£	£	£
	<b>Restricted Funds</b>				
	Summer School	-	11,390	(11,390)	-
	Heads' Conference	<u>-</u>	<u>15,000</u>	<u>(15,000)</u>	<u>-</u>
	<i>Total restricted funds</i>	<u>-</u>	<u>26,390</u>	<u>(26,390)</u>	<u>-</u>
	<b>Unrestricted General Funds</b>	<u>266,577</u>	<u>629,160</u>	<u>(562,986)</u>	<u>332,751</u>
	<b>Total Funds</b>	<u>266,577</u>	<u>655,550</u>	<u>(589,376)</u>	<u>332,751</u>

The Summer School restricted fund relates to funding received specifically for the June 2010 Summer school.

The Heads Seminar restricted fund relates to funding received specifically for the Heads' Conference held in January 2010.

**10 Transactions involving trustees and related parties**

During the year, Harvey McGrath, a director and charity trustee of The Prince's Teaching Institute, made donations to the Institute totalling £100,000.

Martin Williams, Company Secretary of The Prince's Teaching Institute, invoiced the Institute £6,750 (2009: £9,300) for his services as a consultant during the year, £4,500 (2009: £6,600) of which was still owed to him at the year end. These transactions were entered into on an arm's length basis.

Bernice McCabe, Co-Director of The Prince's Teaching Institute, invoiced the Institute £23,250 (2009: £23,250) for her services as a consultant during the year, £5,812 (2009: £6,600) of which was still owed to her at the year end. These transactions were entered into on an arm's length basis.

The Institute's Summer School took place at Homerton College, Cambridge, of which one of the trustees, Dr Katharine Pretty, is Principal. The total payable to Homerton College in respect of accommodation and associated services amounted to £59,035. This was negotiated on a commercial "arm's length" basis and Dr Pretty has no financial interest in the transaction.