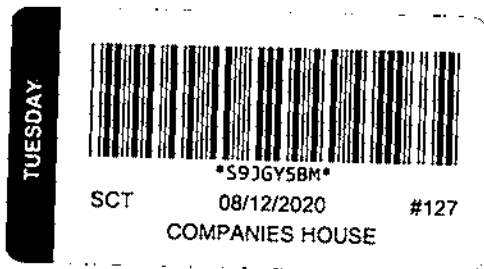


The Prince's Foundation
(A company limited by guarantee)
Trustees' annual report and financial statements
Charity Number SC038770
Company Number SC331738
For the year ended 31 March 2020



COMPANIES HOUSE

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The Prince's Foundation
Trustees' report and financial statements
For the year ended 31 March 2020

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Letter from the Chair

The outbreak of the COVID-19 virus is a challenging and unprecedented event in modern times. The pandemic has had, and continues to have, a tragic impact on human lives and a devastating economic impact globally.

The health and wellbeing of our employees, volunteers, customers, visiting members of the public and other stakeholders involved in the charity has been the primary consideration throughout this crisis.

In line with government guidelines and in the interests of safety, we took the unprecedented decision to close temporarily the Dumfries House estate, The Queen Elizabeth Castle of Mey, and our offerings at Ballater, Charlotte Road and Trinity Buoy Wharf at the end of March 2020.

A major focus of the Board's activity during this period has been to support the executive team in taking all necessary actions to manage effectively through the crisis.

In response to the pandemic the charity took decisive action to control costs in order to protect cash flow. Our cash flow has been further supported by very significant donations into the charity during the pandemic, which has more than offset the fall in trading income as a result of our sites being closed during lockdown.

The year April 2019 to March 2020 has been a solid year financially for the charity, which incorporates the full year effect of the recent merger with The Prince's School of Traditional Arts and becoming sole Trustee of The Queen Elizabeth Castle of Mey Trust. As a result of strong financial management, income has increased by 35% year on year whilst expenditure has risen by 11% over the same period. A diligent focus on cash management has delivered a 45% reduction in creditor balances and a significant improvement in our liquidity position.

The charity ended the year with a surplus, and we face the uncertainty resulting from COVID-19 from a position of strength. We have been able to continue to pay our staff throughout this crisis without taking advantage of the government's furlough scheme, our suppliers continue to be paid, and we are moving forward with our re-opening plans in line with government guidelines. All of which has been made possible by the generosity of our donors. We could not be more grateful for their ongoing support, not only during the pandemic but over the course of the past financial year.

The Prince's Foundation has achieved a great deal this past year, and continues to do so even during the pandemic.

A dedicated team of volunteers made up of staff, students and friends of the charity joined forces with For The Love of Scrubs, a nationwide sewing initiative, to make scrubs at home. 100 sets of scrubs were distributed to NHS workers in Ayrshire and Arran during the pandemic – a fantastic achievement.

Our education offering continues to grow and, in response to the pandemic, we have been moving more of our content online. Our Health and Wellbeing team has been delivering programmes through Zoom and, as a gesture of community solidarity, The Prince's Foundation School of Traditional Arts has been delivering a series of free online geometry classes to the public.

During a time of such uncertainty the sense of community has never been more important, and through such initiatives our staff and our volunteers have been furthering the vision of our President, HRH The Prince Charles, Duke of Rothesay.

I would like to thank each and every one of our staff and volunteers for setting such a shining example during the pandemic, and over the past year.



Dame Jayne-Anne Gadhia
Chair
The Prince's Foundation

Strategic Report for the year ended 31 March 2020

Review of the Charity

The Prince's Foundation, of which His Royal Highness The Prince Charles, Duke of Rothesay, is President, was formed on 1 April 2018 through the merger of The Great Steward of Scotland's Dumfries House Trust with The Prince's Foundation for Building Community. During the year to 31 March 2019, The Prince's Foundation merged with The Prince's School of Traditional Arts, in September 2018, and became sole Trustee of another of the Prince's charities, The Queen Elizabeth Castle of Mey Trust, on 1 January 2019.

Principal risks and uncertainties

The Trustees are required to assess the major risks to which the Foundation is exposed. The Trustees have examined the major strategic, business and operational risks which the Foundation faces, and are satisfied that appropriate systems have been established to seek to identify and manage these risks. It is recognised that systems can only provide reasonable, but not absolute, assurance that major risks have been adequately managed.

The principal risk for the charity is failure to meet fundraising targets leading to the charity not having sufficient funds to achieve its objectives. This is monitored by management and Trustees at regular intervals. Management information tools including regular trade creditor updates, cost reporting, budget setting and cash flow forecasts are used to oversee and manage current and future liquidity, and a detailed fundraising strategy is in place.

COVID-19

The charity is also paying close attention to the recent COVID-19 pandemic and the associated impact on the charity. The pandemic has resulted in interruption to, and temporary closure of, many of our sites and operations. It has also impacted on the capital value of our investment portfolios in the final quarter of the financial year, when equity markets experienced significant volatility and disruption, although we have seen a recovery post year end.

The current and future financial position of the charity and its cash flow position has been specifically reviewed by the Trustees in respect of the pandemic, as has the risk register. We are continually monitoring government guidance to ensure the charity remains up-to-date with developments. We are also in regular communication with our staff and volunteers with respect to accommodating new ways of working in order to manage through the pandemic, and are mindful of their health and wellbeing. Our-reopening plans take the latest government guidance into account, in the interests of safety for our staff, volunteers, members of the public, customers and other stakeholders of the charity.

ON BEHALF OF THE BOARD:



Dame Jayne-Anne Gadhia
Chair

Report of the trustees for the year ended 31 March 2020

Objectives and Activities

Objectives

The overarching charitable objective of The Prince's Foundation, as set out in its Memorandum and Articles of Association, was amended on 29 March 2018 to reflect the new activities to be undertaken by the Foundation as a result of the aforementioned mergers.

- The advancement of education, training and retraining;
- The advancement of heritage and the protection, preservation, conservation, improvement and revitalisation of the built environment, the environment, traditional arts and architecture of all civilisations and monuments, structures or sites of particular beauty of historical, architectural or constructional interest;
- The advancement of citizenship or community development;
- The provision of recreational activities, or the organisation of recreational activities, with the object of improving the conditions of life for persons in need by reason of youth, age, infirmity, disablement, poverty or social or economic circumstances;
- The preservation and maintenance of Dumfries House, its contents, grounds, outbuildings and surrounding land and other heritage sites in Scotland and the rest of the world; and
- To undertake other charitable activities, both locally and nationally, either directly or by supporting others undertaking those activities. In particular the Foundation aims to increase the knowledge, understanding and interest in Dumfries House and the preservation of its artefacts, and to promote social, cultural, recreational and educational activities for the benefit of the local community and beyond, whether through the provision of facilities where residents can come together for community events or recreational activities, or through improvements to historic buildings, community facilities and public open spaces.

Additionally, the Foundation seeks to minimise its environmental impact and where practicable apply the principles of sustainability and harmony to its actions. The Foundation is not currently within the scope of the carbon reporting requirements under the government's Streamlined Energy and Carbon Reporting (SECR) Policy however it expects to comply with the regulations in the 2020-21 financial year as a result of meeting the 'two consecutive year' threshold, and work is underway to prepare this.

Our vision

As defined and led by our President, The Prince's Foundation's vision is to support people to create community, through teaching traditional arts and skills, restoring historic sites, championing a sustainable approach to the way people build community, and maintaining Dumfries House and its estate as an example of heritage-led regeneration. Our mission is to ensure that, through our initiatives, we will have a positive impact upon the lives of all within the communities where we work, regardless of gender, age, politics, wealth or religion.

It was always the ambition of The Prince's Foundation's Founder and President, and a key objective of the Foundation, to demonstrate how a place of historic and cultural significance can be used as a catalyst to regenerate its surrounding community in terms of leadership, leisure, culture, training and education, employment and wellbeing. Through joining forces with The Prince's Foundation for Building Community, The Prince's School of Traditional Arts and The Queen Elizabeth Castle of Mey Trust, it is the intention that the new expanded organisation, The Prince's Foundation, will enhance its reach nationally and internationally using relevant knowledge and experience accumulated over many years.

Report of the trustees for the year ended 31 March 2020 (Continued)

Our vision (continued)

Recognising the contribution of our volunteers:

Volunteers play a significant role in delivering our charitable objects.

There are approximately 25 volunteers on the Dumfries House estate and gardens, who support the estate and admissions teams. Our volunteers carry out general gardening duties and assist with house tours, contributing to the successful operation of the estate for all our visitors throughout the year. We also have volunteers who help with larger events at the house.

We are very grateful for the contribution our volunteers make to the Foundation.

Executive summary of achievements and performance 2019-2020

The preservation and maintenance of the Dumfries House estate is a key objective of the Foundation. The grounds at Dumfries House are accessible to the general public, without charge, including entry to the Arboretum and woodland walks. Tours of Dumfries House are also available. House tour admissions were 24,589 for the year, down slightly on prior year (27,311) partly due to an inability to run tours in March 2020 as a result of the COVID-19 pandemic. During the past year the Foundation has continued to develop the visitor experience at Dumfries House and to invest in the Dumfries House estate, including launching new offerings to the public and our customers (for which, please refer to further information below).

From an education perspective, this year saw the successful delivery of a range of programmes - from primary school to PhD - including the launch of a series of exciting and impactful new initiatives and programmes. These include a textiles partnership with Yoox Net-a-Porter, the opening of our new textile and craft facilities at Trinity Buoy Wharf, a new building arts programme with The Queen Elizabeth Scholarship Trust and the launch of the new Global Centre on Healthcare and Urbanisation with Kellogg College, the University of Oxford.

Further information on these initiatives and additional information on our heritage-led regeneration projects is included below.

Capital projects on the Dumfries House estate and at The Queen Elizabeth Castle of Mey

The restoration of the Lady's Well on the Dumfries House estate was completed in May 2019. This project was the first of its kind whereby the Foundation was able to offer newly qualified trainees an opportunity to gain experience of a live restoration project from inception to completion. As with many of the regeneration projects conducted at Dumfries House, heritage building craft students and alumni were recruited to practise and test their skills.

In October 2019 our Live Build students completed the construction of a new garden arbour and gates within the walled garden at Dumfries House. The students were mentored and assisted by the estate craftsmen and women from the in-house construction team.

November 2019 saw the commencement of another significant capital project on the Dumfries House estate, namely the conversion of Coachford Cottage to a studio space and accommodation for artists in residence. The project is scheduled for completion in January 2021.

Investment into the infrastructure of Dumfries House and other Prince's Foundation properties continues, in order to keep up with the demand of increasing visitor numbers and the needs of the organisation.

Dumfries House Home Farm continues to build on its organic accreditation. Livestock numbers remain steady with around 700 sheep and 140 cattle, similar to previous years.

At The Queen Elizabeth Castle of Mey a significant capital project completed at the start of the financial year, namely The Granary bed and breakfast development. Opening in May 2019, this is the first year of trading at The Granary, which has been popular with tourists in particular those taking part in the North Coast 500.

Report of the trustees for the year ended 31 March 2020 (continued)

Future Capital Projects

In the short term our aims and objectives for capital projects on and around the Dumfries House estate include:

- **Pennylands Cottage.** A full restoration of this cottage will take place enabling this cottage to be occupied by a tenant once more.
- **Horticulture Training and Welfare Facility.** Located behind the Queen Elizabeth Walled Garden this building will replace the temporary portacabins. This new facility will allow the Foundation to further expand The Royal Horticultural Society Training programs as well as incorporating welfare facilities for the in-house gardening team.
- **Knockroon.** Design work continues on the next phases of the development at Knockroon. During the year work concluded on the remaining infrastructure works in phase 1 of Knockroon. This work included the surfacing of the roads, path networks, street lighting and all soft landscaping.

Longer term aims and objectives for the Foundation's capital projects are as follows:

- **The Pavilion.** The creation of a new pavilion to the east of Dumfries House to replace the existing marquee attached to Dumfries House.
- **The Glenside Applied Arts Centre.** This project will incorporate traditional building skills, traditional arts as well as hosting the Royal Drawing School. The centre will be situated on the site of the disused Glenside Farm. Enabling works began in 2017 and fundraising efforts are continuing, on what will be the largest project undertaken on the Dumfries House estate thus far.

Education

The Prince's Foundation welcomed approximately 13,000 people onto its educational programmes in the past financial year (prior year: approximately 12,000). This included participation in our long-term programmes, residential courses, evening classes, education events and courses held by the School of Traditional Arts.

The Prince's Foundation's education portfolio is diverse, covering subjects areas including architecture and urbanism, textiles, building craft, STEM, Food, Farming and Horticulture and a range of others.

Core to our educational delivery is a belief that these disciplines should not operate in a vacuum but must be taught in a collaborative, interdisciplinary way. Our programmes are delivered across the UK, with centres in both London and Dumfries House, as well as internationally and online.

Dumfries House initiatives

During the financial year April 2019 to March 2020 the Foundation operated six areas of educational activity on the Dumfries House estate, as follows:

Horticulture and Food Education Programmes. The principal aim of the work being undertaken in the Pierburg Education Centre and the Kauffman Education Garden is to show children where fresh vegetables come from, underpinning the notion of healthy eating and fresh produce. This programme is one of the busiest and in-demand programmes on the estate. Numbers were approximately 3,500, which could have been higher but for capacity within the building. An annual open day, the second we have now hosted, was held for the public in July 2019 with double the number of attendees of the previous year. A number of local secondary pupils also completed a series of Royal Horticulture Society modules and one pupil has successfully progressed onto a Modern Apprenticeship with the local authority.

Report of the trustees for the year ended 31 March 2020 (continued)

Education (continued)

Dumfries House initiatives (continued)

Farm Education. The programmes offered at Valentin's Education Farm are now part of the annual calendar for schools with healthy bookings all year round. The centre expanded on the successful Festival of Farming, reaching 500 primary pupils, with a complementary Autumn programme for secondary pupils called Countryside Careers attended by 250 pupils in Senior 2 who were considering which subjects to specialise in. 65% of pupils were interested in a rural career by the end of the day compared to 32% at the start of the day.

Future Textiles. The Atelier programme is based in the attic quarters of Dumfries House and in new studios at Trinity Buoy Wharf. This year approximately 1,300 participants have taken part in sewing, pattern drafting, and woven and knitted textiles workshops, with pupils aged 12 to 18 years old. Regular community groups have attended in both sites. A new hand knitting initiative known as Knitwise was launched at Dumfries House in October 2019 and within a few weeks of launch was almost at capacity. The textiles centre has continued to deliver to those seeking employment with a successful programme for South Ayrshire residents followed by a specialised training programme in luxury garment manufacture in partnership with Yoox Net-a-Porter.

Residential, Outdoor and Nature Based Learning. The primary function of the Tamar Manoukian Outdoor Centre is to provide youth and school groups with affordable, residential accommodation that will allow access to a comprehensive range of activities throughout the estate. The nature based and outdoor learning programmes have become more popular with schools for day visits this year, and we have also seen an increase in the number of schools booking for residential stays and partner delivery with Cani Coaching, working with young people on growth mindset and leadership skills along with co-delivery of the Columba 1400 programme to secondary school teachers.

Science, Technology, Engineering and Maths (STEM). STEM principles underpin many of the estate activities especially those in the Food, Farming and Horticulture programmes. Engineer and science programmes are delivered via day visits and events in the Morphy Richards Engineering Education Centre. Approximately 2,400 pupils visited in the last academic year. The family engineering day in July 2019 had around 500 visitors of all ages take part in a range of science led indoor and outdoor activities. The centre co-hosted the first Introduction to Plumbing and Electrics programme for local secondary pupils in conjunction with 15 local pupils. All pupils gained an Access 3 qualification and Industrial Cadet Bronze Award.

Hospitality. The hospitality centre delivered 3 programmes of 'Get into Hospitality' training in partnership with The Prince's Trust. The success rate for employment remains high, ranging from 85% to 100% on completion. The centre also delivered a number of day workshops to primary and secondary pupils as well as working closely with the Health and Wellbeing participants on healthy eating. A new partnership with the East Ayrshire Campus Cops was set up working with vulnerable care experience and young carers, giving them skills to cook a family meal on a budget. The young people cooked alongside their key workers from the police force and the event helped break down barriers and encourage new career aspirations.

UK wide and international

The Prince's Foundation operates across the UK and internationally to support people to plan the future of their community, to learn traditional crafts and skills needed to build sustainably and to share the results as examples of best practice in urban design, architecture, planning and textiles.

Report of the trustees for the year ended 31 March 2020 (continued)

Education (continued)

UK wide and international (continued)

Academic programmes

Our academic education programmes provide specialised training for people interested in tackling the challenges of global warming, rapid urbanization, resource depletion, and the lack of knowledge and skills in traditional arts and craft. The Prince's Foundation is one of very few organisations in the United Kingdom addressing this diverse but interconnected range of issues. Our courses include an MSc in Sustainable Urban Development with the University of Oxford; an MSc in Sustainable Engineering Management with Swansea University and an MSc in Environment and Development with the University of Bahrain. This year, we launched a new programme with Kellogg College, at the University of Oxford, in the formation of the Global Centre for Healthcare and Urbanisation.

Vocational programmes – Craft training

Our craft programmes provide training for the next generation of master craftspeople working within the heritage sector. Over a third of those working in the heritage crafts are currently nearing retirement age and around three quarters are not currently undertaking any activity to pass on their skills and knowledge. Alongside teaching the practical trade skills, the programmes utilise a holistic approach to teach and promote the principles of Harmony. By exposing students to a range of trades and disciplines, we believe we are training not just skilled craftspeople but proponents of the creation of healthy, sustainable and beautiful communities. Courses include our Building Crafts Programme as well as our Building Arts Programme in partnership with QEST.

Short courses and CPD

We run a range of short courses, professional development and executive education for students and practitioners. These courses provide specialised training, often interdisciplinary in nature, targeted at filling gaps in existing education and training. Courses include summer schools, public programmes, short courses and seminar series.

The Prince's Foundation School of Traditional Arts

The School offers postgraduate degrees in traditional arts at MA, MPhil and PhD levels, and also offers lectures, workshops and short, practical courses in traditional arts and crafts as part of the Open programme in the UK. Our Outreach programme delivers education programmes beyond the UK, working in partnership with educational centres around the world. We continue to build on the achievements of our various centres and partnerships in China, Egypt, Azerbaijan, Pakistan and also Saudi Arabia which saw the development of two new programmes in Jeddah and Alula in year.

Architecture and Heritage

A key focus of our Architecture and Heritage (A&H) team is to deliver advice and expertise on the architectural design of buildings and places that add social and environmental value to our built world, promoting harmony between the built and natural environment and placing communities at the centre of the design process, emphasising local identity, character, tradition and sustainability.

During the past year the A&H team has been progressing the 7 for 70 programme of work, which includes projects at Draper's Hall in Coventry, Stoke Climsland in East Cornwall, Fleetwood Hospital, Strata Florida and Hillsborough Castle. Other projects undertaken by the team during the year include continuing to support a local community group in their project to refurbish Braemar Castle, in addition to work in Romsey and Bath.

The A&H team has also been working internationally on projects in Bahrain, where the project team has been supporting the Ministry of Housing in the delivery of consultancy design services for the next stage of the masterplan for the Southern New Town development. Other projects are continuing in Barbuda and Jamaica.

Report of the trustees for the year ended 31 March 2020 *(continued)*

Performance

During the financial year April 2019 to March 2020, key measures of success for the Foundation include increasing the breadth and reach of our education and skills training; maintaining, and where possible enhancing, the artistic and aesthetic qualities of Dumfries House and its collections; and welcoming visitors to the House and estate (in a way that is compatible with the preservation of the House and the collections) to ensure ongoing access to this important heritage site.

The Foundation has met all of these objectives during the financial year 2019-2020. The Foundation funds a proportion of its activities through the commercial operations undertaken by its trading subsidiaries but it is reliant upon philanthropic donations for a significant proportion of its income. The philanthropic donations are sourced from private individuals or other legal persons such as trusts and, more rarely, companies, following due diligence checks and the recommendations of our Ethics Committee, as appropriate. No payments were made to intermediaries or any other third party for public fundraising activities.

Sufficient funds were raised from philanthropic donations to fund the charity's planned activity for the year and a significant programme of development. Details of the development projects and, where applicable, information about the expected future benefits arising from them are covered within this report.

The charity has met its operational fundraising requirements during the year.

Financial Review

During the financial year April 2019 to March 2020, the Foundation had income of £22,361,603 an overall increase of 35% from the previous year (2019: £16,559,880). Of this, £15,380,639 was general funds, £6,800,851 restricted funds and £180,113 endowment funds. The general funds included donations, grants and gifts in kind of £8,354,200 (2019: £6,174,659) and income generated from the Foundation's commercial trading operations of £3,036,946 (2019: £2,793,177). The restricted funds include £3,269,934 of capital donations (2019: £2,409,695) which have contributed to a year-on-year improvement in the charity's net income. From an operating perspective the charity had a strong year financially, recording an operating surplus at year end.

Donations and legacies increased year-on-year by 33% largely as a result of a focus on fundraising during the year. Expenditure on raising funds grew by just 1% by comparison, attributed to a diligent focus on cost control within the charity's core operations.

Expenditure on charitable activities increased by 19% during the year. This primarily reflects the full year effect of the merger with The Prince's School of Traditional Arts and becoming sole Trustee of The Queen Elizabeth Castle of Mey Trust.

On average, 322 people were employed during the financial year (2019: 278). This increase is largely attributable to the full year effect of the aforementioned merger activity, which now includes the seasonal staff at The Queen Elizabeth Castle of Mey Trust for the first time.

Reserves Statement

During the financial year April 2019 to March 2020, the Foundation improved its negative free group reserves position to (£274,112) (2019: (£3,678,243)). Post year end, the Foundation received an unrestricted donation of £5m which has directly improved the Foundation's free reserves position.

The Prince's Foundation group aims to hold three months' of operating expenditure in reserve. As with most charities, the Foundation is utilising its reserves during the COVID-19 pandemic. The Foundation also maintains an overdraft as a contingent liquidity facility.

Total Foundation net assets are valued at £119,523,060 as of year end (2019: £115,922,986).

Report of the trustees for the year ended 31 March 2020 (continued)

Plans for Future Periods

The charity is mindful of the impact of the COVID-19 pandemic on its plans. In the short term the conservation of cash and managing the charity's liquidity position is fundamental, along with protecting the health and wellbeing of our staff, volunteers and other charity stakeholders.

The full impact and duration of the COVID-19 outbreak is still uncertain. However, we are confident of being able to continue to deliver on our charitable objectives, including further enhancing the offering at Dumfries House through investment in the capital projects outlined above.

Further developments at The Queen Elizabeth Castle of Mey Trust are also planned, including investment into the estate grounds and castle.

The Foundation is considering an expansion of its activities to Highgrove, in Gloucestershire.

Our overall objective is to ensure the Foundation delivers on its charitable objects and the vision and mission of our President.

Structure, Governance and Management

The Prince's Foundation is a company limited by guarantee incorporated in 2007, charity number SC038770 and company registration number SC331738. The Foundation has a number of subsidiary entities as of 31 March 2020, as follows:

Dumfries House Trust Trading Limited (incorporated October 2007 registration number SC333119) operates all of the Foundation's commercial activities at Dumfries House, New Cumnock and Ballater including House admissions, gift shop, café, weddings and events and the bed and breakfast and holiday letting activities.

Dumfries House Home Farm Limited (incorporated January 2004 registration number SC261878) manages the farming activities and owns land surrounding the Dumfries House estate.

Dumfries Farming and Land Limited (incorporated October 2007 registration number 06391121) owns land that is used for farming and residential development purposes. The company has ownership of the development site at Knockroon.

Community Capital Limited (incorporated August 2001 registration number 04268547) offers building consultancy services.

The Prince's Foundation for Building Community (incorporated June 1998 registration number 03579567 charity number 1069969), a charity set up for the promotion of sustainable development and advancement education.

The Prince's School of Traditional Arts (incorporated November 2003 registration number 04970959, charity number 1101527), a charity set up for the advancement of education in the practice and application of the traditional arts and architecture of traditional civilisations and the promotion of the practice and appreciation of such traditional arts and architecture.

The Prince's Regeneration Trust (incorporated December 2001 registration number 04342518, charity number 1089932), a charity that works with communities to ensure that important buildings at risk of demolition or decay are preserved, regenerated and re-used.

Report of the trustees for the year ended 31 March 2020 (continued)

Structure, Governance and Management (continued)

The Queen Elizabeth Castle of Mey Trust (charity number SC024983), a charity set up for the benefit of the inhabitants of the United Kingdom, for the preservation of buildings and monuments with historical importance and architectural interest, the advancement of the historical and architectural education by offering opportunities for access to into buildings or monuments and the preservation and education of the public of Aberdeen Angus Cattle and North Country Cheviot Sheep. The Trust's articles were changed on 1 January 2019 which added the object of the preservation in perpetuity for the public benefit of the Castle of Mey, its contents, its grounds and land.

The Castle and Gardens of Mey Limited (incorporated April 2003 registration number SC247163) operates The Queen Elizabeth Castle of Mey Trust's commercial activities, including The Granary bed & breakfast, shop and tearoom.

Our Staff

At the beginning of April 2019, the Foundation (group) employed 280 staff. By the end of March 2020, the Foundation (group) employed a total of 317 staff.

For details of the senior management team see page 14.

Finance, Investment and Audit Committee (FIAC)

During the year 2019-2020 the members of FIAC were:

- Dame Jayne-Anne Gadhia (Chair)
- Mr Douglas Connell
- Sir David Green (resigned on 20 June 2019)

FIAC also undertakes the activity of the Remuneration Committee (RemCo), to oversee senior management remuneration. The first meeting of the RemCo was July 2019.

The Board of Trustees

The first and current President of the Foundation is His Royal Highness The Prince Charles, Duke of Rothesay. Lord Snowdon became Vice President in April 2018.

The Foundation is administered by a Board of Trustees which meets at least 4 times each year. The Trustees are selected from a variety of relevant backgrounds including heritage, education, business and finance. Training and induction is available for new Trustees. The Board of Trustees sets and oversees the strategic direction of the Foundation and is responsible for all policy decisions. The charity's decision making powers require a majority of Trustees, present in person, which represents a quorum.

Report of the trustees for the year ended 31 March 2020 (continued)

The Board of Trustees (continued)

Mrs Heather Dunk, OBE, February 2014 - present

Heather Dunk is the former CEO and Principal of Ayrshire College having retired in 2019. Prior to her move to Ayrshire, Heather was Vice Principal of West Lothian College and formerly Director of Education with PLATO Learning. Heather has extensive knowledge of large capital projects and successfully led the development of the new £54m college campus which opened in Kilmarnock in 2016. Heather received an Outstanding Leadership Award from the Association of Scottish Business Women in 2010 and, in 2014, was honoured with an OBE for services to further and higher education.

Mr Rufus Bird, October 2014 - present

Rufus Bird was appointed by Her Majesty The Queen to the post of Surveyor of The Queen's Works of Art, he assumed the post on 1 January 2018. From 2010 to 2017 he was Deputy Surveyor of The Queen's Works of Art. The Surveyor is the senior curator of Decorative Arts at Royal Collection Trust, one of the five departments of the Royal Household. Previously he was a Director of Christie's, London, from 1997 to 2010 where he was responsible for sales of English Furniture, including cataloguing for sale the furniture at Dumfries House. He is a Trustee of Royal Yacht Britannia Trust and Thirlestane Castle Trust.

Dame Jayne-Anne Gadhia (Chair), December 2015 – present

Dame Jayne-Anne Gadhia is the Founder and Executive Chair of Snoop, and an Adviser to Salesforce UKI. From 2007 to 2018 she was the CEO of Virgin Money. A Chartered Accountant, she spent six years at Norwich Union (now Aviva) before becoming one of the founders of Virgin Direct in 1995. Three years later, she set up the Virgin One account, which was acquired by the Royal Bank of Scotland in 2001. She subsequently spent five years at RBS before returning to Virgin as CEO of Virgin Money. In November 2016 she was appointed as the UK Government's Women in Finance Champion, and in July 2017 she became a founder member of its Business Diversity and Inclusion Group. In 2018 she was named Leader of the Year at the Lloyds Bank National Business Awards. Jayne-Anne is a Trustee of the Tate. She sits on the UK Government's Industrial Strategy Council, Mayor of London's Business Advisory Board, CRUK Corporate Board, Financial Inclusion Policy Forum and Lloyds Culture Advisory Group. Jayne-Anne was made a Dame in the 2019 New Year's Honours list.

Mr Douglas Connell, October 2016 - present

Douglas Connell is the former senior partner and a founding partner of Turcan Connell, Solicitors, of Edinburgh, Glasgow and London where he specialised in heritage property and charity law. He was Chairman of Tcam, an investment and financial planning business. Douglas is the former chairman of Museums Galleries Scotland which is the national development body for Scotland's museums and galleries. He has served as a Board member of numerous arts and heritage organisations and as a Court member of the Universities of Edinburgh and St Andrews. After many years in Scotland, Douglas now lives in Hampshire and London.

Mr Ian Marcus, 1st April 2018 - present

Ian Marcus graduated from the University of Cambridge in 1981 with a degree in Land Economy. Ian was in the banking industry for over 32 years having previously worked for Bank of America, UBS, NatWest and Bankers Trust/Deutsche, always focusing on the real estate industry. Ian joined Credit Suisse First Boston in 1999 to establish the Real Estate Group, and became Managing Director and Chairman of the European Real Estate investment Banking. Ian is a member of Redevco's Advisory Board, the Senior Independent Director for both Secure Income REIT and Shurgard Self Storage, a Non-Executive Director for Town Centre Securities Plc and a Senior Adviser to The Anschutz Corporation. He was appointed as a Senior Consultant to Eastdil Secured in 2013. He is President of the Cambridge University Land Society, a member of Wharton's European Real Estate Advisory Board and a Senior Advisor to two new businesses, Work Life and Elysian Residences. Ian is a former Crown Estate Commissioner, a past President of the British Property Federation, past Chairman of the Investment Property Forum and for 10 years chaired the Bank of England Commercial Property Forum.

Report of the trustees for the year ended 31 March 2020 (continued)

The Board of Trustees (continued)

Dame Susan Bruce, 1st April 2018 - present

Dame Sue Bruce has a portfolio of non-executive director roles including SSE PLC; Convener of the Court of the University of Strathclyde; and Chair of the Royal Scottish National Orchestra. She is the Electoral Commissioner for Scotland and a Deputy Lieutenant of the City of Edinburgh. In recent activity, Sue has been the Independent Chair of the Expert Panel on Environmental Charging and other Measures and a member of the Advisory group on Economic Recovery, both commissioned by the Scottish Government. Sue retired from a career in local government in 2015 in her 40th year of public service, having started her career in community education specialising in social and economic regeneration, and latterly served as Chief Executive of the City of Edinburgh Council having previously been Chief Executive at Aberdeen City Council and Chief Executive at East Dunbartonshire Council. Sue runs her own consultancy business.

Mr George Richards, 15th September 2018 - present

George Richards is an ethnographer specialising in the protection of cultural heritage in the Middle East. He is Head of Heritage at Art Jameel, the arts and culture organisation, with responsibility for initiatives in Egypt, Saudi Arabia, Iraq and beyond in the fields of traditional craft, architectural preservation, and the digital recording of heritage. George has undertaken field expeditions in the Middle East to preserve cultural heritage on behalf of the British Library and the British Institute for the Study of Iraq, and has served as the special rapporteur for cultural heritage to the Kurdistan Regional Government; a specialist assessor to the British government's Cultural Protection Fund; and a senior fellow at the Iraqi government's cultural heritage commission, Iraq Heritage.

Sir David Green, 15th September 2018 - 20th June 2019

Sir David Green is a former CEO of the British Council and Voluntary Service Overseas (VSO) and former Deputy Director-General of the Save the Children Fund. He has been Chair of The Prince's School of Traditional Arts, the Dartington Hall Trust, the Royal Common Society, and Dash Arts. He has been a trustee of the University of Arts London and the English Speaking Union, and was the Founding President of the European Union National Institutes of Culture (EUNIC). In addition to The Prince's Foundation he is currently a trustee of the Royal Court Theatre, the Finnish Institute in London, Africa's Voices Foundation, and Soumik Datta Arts, which he chairs.

Mr James Hooper, 15th September 2018 - present

James Hooper founded the UK office of the Global Heritage Fund in 2007 and continues to serve as UK Director. The Global Heritage Fund is an international heritage conservancy with headquarters in California, USA. James founded Historic Productions in 2019, a specialist marketing and resources consultancy for the heritage sector. He is a qualified solicitor.

Mr Ashe Windham, CVO, 1st January 2019 - present

Ashe Windham was the Chairman of The Queen Elizabeth Castle of Mey Trust for 22 years, a position he held until recently. When The Prince's Foundation became the sole Trustee for The Queen Elizabeth Castle of Mey Trust Mr Windham was appointed as a Trustee to the board of the Foundation. As well as serving as a Trustee of The Prince's Foundation since January 2019, Ashe is Chairman of The Ruffer Investment Company plc, a non-executive Director of EFG Asset Management (UK) Ltd, and a non-executive Director of Milton UK MicroCap Trust Plc. Ashe also sits on four other charitable boards and has served as an Extra Equerry to HRH The Prince of Wales since 2003. Ashe's career began as an officer in the British Army. After eleven years in the Army he joined Barclays de Zoete Wedd ("BZW") in 1987, and was appointed a Director of BZW's Equities Division in 1991. He joined Credit Suisse First Boston in 1997 when they acquired BZW's equities business. In 2004 he joined Man Investments as Head of Internal Communications and in 2007 became Man Group's Global Head of Internal Communications. In June 2009 he resigned from Man Group plc to set up a private family office.

Report of the trustees for the year ended 31 March 2020 (continued)

Disclosure of information to the auditor

The Trustees who held office at the date of approval of this Trustees' report, confirm that, so far as they are each aware, there is no relevant audit information of which the Trust's auditor is unaware; and each Trustee has taken all reasonable steps, as a Trustee, to make him or her aware of any relevant audit information and to establish that the Trust's auditor is aware of that information.

Reference and Administrative Information

Charity name	The Prince's Foundation
Charity registration number	SC038770
Company registration number	SC331738
Registered offices	Dumfries House Cumnock Ayrshire KA18 2NJ
President	His Royal Highness The Prince Charles KG, KT, Duke of Rothesay, Earl of Carrick, Baron of Renfrewshire, Lord of the Isles and Prince and Great Steward of Scotland
Vice President	The Rt Hon The Earl of Snowdon
Trustees	Dame Jayne-Anne Gadhia (Chair) Mr Douglas Connell Mrs Heather Dunk Mr Rufus Bird Mr Ian Marcus Dame Susan Bruce Mr George Richards Sir David Green (resigned 20 June 2019) Mr James Hooper Mr Ashe Windham
Company Secretary	Mr Kenneth Dunsmuir

Report of the trustees for the year ended 31 March 2020 (continued)

Reference and Administrative Information (continued)

Senior Management Team	Mr Michael Fawcett, Chief Executive Officer Mr Kenneth Dunsmuir, Deputy Chief Executive Officer Mrs Emily Cherrington, Executive Director (Operations) Mr Kieran Ferguson, CFA, Executive Director (Finance) Mr Gordon Neil, Deputy Executive Director (Estate) Mr Simon Sadinsky, Deputy Executive Director (Education) Mr Kim Hitch, Deputy Executive Director (Architecture & Heritage) Mr Chris Martin, Deputy Executive Director (Development & Communications) Mr Khaled Azzam, Deputy Executive Director (School of Traditional Arts)
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Bankers	Coutts & Co The Strand London WC2R 0QS
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Auditors	Saffery Champness LLP 133 Fountainbridge Edinburgh EH3 9BA
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Solicitors	McCarthy Denning Limited Minster House 42 Mincing Lane London EC3R 7AE
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Statement of trustees' responsibilities in respect of the trustees' report and the financial statements

The Trustees (who are also directors of The Prince's Foundation for the purposes of company law) are responsible for preparing the Trustees' Annual Report (including the Strategic Report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Company law requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and 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 then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis, unless it is inappropriate to presume that the group and the charitable company will continue its activities.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). 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.

In so far as the Trustees are aware:

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

By order of the Board of Trustees



Dame Jayne-Anne Gadhia
Chair
Date 01/10/2020

Report of the Independent Auditors to the Trustees of The Prince's Foundation

Opinion

We have audited the financial statements of The Prince's Foundation (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2020 which comprise the Group Statement of Financial Activities, the Group Balance Sheet, the Foundation Balance Sheet, the Group Cash Flow Statement, the Foundation Cash Flow Statement, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102.

In our opinion the financial statements:

- give a true and fair view of the state of the affairs of the group and the parent charitable company as at 31 March 2020 and of the group's and parent company's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

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

Conclusions relating to going concern

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

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

Emphasis of matter – going concern

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosures made in notes 1 and 30 to the financial statements concerning the company and the group's ability to continue as a going concern and the impact of COVID 19 thereon. As disclosed, the company and the group rely upon ongoing support from core donors and the generation of income from future charitable and trading operations to meet obligations as they fall due. Due to the significance of these disclosures and the Trustees ongoing funding assumptions at the date of approval we draw these matters to the readers' attention however we reiterate that our opinion is not modified in this regard.

Other information

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Report of the Independent Auditors to the Trustees of The Prince's Foundation (continued)

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

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

Responsibilities of Trustees

As explained more fully in the Statement of Trustees Responsibilities (set out on page 15), the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

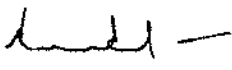
We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

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 a Report of the Independent Auditors 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/auditors/responsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



.....
Kenneth McDowell (Senior Statutory Auditor)
for and on behalf of Saffery Champness LLP
Chartered Accountants
Saffery Champness LLP
133 Fountainbridge
Edinburgh
EH3 9BA
Statutory Auditors

Date: 1 Oct 2020
Date:

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

Consolidated statement of financial activities
(incorporating an income and expenditure account)
for the year ended 31 March 2020

	Notes	General Funds £	Restricted Funds £	Endowment Funds £	Total 2020 £	Total 2019 £
Income and endowments from:						
Donations and legacies						
Donations	2	8,351,700	6,121,962	-	14,473,662	11,417,697
Grants and gift in kind	3	2,500	678,889	-	681,389	19,000
Other trading activities						
Rental income		66,004	-	-	66,004	48,114
Consultancy income		814,728	-	-	814,728	401,458
Dumfries House Trust Trading Limited		3,036,946	-	-	3,036,946	2,793,177
Dumfries House Home Farm Limited		249,302	-	-	249,302	250,295
Dumfries Farming & Land Limited		-	-	-	-	147
Community Capital Limited		1,112,418	-	-	1,112,418	830,364
Castle & Gardens of Mey Limited		461,764	-	-	461,764	2,573
Education income		584,397	-	-	584,397	588,011
The Queen Elizabeth Castle of Mey Trust		466,725	-	-	466,725	-
Investment income	16	39,578	-	180,113	219,691	119,410
Other income	4	194,577	-	-	194,577	89,635
Total		15,380,639	6,800,851	180,113	22,361,603	16,559,880
Expenditure on:						
Raising funds						
Building costs	5	(172,225)	-	-	(172,225)	(271,334)
Portfolio management costs	5	(36,412)	-	(40,547)	(76,959)	(17,742)
Dumfries House Trust Trading Limited	5	(3,035,107)	-	-	(3,035,107)	(2,790,036)
Dumfries House Home Farm Limited	5	(310,032)	-	-	(310,032)	(331,871)
Dumfries Farming & Land Limited	5	(8,672)	-	-	(8,672)	63,912
Community Capital Limited	5	(417,310)	-	-	(417,310)	(504,480)
Castle & Gardens of Mey Limited	5	(148,858)	-	-	(148,858)	(4,413)
PRT Social enterprise costs	5	-	-	-	-	(132)
Fundraising costs	5	(448,960)	(70,122)	-	(519,082)	(782,375)
	5	(4,577,576)	(70,122)	(40,547)	(4,688,245)	(4,638,471)
Charitable activities						
Wages & salaries	6, 10	(4,115,849)	(1,724,114)	-	(5,839,963)	(4,499,251)
Administration costs	6	(54,554)	-	-	(54,554)	(46,370)
Exhibition & promotion costs	6	(450,587)	-	-	(450,587)	(385,379)
Preservation of contents	6	(503,418)	(12,284)	-	(515,702)	(662,213)
Restoration of buildings	6	(1,228,384)	(353,988)	(65,780)	(1,648,152)	(1,840,888)
Maintenance of the estate	6	(975,666)	(212,806)	-	(1,188,472)	(1,610,341)
Education	6	(380,525)	(640,777)	-	(1,021,302)	(884,280)
Community events	6	-	(108,678)	-	(108,678)	(231,567)
Patronage & heritage costs	6	-	(174,380)	-	(174,380)	(202,102)
Donations made	6, 8	(24,067)	(649,395)	-	(673,462)	(217,739)
The Queen Elizabeth Castle of Mey Trust	6	(678,008)	(52,023)	-	(730,031)	-
		(8,411,055)	(3,928,445)	(65,780)	(12,405,281)	(10,580,131)
Other resources expended						
Other		4,614	-	(130,731)	(126,117)	(5,742)
		4,614	-	(130,731)	(126,117)	(5,742)
Governance costs	7	(1,033,455)	-	-	(1,033,455)	(1,324,062)
Total expenses		(14,017,472)	(3,998,567)	(237,058)	(18,253,098)	(16,548,406)
Net gains/(losses) on investments		183,151	-	(39,408)	143,743	(25,374)
Change in market value of investments		(185,951)	-	(466,224)	(652,174)	(110,693)
Net income/(expenditure) for the year before taxation and transfers		1,360,368	2,802,284	(562,577)	3,600,074	(124,593)

Consolidated statement of financial activities
(incorporating an income and expenditure account) (continued)
for the year ended 31 March 2020

	Notes	General Funds	Restricted Funds	Endowment Funds	Total 2020	Total 2019 Restated
		£	£	£	£	£
Net income/(expenditure) for the year before transfers		1,360,368	2,802,284	(562,577)	3,600,074	(124,593)
Gross transfers between funds		79,445	(72,997)	(6,448)	-	-
Transfer - Allocation of total return		276,000	-	(276,000)	-	-
Total transfers between funds	28	<u>355,445</u>	<u>(72,997)</u>	<u>(282,448)</u>	-	-
Net movements in funds		<u>1,715,812</u>	<u>2,729,287</u>	<u>(845,025)</u>	<u>3,600,074</u>	<u>(124,593)</u>
Reconciliation of funds:						
Fund balances at 1 April 2019 (restated)	20, 29	33,324,659	11,866,985	70,731,342	115,922,986	93,317,873
Net movements in funds		1,715,812	2,729,287	(845,025)	3,600,074	(124,593)
Introduction of The Prince's School of Traditional Arts reserves		-	-	-	-	9,962,862
Introduction of Community Capital Limited reserves		-	-	-	-	367,014
Introduction of The Prince's Foundation for Building Community reserves		-	-	-	-	3,251,688
Introduction of The Prince's Regeneration Trust reserves		-	-	-	-	58,035
Introduction of the Castle & Gardens of Mey Limited reserves		-	-	-	-	14,336
Introduction of The Queen Elizabeth Castle of Mey Trust reserves		-	-	-	-	9,075,770
Fund balances at 31 March 2020	20	<u>35,040,471</u>	<u>14,596,272</u>	<u>69,886,317</u>	<u>119,523,060</u>	<u>115,922,986</u>

For the current and previous years, all activities arise from continuing operations.

The net expenditure for the period for Companies Act purposes comprises net incoming / outgoing resources before other recognised gains and losses and totals £3,600,074 (2019: net expenditure £124,593).

The notes on pages 24 to 56 form part of these financial statements.

The Prince's Foundation
Trustees' report and financial statements
For the year ended 31 March 2020

Consolidated balance sheet
at 31 March 2020

	Notes	General Funds	Restricted Funds	Endowment Funds	Total 2020	Total 2019 Restated
		£	£	£	£	£
Fixed assets						
Intangible assets	13	1,749	-	50,500	52,249	52,498
Heritage assets	14,29	1,000,000	-	60,751,527	61,751,527	61,751,527
Other tangible assets	15	33,007,396	7,578,079	3,694,721	44,280,196	44,558,090
Investments	16	1,305,437	-	5,397,979	6,703,416	9,400,129
		<u>35,314,583</u>	<u>7,578,079</u>	<u>69,894,727</u>	<u>112,787,388</u>	<u>115,762,243</u>
Current assets						
Stock	17	1,368,154	-	-	1,368,154	1,286,438
Debtors	18	731,411	93,000	-	824,411	2,126,959
Cash at bank and in hand		1,583,480	6,945,193	-	8,528,673	5,098,779
		<u>3,683,045</u>	<u>7,038,193</u>	<u>-</u>	<u>10,721,238</u>	<u>8,512,176</u>
Creditors: amounts falling due within one year	19	<u>(3,922,141)</u>	<u>(20,000)</u>	<u>(8,410)</u>	<u>(3,950,551)</u>	<u>(8,328,372)</u>
Net current (liabilities)/ assets		<u>(239,096)</u>	<u>7,018,193</u>	<u>(8,410)</u>	<u>6,770,688</u>	<u>183,803</u>
Total assets less current (liabilities) / assets		<u>35,075,487</u>	<u>14,596,272</u>	<u>69,886,317</u>	<u>119,558,076</u>	<u>115,946,047</u>
Creditors: amounts falling due after more than one year	19	<u>(35,016)</u>	<u>-</u>	<u>-</u>	<u>(35,016)</u>	<u>(23,060)</u>
Net assets		<u>35,040,471</u>	<u>14,596,272</u>	<u>69,886,317</u>	<u>119,523,060</u>	<u>115,922,986</u>
Funds						
General	20				35,040,471	33,324,659
Restricted	20				14,596,272	11,866,985
Endowment	20				69,886,317	70,731,342
					<u>119,523,060</u>	<u>115,922,986</u>

The notes on pages 24 to 56 form part of these financial statements.

These financial statements were approved by the Trustees on 01/10/2020 and were signed on their behalf by:



Dame Jayne-Anne Gadhia
Chair

The Prince's Foundation
Trustees' report and financial statements
For the year ended 31 March 2020

Foundation balance sheet
at 31 March 2020

	Notes	General Funds	Restricted Funds	Endowment Funds	Total 2020	Total 2019 Restated
		£	£	£	£	£
Fixed Assets						
Intangible assets	13	-	-	50,500	50,500	50,500
Heritage assets	14, 29	-	-	60,751,527	60,751,527	60,751,527
Other tangible assets	15	22,374,485	7,578,079	3,694,721	33,647,284	30,517,054
Investments	16	5	-	1,696,980	1,696,985	1,829,113
		<u>22,374,490</u>	<u>7,578,079</u>	<u>66,193,728</u>	<u>96,146,296</u>	<u>93,148,194</u>
Current assets						
Debtors: amounts falling due within one year	18	2,061,000	93,000	-	2,154,000	4,119,502
Cash at bank		731,848	6,889,903	-	7,621,751	4,185,177
		<u>2,792,848</u>	<u>6,982,903</u>	<u>-</u>	<u>9,775,751</u>	<u>8,304,679</u>
Creditors: amounts falling due within one year	19	<u>(3,333,724)</u>	<u>(20,000)</u>	<u>(3,520)</u>	<u>(3,357,244)</u>	<u>(7,511,461)</u>
Net current (liabilities)/ assets		(540,876)	6,962,903	(3,520)	6,418,507	793,218
Total assets less current (liabilities) / assets		<u>21,833,614</u>	<u>14,540,982</u>	<u>66,190,208</u>	<u>102,564,804</u>	<u>93,941,412</u>
Creditors: amounts falling due after more than one year	19	(9,106)	-	-	(9,106)	(9,129)
Net assets		<u>21,824,508</u>	<u>14,540,982</u>	<u>66,190,208</u>	<u>102,555,698</u>	<u>93,932,283</u>
Funds						
General	20				21,824,508	17,847,483
Restricted	20				14,540,982	9,560,370
Endowment	20				66,190,208	66,524,430
					<u>102,555,698</u>	<u>93,932,283</u>

The notes on pages 24 to 56 form part of these financial statements.

These financial statements were approved by the trustees on 01/10/2020 and were signed on their behalf by:



Dame Jayne-Anne Gadhia
Chair

Consolidated cash flow statement
for the year ended 31 March 2020

Cash flow statement	Notes	2020 £	2019 £
Cash flows from operating activities	i	5,329,669	2,710,610
Interest paid		(162,535)	(124,283)
Interest element of hire purchase and finance lease rental		(3,291)	(3,564)
Net cash provided by (used in) operating activities		5,163,843	2,582,763
Cashflows from investing activities			
Purchase of tangible fixed assets		(1,978,912)	(4,683,399)
Proceeds on disposal of tangible fixed assets	15	23,931	-
Transfers and reclassification of tangible fixed assets		-	(12,346)
Purchase of fixed asset investments	16	(1,530,661)	-
Proceeds on disposal of fixed asset investments	16	3,564,418	-
Net cash movement in investments	16	154,525	-
Purchase of tangible assets on acquisition of subsidiary		-	(10,571,623)
Purchase of intangible assets on acquisition of subsidiary		-	(1,998)
Purchase of investments on acquisition of subsidiary		-	(9,400,129)
Introduction of funds on acquisition of subsidiaries		-	22,729,706
Investment income		219,691	119,410
Net cash provided by (used in) investing activities		452,992	(1,820,379)
Cash flow from financing activities			
New hire purchase contracts		153,324	129,340
Repayment of capital element of hire purchase contracts		(145,121)	(112,253)
Net cash flow from financing activities		8,203	17,087
Change in cash and cash equivalents in the reporting period		5,625,039	779,472
Cash and cash equivalents at the beginning of the period		1,629,872	850,400
Cash and cash equivalents at the end of the period	ii 22	7,254,911	1,629,872
Note i Reconciliation of net income/(expenditure) to net cash flow from operating activities			
Net income/ (expenditure) for the reporting period (as per the statement of financial activities)		3,600,074	(124,593)
Adjustments for:			
Depreciation, amortisation and impairment charges	13,15	2,145,208	2,111,406
Interest paid		162,535	124,283
Interest element of hire purchase and finance lease rental		3,291	3,564
Loss on disposal of fixed asset		126,116	5,742
Losses on investments		508,431	-
Investment income		(219,691)	(119,410)
Increase in stock	17	(81,716)	(95,945)
Decrease in debtors	18	1,302,548	296,402
(Decrease)/increase in creditors excluding overdraft & hire purchase	19	(2,217,127)	509,161
Net cash provided by (used in) operating activities		5,329,669	2,710,610
Note ii Reconciliation of net cash flow			
Increase in cash in the period		5,625,039	779,472
Net cash at start of the year		1,629,872	850,400
Movement in net funds in the period	22	5,625,039	779,472
Net cash at the end of the year	22	7,254,911	1,629,872

The Prince's Foundation
Trustees' report and financial statements
For the year ended 31 March 2020

Foundation cash flow statement
for the year ended 31 March 2020

Cash flow statement	Notes	2020 £	2019 £
Cash flows from operating activities	1	6,105,301	3,895,227
Interest paid		(160,039)	(124,284)
Interest element of hire purchase and finance lease rental		(1,490)	(2,105)
Net cash provided by (used in) operating activities		<u>5,943,772</u>	<u>3,768,838</u>
Cashflows from investing activities			
Purchase of tangible fixed assets		(403,484)	(3,706,118)
Proceeds on disposal of tangible fixed assets	15	5,649	3,600
Purchase of fixed asset investments	16	(447,965)	(195,747)
Proceeds on disposal of fixed asset investments	16	525,728	111,252
Net cash movement in investments	16	(58,416)	-
Investment income		42,799	26,135
Net cash provided by (used in) investing activities		(335,689)	(3,760,878)
Cash flow from financing activities			
New hire purchase contracts		153,324	103,151
Repayment of capital element of hire purchase contracts		(129,688)	(103,066)
Net cash flow from financing activities		23,636	85
Change in cash and cash equivalents in the reporting period		5,631,719	8,045
Cash and cash equivalents at the beginning of the period		<u>716,270</u>	<u>708,225</u>
Cash and cash equivalents at the end of the period	ii 22	<u>6,347,989</u>	<u>716,270</u>
Note I Reconciliation of net income/(expenditure) to net cash flow from operating activities			
Net income for the reporting period as per the statement of financial activities		8,623,415	3,894,476
Adjustments for:			
Depreciation, amortisation and impairment charges	13,15	1,787,970	2,052,398
Interest paid		160,039	124,284
Interest element of hire purchase and finance lease rental		1,490	2,105
Loss/(gain) on disposal of fixed asset		126,697	(3,600)
Losses on investments	16	112,781	132,039
Investment income		(42,799)	(26,135)
Exceptional income		(4,639,110)	(1,889,003)
Decrease/(increase) in debtors	18	1,965,502	(946,844)
(Decrease)/increase in creditors excluding overdraft & hire purchase	19	(1,980,684)	555,507
Net cash provided by (used in) operating activities		<u>6,105,301</u>	<u>3,895,227</u>
Note II Reconciliation of net cash flow			
Increase in cash in the period		<u>5,631,719</u>	<u>8,045</u>
Net cash at start of the year		716,270	708,225
Movement in net funds in the period	22	<u>5,631,719</u>	<u>8,045</u>
Net cash at the end of the year	22	<u>6,347,989</u>	<u>716,270</u>

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to both the Group's and Foundation's financial statements.

Basis of preparation

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005. The financial statements have been prepared under the historic cost convention rules modified to include revaluation of land and buildings, investments and sporting rights, and on the going concern basis.

The financial statements have been prepared in accordance with applicable accounting standards on a going concern basis which assumes the Foundation will continue to trade for a period of 12 months from the date of approval by the Trustees. The Trustees consider there to be no material uncertainties regarding the charity's ability to continue as a going concern given current balances at bank, donor pipeline and the availability of bank overdraft facility.

The charity is actively monitoring the COVID-19 outbreak and the associated impact on the charity. The main risks faced include reduced trading income, a reduction in the value of investment portfolios and the stability of our fundraising base. It is not possible to reliably estimate the length or severity of the pandemic however the Trustees have reviewed the current and future financial position of the charity at the date of signing and consider that it is appropriate to prepare the financial statements on the going concern basis. The receipt of material donations during the pandemic (please refer to note 30), in particular, gives the Trustees re-assurance in the strength of the charity's fundraising base.

The financial statements are presented in Sterling and are rounded to the nearest pound.

Company status

The Foundation is a private company limited by guarantee. The members of the Foundation are the Board of Trustees named on page 10. The country of incorporation and registration numbers are detailed in the Trustees report on page 13. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity.

Basis of consolidation

The consolidated financial statements include the financial statements of the Foundation and its subsidiary

The financial statements of its subsidiary entities':

- Dumfries House Trust Trading Limited
- Dumfries House Home Farm Limited
- Dumfries House Farming and Land Limited
- The Prince's Foundation for Building Community
- Community Capital Limited
- The Prince's Regeneration Trust
- The Prince's School of Traditional Arts
- The Queen Elizabeth Castle of Mey Trust
- The Castle and Gardens of Mey Limited

have been fully consolidated on a line by line basis in accordance with FRS 102 from the date that they became part of the Group.

Business combinations are accounted for under the purchase method. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

In the Foundation's financial statements, the investment in its subsidiaries are stated at cost.

Notes (continued)

1 Accounting policies (continued)

Funds

The Foundation maintains three types of fund: -

- General funds
- Endowment funds
- Restricted funds

General funds are unrestricted funds which are available for use for any purpose at the discretion of the Trustees in furtherance of the general objectives of the charity.

Endowment funds represent heritage assets which are recognised and valued in line with the Foundation's fixed asset policies. Endowment funds also represent investments held in trust from which income is derived to support either the general activities of the charity or activities specifically identified by the relevant trust. The Trustees have power of discretion to convert endowed capital into unrestricted income. Income arising on endowment funds is treated as part of the total return. See note 16.

Restricted funds are those donations received to which specific terms and conditions over the application of these funds are attached by the donor.

Income

All incoming resources are included in the statement of financial activities once the Foundation has entitlement to the funds, it is probable that the income will be received and the amount can be measured reasonably.

The following policies are applied to particular categories of income:

Income and endowments from:

Donations and donated services

Donations receivable for the general purposes of the Foundation are credited to General funds. Restricted donations are accounted for as restricted funds matched against the related expenditure.

Where services that would normally be purchased from the Foundation's suppliers are provided as a donation, this contribution is included in the financial statements at an estimate based on the value of the contribution to the Foundation.

Grants and gifts in kind

Income is recognised as a grant if formal paperwork is in place, an application process has been followed leading to a grant award being made, which is usually a competitive process with conditions attached, and the funds have been arrived at independently and not via connected organisations. Income recognition treatment takes grant conditions into account and income is deferred if specific conditions have not been met.

Gifts to the Foundation of fixed assets are recognised as incoming resources and within the relevant fixed asset category of the balance sheet when receivable, at an estimate of their gross value to the Foundation. Other gifts in kind (such as donations of time) are included within donated services.

Notes (continued)

1 Accounting policies (continued)

Income (continued)

Other trading activities

Income from commercial trading operations represents income from Dumfries House Trust Trading Limited, which includes the Dumfries House and Ballater shops, café and restaurants, as well as Dumfries House admissions, functions and income from a bed and breakfast business and House tours within Dumfries House Estate. Income from other commercial activities is recognised in the period in which it is received.

Income from Home Farm represents income from Dumfries House Home Farm Limited. Rental income is accounted for on an accruals basis. Income from livestock sales is recognised in the period in which it is received.

Income from Farming & Land represents income from Dumfries Farming & Land Limited. Income is recognised in respect of rentals from grazing land.

Income from Community Capital represents income from Community Capital Limited. Income is recognised in respect of architectural and building consultancy services during the period.

Income from Castle and Gardens of Mey represents income from Castle and Gardens of Mey Limited. Income is recognised in respect of net sales of bed and breakfast bookings, shop purchases and tea-room goods for the Castle of Mey.

Education income represents income from Education activities delivered across the charity's locations. This includes activities previously undertaken by The Prince's Foundation for Building Community and The Prince's School of Traditional Arts.

Investment Income

Interest receivable is credited to income in the period to which it relates and is recorded in General funds.

Dividend income from investments held at market value are recognised when they are received.

In 2020, £665,140 of gift aid was received from subsidiaries (2019: £325,884).

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost 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.

Resources expended:

Raising funds	represents direct costs of the Foundation's subsidiary operations, rent, portfolio management and fundraising activity.
Charitable activities	represents direct costs of operating and maintaining Dumfries House and Estate, The Queen Elizabeth Castle of Mey Trust, operational costs of Charlotte Road, London, and Ballater, and the costs incurred by staff to support delivery of our charitable objectives.
Governance costs	represents costs incurred in connection with the general running of the charity as opposed to the management and administration of its activities, including costs relating to statutory compliance.
Other resources expended	represents Gift Aided profits from Dumfries House Trust Trading Limited, where relevant, and asset disposals. Please see investment income for further details.

Notes (continued)

1 Accounting policies (continued)

Expenditure (continued)

Resources expended in the statement of financial activities include support costs of running the Foundation. These are charged as charitable expenditure or other costs as appropriate, being expenses incurred in the ordinary operations of the Foundation.

Support costs are allocated to the categories of charitable activities on a pro-rata basis if it is not possible to allocate the costs on a specific basis.

The costs of conservation, restoration and preservation of endowment assets are charged to the endowment fund.

Heritage assets

The heritage assets within the Foundation are accounted for by applying the principles of accounting standard FRS 102.

Heritage assets comprise Dumfries House, the stables and coach house and the contents of Dumfries House, many of which date back to the commissioning of the House in the 1750s, which are held in support of the Foundation's primary objective of preserving the collection for the nation and providing reasonable public access to it, as a contribution to the nation's culture and education, both nationally and locally.

The House collection is reported in the balance sheet at a valuation when received.

A valuation of Dumfries House, the stables and coach house on the basis of market value was performed by Stanley Wright, Chartered Surveyors, on 28 March 2017, in accordance with the Appraisal and Valuation Standards published by the Royal Institution of Chartered Surveyors (the Red Book).

A valuation of the House contents has been based on an external valuation carried out by Lyon and Turnbull, auctioneers, for audit purposes on 29 March 2017. The valuation was based on similar previous sale estimates and results.

A valuation of sporting rights was carried out on the basis of market value by Stanley Wright, as at 28 March 2017.

Heritage assets from The Queen Elizabeth Castle of Mey Trust relate to the Castle of Mey, which was gifted by the late Her Majesty Queen Elizabeth The Queen Mother to The Queen Elizabeth Castle of Mey Trust on its inception in 1996.

The Castle is inspected on a regular basis and any work required is brought to the attention of the Trustees, who consider it and prioritise the work. The inspection may be carried out by the Administrator who oversees the property and its use. The Castle was revalued by the Trustees on 31 December 2010 at £1,000,000.

Expenditure which, in the Trustees' view, is required to preserve or prevent further deterioration of individual collection items is recognised in the income and expenditure account when it is incurred, as part of the Foundation's charitable activities. Expenditure which, in the Trustees' view, adds to the value of individual items is capitalised, in accordance with FRS 102. Due to a continuous restoration programme, the heritage assets are subject to an annual impairment review rather than amounts being depreciated on a systematic basis.

Heritage assets are accounted for in note 14.

Notes (continued)

1 Accounting policies (continued)

Trademarks

Trademarks are capitalised where there is expected to be a benefit to future periods and the following conditions are met:

- i) it is technically feasible to complete the research or development so that the product will be available for use or sale.
- ii) it is intended to use or sell the product being developed.
- iii) the Charity is able to use or sell the product.
- iv) it can be demonstrated that the product will generate probable future economic benefits.
- v) adequate technical, financial and other resources exist so that product development can be completed and subsequently used or sold.
- vi) expenditure attributable to the research and development work can be reliably measured.

Capitalised trademarks are stated at cost less accumulated amortisation and impairment losses and amortised over its useful economic life. Assessments of useful economic life are 10 years.

Tangible fixed assets (excluding heritage assets) and depreciation

Land and buildings are stated at market value, defined as "the estimated amount for which a property should exchange on the date of valuation between a willing buyer and seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion". Where a Land and buildings asset has not been revalued it is stated at cost less depreciation. The need for impairment is considered every year. Should the value of assets be deemed impaired or appreciated due to a change in market conditions or condition of the asset, then a professional valuation will be carried out by independent valuer from a relevant specialism. The last valuation took place in 2017. The board have considered the need for further revaluations and deemed it not necessary at this point. The current value of the assets is deemed reflective of their carrying value in line with FRS 102.

Market valuations are carried out in accordance with the Appraisal and Valuations Standards published by the Royal Institute of Chartered Surveyors (the Red Book).

Other tangible fixed assets are stated at historic cost.

Depreciation is provided to write off the cost or valuation less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Freehold buildings	-	Up to 50 years
Plant and machinery	-	3 to 10 years
Fixtures, fittings, tools and equipment	-	2 to 5 years
Motor vehicles	-	5 years
Improvements to property	-	25 years
Website costs	-	5 years
Assets under construction	-	not provided

No depreciation is provided on freehold land.

Change in accounting estimate

Changes were made to depreciation policies on 1 August 2019 to bring consistency across The Prince's Foundation group.

Freehold buildings - all relevant assets depreciated at 2% straight line. This resulted in an decrease in depreciation/ increase in net book value of £35,562; if prior policy had been applied the charge would have been £105,707.

Plant & machinery - all assets depreciated at 33% straight line. This resulted in an increase in depreciation/ decrease in net book value of £12,694; if prior policy had been applied the charge would have been £12,882.

Fixtures, fittings, tools & equipment - Office equipment is now depreciated at 33% straight line & fixtures & fittings are now depreciated at 20% straight line. This has resulted in a decrease in depreciation/ increase in net book value of £761; if prior policy had been applied the charge would have been £4,864.

Notes (continued)

1 Accounting policies (continued)

Listed investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted bid price. Any change in fair value will be recognised in the statement of financial activities.

Stocks

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

Livestock is valued within the accounts at fair value which includes any future costs to bring the stock to the point of sale.

Land within stock is stated at its revalued amount.

Debtors

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

Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Creditors

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

Leases

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives.

Operating lease rentals are charged to the statement of financial activities on a straight line basis over the period of the lease.

Pensions

The Foundation operates a defined contribution pension scheme. Contributions payable to the Foundation's pension scheme are charged to the statement of financial activities in the period to which they relate.

Notes (continued)**1 Accounting policies (continued)****Taxation**

The Foundation is considered to pass the tests set out in Schedule 30 and 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Foundation is potentially exempt from taxation in respect of income or capital gains received within the categories covered in Chapter 3 Part 11 Corporation Tax Act 2010 to the extent that such income or gains are applied exclusively to charitable purposes.

The company's trading activities, which are undertaken by the subsidiary companies Dumfries House Trust Trading Limited, Dumfries House Home Farm Limited, Dumfries Farming and Land Limited, Community Capital Limited and Castle and Gardens of Mey Limited are not exempt from UK taxation. However, the subsidiary companies with the exception of Castle and Gardens of Mey Limited have an agreement in place to donate all profits to the Foundation through Gift Aid, resulting in no tax liability for these subsidiaries.

The Foundation is registered for Value Added Tax and accordingly, income and expenditure is recognised and reported on a net basis.

Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the statement of financial activities for the period.

Financial Instruments

The charity's financial assets and financial liabilities qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Key judgements and sources of estimation uncertainty

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

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

Key judgements that the charitable company has made which have a significant effect on the accounts include the assumptions around the depreciation period for fixed assets.

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Valuation of fixed assets and heritage assets

As described in the accounting policies, land and buildings and heritage assets are stated at fair value based on the valuation performed by an independent professional valuers with recent experience in the location and category of assets valued. The valuer used observable market prices adjusted as necessary for any difference in the future, location or condition of the specific asset.

Notes (continued)

2 Donations and legacies

	General Fund £	Restricted Fund £	Total 2020 £	Total 2019 £
Donations received	<u>8,351,700</u>	<u>6,121,962</u>	<u>14,473,662</u>	<u>11,417,697</u>
	<u>8,351,700</u>	<u>6,121,962</u>	<u>14,473,662</u>	<u>11,417,697</u>

3 Grants and gifts in kind

	General Fund £	Restricted Fund £	Total 2020 £	Total 2019 £
Grants received				
Charitable organisations	-	189,500	189,500	6,500
Corporate bodies	-	20,000	20,000	-
Trusts	2,500	422,389	424,889	12,500
Other	-	47,000	47,000	-
	<u>2,500</u>	<u>678,889</u>	<u>681,389</u>	<u>19,000</u>

Grant income includes a grant received in year from The MacRobert Trust for the Home Farm redevelopment at Dumfries House (£300k). This is shown under grants received from Trusts.

4 Other income

	General Fund £	Restricted Fund £	Total 2020 £	Total 2019 £
Health Initiative Income	6,352	-	6,352	-
Other Income	188,225	-	188,225	89,635
	<u>194,577</u>	<u>-</u>	<u>194,577</u>	<u>89,635</u>

Notes (continued)

5 Raising funds

	General Fund £	Restricted Fund £	Endowment Fund £	Total 2020 £	Total 2019 £
Building costs	(172,225)	-	-	(172,225)	(271,334)
Portfolio management	(36,412)	-	(40,547)	(76,959)	(17,742)
<u>Commercial trading costs</u>					
Trading cost of sales	(2,662,313)	-	-	(2,662,313)	(2,519,594)
Admin costs	(372,794)	-	-	(372,794)	(270,442)
	<u>(3,035,107)</u>	<u>-</u>	<u>-</u>	<u>(3,035,107)</u>	<u>(2,790,036)</u>
<u>Farming costs</u>					
Farm cost of sales	(119,356)	-	-	(119,356)	(167,754)
Admin costs	(190,676)	-	-	(190,676)	(164,117)
	<u>(310,032)</u>	<u>-</u>	<u>-</u>	<u>(310,032)</u>	<u>(331,871)</u>
<u>Farming & land costs</u>					
Cost of sales	-	-	-	-	-
Admin costs	(8,672)	-	-	(8,672)	63,912
	<u>(8,672)</u>	<u>-</u>	<u>-</u>	<u>(8,672)</u>	<u>63,912</u>
<u>Community capital costs</u>					
Cost of sales	(377,301)	-	-	(377,301)	(416,569)
Admin costs	(40,009)	-	-	(40,009)	(87,911)
	<u>(417,310)</u>	<u>-</u>	<u>-</u>	<u>(417,310)</u>	<u>(504,480)</u>
<u>Castle & Gardens of Mey costs</u>					
Cost of sales	(123,650)	-	-	(123,650)	(4,413)
Admin costs	(25,113)	-	-	(25,113)	-
Taxation	(95)	-	-	(95)	-
	<u>(148,858)</u>	<u>-</u>	<u>-</u>	<u>(148,858)</u>	<u>(4,413)</u>
<u>PRT Social enterprise costs</u>					
Admin costs	-	-	-	-	(132)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(132)</u>
<u>Fundraising costs</u>					
Admin costs	(126,772)	(10,151)	-	(136,923)	(227,514)
Costs of raising funds	(322,188)	(59,971)	-	(382,159)	(554,861)
	<u>(448,960)</u>	<u>(70,122)</u>	<u>-</u>	<u>(519,082)</u>	<u>(782,375)</u>
	<u>(4,577,576)</u>	<u>(70,122)</u>	<u>(40,547)</u>	<u>(4,688,245)</u>	<u>(4,638,471)</u>

The Castle and Gardens of Mey in-year costs include the full year effect of The Prince's Foundation becoming sole Trustee of The Queen Elizabeth Castle of Mey Trust.

Notes (continued)

6 Charitable activities

	Direct costs £	Support Costs £	Total 2020 £	Total 2019 £
General fund				
Wages & salaries	-	(4,115,849)	(4,115,849)	(2,905,699)
Administration costs	-	(54,554)	(54,554)	(43,223)
Exhibition & promotions costs	-	(450,587)	(450,587)	(385,379)
Preservation of contents	(414,334)	(89,082)	(503,416)	(650,901)
Restoration of buildings	-	(1,228,384)	(1,228,384)	(1,302,861)
Maintenance of the estate	(918,673)	(56,993)	(975,666)	(1,420,877)
Education department	(380,525)	-	(380,525)	(33,769)
Donations made	(24,067)	-	(24,067)	(159,688)
The Queen Elizabeth Castle of Mey Trust	(357,660)	(320,348)	(678,008)	-
	<u>(2,095,258)</u>	<u>(6,315,797)</u>	<u>(8,411,055)</u>	<u>(6,902,397)</u>
Restricted fund				
Wages & salaries	-	(1,724,114)	(1,724,114)	(1,593,552)
Administration costs	-	-	-	(3,147)
Exhibition & promotion costs	-	-	-	-
Preservation of contents	(8,322)	(3,962)	(12,284)	(11,312)
Restoration of buildings	-	(353,988)	(353,988)	(393,221)
Maintenance of estate	(212,806)	-	(212,806)	(189,464)
Education department	(640,777)	-	(640,777)	(850,511)
Community events	(108,678)	-	(108,678)	(231,567)
Patronage and heritage costs	(174,380)	-	(174,380)	(202,102)
Donations made	(649,395)	-	(649,395)	(58,051)
The Queen Elizabeth Castle of Mey Trust	(52,023)	-	(52,023)	-
	<u>(1,846,382)</u>	<u>(2,082,064)</u>	<u>(3,928,445)</u>	<u>(3,532,928)</u>
Endowment fund				
Restoration of buildings	-	(65,780)	(65,780)	(144,806)
Total	<u>(3,941,640)</u>	<u>(8,463,641)</u>	<u>(12,405,281)</u>	<u>(10,580,131)</u>

Support costs are apportioned to the categories of charitable activities on a pro-rata basis where it is not possible to allocate the costs. Please see note 7 for support costs summary.

The year on year uplift on wages and salaries reflects the effect of a full year of wages post the merger with The Prince's School of Traditional Arts and becoming sole Trustee of The Queen Elizabeth Castle of Mey Trust (prior period included 7 months' and 3 months' of expenditure, respectively).

The Prince's Foundation
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Notes (continued)

7 Support and other costs

	General Fund	Restricted Fund	Endowment Funds	Total 2020	Total 2019
	£	£	£	£	£
Support costs					
Staff costs	(4,115,849)	(1,724,114)	-	(5,839,963)	(4,499,251)
Marketing, communication and exhibition costs	(450,587)	-	-	(450,587)	(385,379)
Depreciation and amortisation	(1,695,989)	(357,950)	(65,780)	(2,119,719)	(2,095,561)
Administration costs	(53,372)	-	-	(53,372)	(46,370)
	<u>(6,315,797)</u>	<u>(2,082,064)</u>	<u>(65,780)</u>	<u>(8,463,641)</u>	<u>(7,026,561)</u>
Governance costs					
Legal	(110,833)	-	-	(110,833)	(28,527)
Auditor's remuneration	(36,050)	-	-	(36,050)	(21,950)
Bank interest and charges	(169,362)	-	-	(169,362)	(171,898)
Irrecoverable VAT expense	(179,410)	-	-	(179,410)	(440,274)
Consulting & professional fees	(537,800)	-	-	(537,800)	(606,413)
Other	-	-	-	-	(55,000)
	<u>(1,033,455)</u>	<u>-</u>	<u>-</u>	<u>(1,033,455)</u>	<u>(1,324,062)</u>

The year on year uplift in staff costs and consultancy fees reflects the full year effect of merger activity in the year for The Prince's School of Traditional Arts and becoming sole Trustee of The Queen Elizabeth Castle of Mey Trust. In the prior year, 7 months' and 3 months' of costs respectively were included.

8 Donations made

	2020	2019
	£	£
Architecture & Heritage projects donations	423,673	53,464
Donations to Education institutions including bursaries and student support	194,108	109,270
Community events and initiatives donations	55,681	55,005
	<u>673,462</u>	<u>217,739</u>

Included within Architecture & Heritage project donations is a non-repeating in-year payment to Fleetwood Hospital of £300,000.

9 Net incoming/(outgoing) resources are stated after charging

	2020	2019
	£	£
Auditor's remuneration:		
Audit of Foundation financial statements	19,750	15,000
Non-audit services provided to the Foundation	1,500	17,846
Audit of subsidiary financial statements	21,250	21,000
Non-audit services provided to subsidiaries	4,400	23,500
	<u>46,900</u>	<u>77,346</u>
Depreciation and amortisation	<u>2,145,208</u>	<u>2,111,406</u>

Notes (continued)

10 Staff Costs

	The Prince's Foundation	Dumfries House Trust Trading Limited	Dumfries House Home Farm Limited	Dumfries Farming and Land Limited	The Queen Elizabeth Castle Of Mey Trust	Community Capital Limited	2020	2019
	£	£	£	£	£	£	£	£
Wages and salaries	4,773,312	1,453,230	89,296	266,426	486,006	263,512	7,331,782	5,345,722
Social security costs	373,047	82,576	8,258	26,873	24,319	27,100	542,173	439,766
Other pension costs	158,585	29,347	2,679	6,568	24,694	9,553	231,426	178,467
	<u>5,304,944</u>	<u>1,565,153</u>	<u>100,233</u>	<u>299,867</u>	<u>535,019</u>	<u>300,165</u>	<u>8,105,381</u>	<u>5,963,955</u>

Staff costs as a result of the charitable activities total £5,839,963 (2019: £4,499,251). This amount comprises the wages, salaries and relating staff costs of The Prince's Foundation and The Queen Elizabeth Castle of Mey Trust. A full year's expenditure is included in the year to 31 March 2020 for The Queen Elizabeth Castle of Mey Trust compared to 3 months' expenditure in the prior period, and the full year effect of The Prince's School of Traditional Arts employees transferred under TUPE is now included compared to 7 months' expenditure in the prior period.

The wages and salaries of the trading entities are included within the cost of raising funds under the corresponding trade activities. The Prince's Foundation for Building Community, The Prince's School of Traditional Arts, The Prince's Regeneration Trust, PRT Social Enterprise Limited and The Castle and Gardens of Mey Limited have no employee costs.

	2020	2019
From -		
£60,001 to £70,000	6	5
£70,001 to £80,000	-	1
£80,001 to £90,000	4	-
£90,001 to £100,000	-	2
In excess of £100,000	<u>2</u>	<u>2</u>

All of the employees above received pension contributions.

	2020	2019
	£	£
Employer pension contributions for the employees above	<u>41,866</u>	<u>23,885</u>

The average number of employees of the group during the period was as follows:

	2020 Number	2019 Number
The Prince's Foundation	135	125
Dumfries House Trust Trading Limited	122	133
Dumfries House Home Farm Limited	3	3
Dumfries Farming and Land Limited	9	10
The Queen Elizabeth Castle of Mey Trust	47	4
Community Capital Limited	<u>6</u>	<u>3</u>
	<u>322</u>	<u>278</u>

135 (2019: 73) of the employees were employed on a seasonal basis.

No Trustees received any remuneration in respect of their role as Trustees in this year or the preceding year.

The key management personnel of the parent charity, the Foundation, comprise the Trustees and the Senior Management Team as noted on pages 13 and 14. The total employee benefits of the key management personnel of the Foundation were £999,125 (2019: £750,602). The year on year growth in staff costs is due to 2020 being the first full year of employment for several recently appointed members of the Senior Management Team. 2019 comprised part year employment costs for these employees.

Notes (continued)

11 2019 Comparatives for the Consolidated Statement of Financial Activities

	General funds £	Restricted funds £	Endowment funds £	Total funds £
Income and endowments from:				
Donations and legacies				
Donations	6,162,159	5,255,538	-	11,417,697
Grants & gifts in kind	12,500	6,500	-	19,000
Other trading activities				
Rental income	48,114	-	-	48,114
Consultancy income	401,458	-	-	401,458
Commercial trading operations	2,793,177	-	-	2,793,177
Home Farm	250,295	-	-	250,295
Farming & Land	147	-	-	147
Community Capital	830,364	-	-	830,364
Castle & Gardens of Mey	2,573	-	-	2,573
Education income	588,011	-	-	588,011
Investments	12,420	-	106,990	119,410
Other income	89,635	-	-	89,635
Total	11,190,852	5,262,038	106,990	16,559,880
Expenditure				
Raising funds				
Building costs	(271,334)	-	-	(271,334)
Portfolio management	-	-	(17,742)	(17,742)
Commercial trading costs	(2,790,036)	-	-	(2,790,036)
Farming costs	(331,871)	-	-	(331,871)
Farming & land costs	63,912	-	-	63,912
Community capital costs	(504,480)	-	-	(504,480)
Castle & Gardens of Mey costs	(4,413)	-	-	(4,413)
PRT Social enterprise costs	(132)	-	-	(132)
Fundraising costs	(397,688)	(384,687)	-	(782,375)
	(4,236,042)	(384,687)	(17,742)	(4,638,471)
Charitable activities				
Wages & salaries	(2,905,699)	(1,593,552)	-	(4,499,251)
Administration costs	(43,223)	(3,147)	-	(46,370)
Exhibition & promotions costs	(385,379)	-	-	(385,379)
Preservation of contents	(650,901)	(11,312)	-	(662,213)
Restoration of buildings	(1,302,861)	(393,221)	(144,806)	(1,840,888)
Maintenance of estate	(1,420,877)	(189,464)	-	(1,610,341)
Education	(33,769)	(850,511)	-	(884,280)
Community events	-	(231,567)	-	(231,567)
Patronage & heritage costs	-	(202,102)	-	(202,102)
Donations made	(159,688)	(58,051)	-	(217,739)
	(6,902,397)	(3,532,928)	(144,806)	(10,580,131)
Other resources expended				
Other	(5,742)	-	-	(5,742)
Governance costs	(1,269,062)	-	(55,000)	(1,324,062)
Total expenses	(12,413,243)	(3,917,615)	(217,548)	(16,548,406)
Net income/(expenditure) for the year before taxation and transfers	(1,222,391)	1,344,423	(110,558)	11,474
Net gains/(losses) on investments	406	-	(25,780)	(25,374)
Change in market value of investments	106,821	-	(217,514)	(110,693)
Net (expenditure)/ income for the year before transfers	(1,115,164)	1,344,423	(353,852)	(124,593)

Notes (continued)

11 2019 Comparatives for the Consolidated Statement of Financial Activities (continued)

	General funds £	Restricted funds £	Endowment funds £	Total funds £
Net income/(expenditure) for the year before transfers	(1,115,164)	1,344,423	(353,852)	(124,593)
Gross transfers between funds	666,059	(666,059)	-	-
Transfer- Allocation of total return	34,500	-	(34,500)	-
Total transfers between funds	700,559	(666,059)	(34,500)	-
Net movements in funds	<u>(414,605)</u>	<u>678,364</u>	<u>(388,352)</u>	<u>(124,593)</u>
Reconciliation of funds:				
Fund balances at 1 April 2018 (restated)	17,935,984	10,543,824	64,838,065	93,317,873
Net movements in funds	(414,605)	678,364	(388,352)	(124,594)
Introduction of The Prince's School of Traditional Arts reserves	3,173,883	507,350	6,281,629	9,962,862
Introduction of Community Capital Limited reserves	367,014	-	-	367,014
Introduction of The Prince's Foundation for Building Community reserves	3,189,041	62,647	-	3,251,688
Introduction of The Prince's Regeneration Trust reserves	58,035	-	-	58,035
Introduction of the Castle & Gardens of Mey Limited reserves	14,336	-	-	14,336
Introduction of The Queen Elizabeth Castle of Mey Trust reserves	<u>9,000,970</u>	<u>74,800</u>	<u>-</u>	<u>9,075,770</u>
Fund balances at 31 March 2019	<u>33,324,659</u>	<u>11,866,985</u>	<u>70,731,342</u>	<u>115,922,986</u>

Notes (continued)

12 2020 Statement of financial activities - Foundation only

Foundation statement of financial activities
(incorporating an income and expenditure account)
for the year ended 31 March 2020

	General Funds	Restricted Funds	Endowment Funds	Total 2020	Total 2019 (Restated)
	£	£	£	£	£
Income and endowments from:					
<i>Donations and legacies</i>					
Donations	8,298,017	5,536,137	-	13,834,154	10,924,835
Grants and gift in kind	-	678,889	-	678,889	-
Other trading activities	880,733	-	-	880,733	514,572
Gift aid from subsidiaries	665,140	-	-	665,140	325,884
Investment income	-	-	42,799	42,799	26,135
Other income	3,429,196	2,222,445	-	5,651,641	4,913,600
Total	13,273,086	8,437,471	42,799	21,753,356	16,705,026
Expenditure on:					
<i>Raising funds</i>					
Building costs	(172,225)	-	-	(172,225)	(271,334)
Portfolio management	-	-	(15,280)	(15,280)	(8,564)
Fundraising costs	(448,961)	(70,122)	-	(519,083)	(782,377)
	<u>(621,186)</u>	<u>(70,122)</u>	<u>(15,280)</u>	<u>(706,588)</u>	<u>(1,062,275)</u>
<i>Charitable activities</i>					
Wages & salaries	(3,580,798)	(1,724,115)	-	(5,304,911)	(4,438,709)
Administration costs	(8,904)	-	-	(8,904)	(46,370)
Exhibition & promotion costs	(450,587)	-	-	(450,587)	(385,379)
Preservation of contents	(503,416)	(12,284)	-	(515,700)	(662,213)
Restoration of buildings	(1,228,384)	(343,766)	(65,780)	(1,637,930)	(1,816,630)
Maintenance of the estate	(975,666)	(212,806)	-	(1,188,472)	(1,469,302)
Education	(380,525)	(640,777)	-	(1,021,302)	(884,280)
Community events	-	(108,678)	-	(108,678)	(231,567)
Patronage and heritage costs	-	(174,380)	-	(174,380)	(202,102)
Donations made	(24,067)	(782,211)	-	(806,278)	(194,275)
	<u>(7,152,347)</u>	<u>(3,999,017)</u>	<u>(65,780)</u>	<u>(11,217,143)</u>	<u>(10,330,827)</u>
Other resources expended					
Other	4,035	-	(130,731)	(126,696)	3,600
Governance costs	<u>(966,732)</u>	<u>-</u>	<u>-</u>	<u>(966,732)</u>	<u>(1,270,403)</u>
Total expenses	(8,736,229)	(4,069,139)	(211,792)	(13,017,158)	(12,659,905)
Net (losses) on investments	-	-	(48,187)	(48,187)	(18,605)
Change in market value of investments	-	-	(64,595)	(64,595)	(132,039)
Net income/(expenditure) for the year before taxation and transfers	4,536,858	4,368,332	(281,774)	8,623,415	3,894,477
Taxation	-	-	-	-	-
Net income/(expenditure) for the year before transfers	4,536,858	4,368,332	(281,774)	8,623,415	3,894,477
Gross transfers between funds	(605,832)	612,280	(6,448)	-	-
Transfer - Allocation of Total Return	46,000	-	(46,000)	-	-
Total transfers between funds	(559,832)	612,280	(52,448)	-	-
Net movements in funds	3,977,025	4,980,612	(334,222)	8,623,415	3,894,477
Reconciliation of funds:					
Fund balances at 1 April 2019 (restated)	17,847,483	9,560,370	66,524,430	93,932,283	90,037,806
Fund balances at 31 March 2020	<u>21,824,508</u>	<u>14,540,982</u>	<u>66,190,208</u>	<u>102,555,698</u>	<u>93,932,283</u>

Notes (continued)

13 Intangible assets

Group	Trademarks £	Sporting rights £	Total
<i>Cost or valuation</i>			
At 1 April 2019	6,280	50,500	56,780
Additions	-	-	-
Disposals	-	-	-
At 31 March 2020	<u>6,280</u>	<u>50,500</u>	<u>56,780</u>
<i>Amortisation</i>			
At 1 April 2019	4,282	-	4,282
Charge for the period	249	-	249
At 31 March 2020	<u>4,531</u>	<u>-</u>	<u>4,531</u>
<i>Net book value</i>			
At 31 March 2020	<u>1,749</u>	<u>50,500</u>	<u>52,249</u>
At 31 March 2019	<u>1,998</u>	<u>50,500</u>	<u>52,498</u>

Foundation

	Sporting rights £	Total
<i>Cost or valuation</i>		
At 1 April 2019	50,500	50,500
Additions	-	-
Disposals	-	-
At 31 March 2020	<u>50,500</u>	<u>50,500</u>
<i>Net book value</i>		
At 31 March 2020	<u>50,500</u>	<u>50,500</u>
At 31 March 2019	<u>50,500</u>	<u>50,500</u>

Cost or valuation at 31 March 2020 is represented by:

	Trademarks £	Sporting Rights £
Cost	6,280	65,000
Valuation in 2017	-	(14,500)
	<u>6,280</u>	<u>50,500</u>

If intangible assets had not been revalued they would have been included at the following historical cost:

	2020 £	2019 £
Cost of sporting rights	<u>65,000</u>	<u>65,000</u>

14 Heritage Assets

Group	Heritage assets £
<i>Cost or valuation</i>	
At 1 April 2019 (restated)	61,751,527
Additions	-
Disposals	-
At 31 March 2020	<u>61,751,527</u>
<i>Net book value</i>	
At 31 March 2020	<u>61,751,527</u>
At 31 March 2019	<u>61,751,527</u>

Cost or valuation at 31 March 2020 is represented by:

	Heritage assets £
Cost	39,783,476
Valuation in 2017	21,968,051
	<u>61,751,527</u>

If heritage assets had not been revalued they would have been included at the following historical cost:

	2020 £	2019 £
Cost of heritage assets	<u>39,783,476</u>	<u>39,783,476</u>

Notes (continued)

14 Heritage Assets (continued)

Foundation	Heritage assets
	£
<i>Cost or valuation</i>	
At 1 April 2019 (restated)	60,751,527
Additions	-
Disposals	-
At 31 March 2020	<u>60,751,527</u>
<i>Net book value</i>	
At 31 March 2020	<u>60,751,527</u>
At 31 March 2019 (restated)	<u>60,751,527</u>

Cost or valuation at 31 March 2020 is represented by:

	Heritage assets
	£
Cost	38,783,476
Valuation in 2017	<u>21,968,051</u>
	<u>60,751,527</u>

If endowment assets had not been revalued they would have been included at the following historical cost:

	2020	2019
	£	£
Cost of heritage assets	<u>38,783,476</u>	<u>39,783,476</u>
	<u>38,783,476</u>	<u>39,783,476</u>

Heritage assets within the Endowment Funds comprise Dumfries House, the stables and coach house and the contents of Dumfries House, many of which date back to the commissioning of the House in the 1750s. Dumfries House itself was built between 1754 and 1759 for the 5th Earl of Dumfries by the Adam brothers. The most important additional works to the building were undertaken by the architect Robert Weir Schultz in the 1890s.

Dumfries House has an unrivalled collection of furniture made or bought for the house when first built. Around 55 pieces by Thomas Chippendale, which represent his early rococo or "Director" phase, include bookcases, a bed, and items such as shaving tables and washstands. With most of the original invoices surviving, these pieces testify to Chippendale's early success in Scotland. This comprehensive body of furniture is complemented by work from the contemporary Edinburgh-based wrights Alexander Peter, Francis Brodie, and William Mathie. The range of luxury furniture produced by this group is unique in the world, both in terms of its quantity and quality. The contents are complemented by ceramics, carpets, chandeliers and other smaller objects, many of which can still be found in their original locations.

The Foundation also owns the Avenue Bridge, the Dovecote, the Temple and the Ice House which are classified as heritage assets, but cannot be valued and are therefore not recorded in the financial statements.

The heritage assets within the Foundation comprise largely of 18th century, 19th century and 20th century fine furniture, items of decorative and applied art and works of art. Assets acquired during the period are purchased to enhance the current collections within the House.

Records of the collection are kept in the form of a digital database and hard copies, both of which are regularly updated. Access to the assets within the House is only permitted on the guided tours throughout the year. Any items not on the public route of these tours can be accessed by prior appointment with the collection manager.

A full revaluation of the heritage assets held within the Foundation was conducted during the year to 31 March 2017.

The heritage assets also relate to The Castle of Mey which was gifted by the late Her Majesty Queen Elizabeth The Queen Mother to The Queen Elizabeth Castle of Mey Trust on its inception in 1996. There is no intention to either acquire or dispose of heritage assets. The Castle was revalued by the Trustees on 31 December 2010 at £1,000,000 in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard 102 (effective 1 January 2019). The Trustees consider this to be a reasonable value at 31 March 2020.

Summary analysis of Heritage Asset transactions

	2020	2019	2018	2017	2016
	£	£	£	£	£
Purchases and additions	-	1,000,000	-	-	-
Revaluation	-	-	-	21,968,051	-
	<u>-</u>	<u>1,000,000</u>	<u>-</u>	<u>21,968,051</u>	<u>-</u>
Disposals	-	-	-	-	30,946

Notes (continued)

15 Tangible fixed assets

Group	Land & Buildings £	Plant & Machinery £	Fixtures & Fittings £	Motor vehicles £
Cost or valuation				
At 1 April 2019 (restated)	45,237,364	250,052	3,498,157	134,248
Additions	173,796	58,242	744,600	14,698
Disposals	(150,429)	(35,516)	(16,025)	-
Transfers	3,854,490	-	84,697	-
At 31 March 2020	49,115,221	272,778	4,311,429	148,946
Depreciation				
At 1 April 2019 (restated)	6,853,301	148,844	2,470,807	104,161
Charge for period	1,745,925	42,058	292,522	7,417
Disposals	(19,491)	(19,875)	(13,226)	-
Transfers	(19,580)	-	52,902	-
At 31 March 2020	8,560,155	171,027	2,803,005	111,578
Net book value				
At 31 March 2020	40,555,066	101,751	1,508,424	37,368
At 31 March 2019	38,384,063	101,208	1,027,350	30,088
	Improvements to Property £	Website Costs £	Assets under Construction £	Total 2020 £
Cost or valuation				
At 1 April 2019 (restated)	1,937,329	3,564	3,968,561	55,029,275
Additions	-	-	1,025,776	2,017,112
Disposals	(667)	-	-	(202,637)
Transfers	(416,525)	-	(3,522,662)	-
At 31 March 2020	1,520,137	3,564	1,471,675	56,843,750
Depreciation				
At 1 April 2019 (restated)	891,689	2,384	-	10,471,185
Charge for period	55,857	1,180	-	2,144,959
Disposals	-	-	-	(52,592)
Transfers	(33,322)	-	-	-
At 31 March 2020	914,224	3,564	-	12,563,552
Net book value				
At 31 March 2020	605,913	-	1,471,675	44,280,196
At 31 March 2019 (restated)	1,045,640	1,180	3,968,561	44,558,090

Notes (continued)

15 Tangible fixed assets (continued)

Cost or valuation at 31 March 2020 is represented by:

	Land & Buildings	Plant & Machinery	Fixtures & Fittings	Motor vehicles	Improvements to Property
	£	£	£	£	£
Cost	57,159,302	272,778	4,311,429	148,946	1,520,137
Valuation in 2017	(8,044,081)	-	-	-	-
	<u>49,115,221</u>	<u>272,778</u>	<u>4,311,429</u>	<u>148,946</u>	<u>1,520,137</u>
	Website Costs	Assets under Construction	Total 2019		
	£	£	£		
Cost	3,564	1,471,675	64,887,831		
Valuation in 2017	-	-	(8,044,081)		
	<u>3,564</u>	<u>1,471,675</u>	<u>56,843,750</u>		

If tangible fixed assets had not been revalued they would have been included at the following historical cost:

	2020		2019				
	£	£	£	£			
Cost of freehold land & buildings	<u>57,159,302</u>	<u>54,723,885</u>					
Foundation							
	Land & Buildings	Plant & Machinery	Fixtures & Fittings	Motor vehicles	Website costs	Assets under Construction	Total 2020
	£	£	£	£	£	£	£
Cost or valuation							
At 1 April 2019 (restated)	35,708,542	148,391	2,393,948	109,248	3,564	927,461	39,291,154
Additions	173,794	15,409	5,811	14,698	-	544,214	753,926
Disposals	(150,429)	(10,516)	(5,805)	-	-	-	(166,750)
Transfers	4,748,637	-	84,697	-	-	(342,491)	4,430,843
At 31 March 2020	<u>40,480,544</u>	<u>153,284</u>	<u>2,478,651</u>	<u>123,946</u>	<u>3,564</u>	<u>1,129,184</u>	<u>44,369,173</u>
Depreciation							
At 1 April 2019 (restated)	6,477,276	119,711	2,082,386	92,344	2,384	-	8,774,101
Charge for period	1,637,932	16,657	128,299	3,902	1,180	-	1,787,970
Disposals	(19,491)	(10,087)	(4,826)	-	-	-	(34,404)
Transfers	141,320	-	52,902	-	-	-	194,222
At 31 March 2020	<u>8,237,037</u>	<u>126,281</u>	<u>2,258,761</u>	<u>96,246</u>	<u>3,564</u>	<u>-</u>	<u>10,721,889</u>
Net book value							
At 31 March 2020	<u>32,243,507</u>	<u>27,003</u>	<u>219,890</u>	<u>27,700</u>	<u>-</u>	<u>1,129,184</u>	<u>33,647,284</u>
At 31 March 2019 (restated)	<u>29,231,266</u>	<u>28,680</u>	<u>311,562</u>	<u>16,905</u>	<u>1,180</u>	<u>927,461</u>	<u>30,517,054</u>

Cost or valuation at 31 March 2020 is represented by:

	Land & Buildings	Plant & Machinery	Fixtures & Fittings	Motor vehicles	Website costs	Assets under Construction	Total 2020
	£	£	£	£	£	£	£
Cost	50,555,182	153,284	2,478,651	123,946	3,564	1,129,184	54,443,811
Valuation in 2017	(10,074,638)	-	-	-	-	-	(10,074,638)
	<u>40,480,544</u>	<u>153,284</u>	<u>2,478,651</u>	<u>123,946</u>	<u>3,564</u>	<u>1,129,184</u>	<u>44,369,173</u>

If tangible fixed assets had not been revalued they would have been included at the following historical cost:

	2020	2019
	£	£
Cost of freehold land & buildings	<u>50,555,182</u>	<u>47,225,620</u>

Notes (continued)

16 Investments

Group	2020 £	2019 £
Investments	<u>6,703,416</u>	<u>9,400,129</u>

£2m was disbursed from the portfolio during the year in order to fund The Granary project at The Queen Elizabeth Castle of Mey Trust. In addition, the portfolio reduced during the financial year due to volatility in global equity markets during the COVID-19 pandemic.

Parent charity

	2020 £	2019 £
Investments in subsidiary undertakings	5	5
Investments	<u>1,696,980</u>	<u>1,829,108</u>
	<u>1,696,985</u>	<u>1,829,113</u>

The Prince's Foundation is the sole member/ ordinary shareholder of the following subsidiaries:

Dumfries House Trust Trading Limited (Company number SC333119), a company incorporated in Great Britain and registered in Scotland is a trading subsidiary which represents the commercial trading arm of the Foundation. The registered address of the company is Dumfries House, Dumfries House Estate, Cumnock, Ayrshire, KA18 2NJ.

Dumfries House Home Farm Limited (Company number SC261878), a company incorporated in Great Britain and registered in Scotland is a trading subsidiary which represents the farming arm of the Foundation. The registered address of the company is Dumfries House, Dumfries House Estate, Cumnock, Ayrshire, KA18 2NJ.

Dumfries Farming & Land Limited (Company number 06391121), a company incorporated in Great Britain and registered in England and Wales is a trading subsidiary which principal activity is in relation to commercial building construction. The registered address of the company is Clarence House, St James, London, SW1A 1BA.

Community Capital Limited (Company number 04268547), a company incorporated in Great Britain and registered in England and Wales is a trading subsidiary whose business is urban design consultancy. The registered address of the company is 19-22 Charlotte Road, Shoreditch, London, EC2A 3SG. This company became a subsidiary on 1 April 2018.

The Queen Elizabeth Castle of Mey Trust (Charity number SC024983), a charity registered in Scotland, set-up for the preservation of buildings and monuments with historical importance and architectural interest. It is registered at Castle of Mey, Caithness, KW14 8XH. The Prince's Foundation became the sole trustee of this charity on 1 January 2019.

The Prince's Foundation is the controlling party of the following charities as of 31 March 2020:

The Prince's Foundation for Building Community (Company number 03579567, Charity number 1069969), an educational charity registered in England and Wales is registered at 19-22 Charlotte Road, Shoreditch, London, EC2A 3SG. This charity became a subsidiary of the Foundation on 1 April 2018.

The Prince's School of Traditional Arts (Company number 04970959, Charity number 1101527), an educational charity registered in England and Wales is registered at 19-22 Charlotte Road, Shoreditch, London, EC2A 3SG. This charity became a subsidiary of the Foundation on 1 September 2018.

The Prince's Foundation indirectly owns the following subsidiaries as of 31 March 2020:

Castle and Gardens of Mey Limited (Company number SC247163), a company incorporated in Great Britain and registered in Scotland is indirectly owned by the Foundation, via its ownership of The Queen Elizabeth Castle of Mey Trust which fully owns this trading subsidiary. The registered address of the company is Redwood, 19 Culduthel Road, Inverness, IV2 4AA.

The Prince's Regeneration Trust (Company number 04342518, Charity number 1089932), an educational charity registered in England and Wales is indirectly controlled by the Foundation, via its control of The Prince's Foundation for Building Community, which is the sole member of this charity. The registered address of this entity is 19-22 Charlotte Road, Shoreditch, London, EC2A 3SG.

The summarised financial results of all of these subsidiaries for the period ended 31 March 2020 are disclosed in note 31 to these accounts.

Notes (continued)

16 Investments (continued)

Investments - Group

	2020 £	2019 £
Market value at 31 March 2019	9,400,129	-
Additions at cost	1,530,661	1,051,653
Cash transferred (from)/to fixed asset investments	-	(1,575,362)
Disposals at carrying value	(3,564,419)	(1,010,191)
Revaluations	(508,430)	(117,868)
Investment cash movement	(154,525)	-
Transfer on acquisition of subsidiary	-	11,051,897
Market value at 31 March 2020	<u>6,703,416</u>	<u>9,400,129</u>

Analysis of market value of investments:

UK equities	1,902,470	1,870,707
International equities	1,285,220	2,814,347
UK bonds	1,411,639	2,265,845
International bonds	190,018	46,812
Portfolio funds	303,012	346,360
Alternatives	1,255,115	1,475,101
Cash	355,942	580,957
	<u>6,703,416</u>	<u>9,400,129</u>

Analysis of investment income for the period:

UK equities	82,085	36,458
International equities	37,160	20,709
UK bonds	47,164	12,835
International bonds	3,433	15,730
Portfolio funds	3,993	5,410
Property	-	11,509
Alternatives	40,251	16,365
Cash	5,604	394
	<u>219,691</u>	<u>119,410</u>

The following investments held at 31 March 2020 are over 5% of the portfolio by value -

	£
Charity Equity Income Fund, SUTL Cazenove Charity UCITS Fund	<u>537,740</u>
Charities Property Fund	<u>456,875</u>

Notes (continued)

16 Investments (continued)

Investments - Parent charity

	2020	2019
	£	£
Market value at 31 March 2019	1,829,108	-
Additions at cost	447,965	238,727
Disposals at carrying value	(525,728)	(154,237)
Revaluations	(112,781)	(132,039)
Investment cash movement	58,416	-
Transfer on acquisition of subsidiary	-	1,876,657
Market value at 31 March 2020	<u>1,696,980</u>	<u>1,829,108</u>

Analysis of market value of investments:

UK equities	889,375	175,651
International equities	189,101	1,007,359
UK bonds	244,801	199,361
International bonds	-	63,655
Alternatives	272,307	340,102
Cash	101,396	42,980
	<u>1,696,980</u>	<u>1,829,108</u>

Analysis of investment income for the period:

UK equities	14,956	2,941
International equities	5,184	8,502
UK bonds	10,865	8,038
International bonds	-	849
Alternatives	9,927	5,805
	<u>40,932</u>	<u>26,135</u>

There were no investments held at 31 March 2020 with a value of 5% of the portfolio valuation.

17 Stock

	Group 2020	Foundation 2020	Group 2019	Foundation 2019
	£	£	£	£
Farming livestock & consumables	550,398	-	448,675	-
Goods for resale - Dumfries House Visitor Centre	28,346	-	17,815	-
Goods for resale - Ballater Highgrove shop	5,679	-	13,800	-
Goods for resale - Castle and Gardens of Mey	57,337	-	81,632	-
Food & beverage stock - Dumfries House	22,016	-	22,085	-
Food & beverage stock - Ballater Bistro	4,378	-	2,430	-
Dumfries Farming and Land Ltd:				
Development land at Knockroon	700,000	-	700,000	-
	<u>1,368,154</u>	<u>-</u>	<u>1,286,438</u>	<u>-</u>

Notes (continued)

18 Debtors

	Group 2020	Foundation 2020	Group 2019	Foundation 2019
	£	£	£	£
<i>Amounts falling due within one year</i>				
Trade debtors	390,188	195,732	1,344,675	1,909,305
Other debtors	71,470	18,000	356,774	326,082
Other taxation recoverable	87,041	-	258,024	44,305
Amounts due from subsidiary	-	1,720,895	-	1,739,163
Prepayments and accrued income	261,211	204,873	136,487	69,647
	<u>809,911</u>	<u>2,139,500</u>	<u>2,095,959</u>	<u>4,088,502</u>
<i>Amounts falling due after more than one year</i>				
Other debtors	14,500	14,500	31,000	31,000
Aggregate amounts	<u>824,411</u>	<u>2,154,000</u>	<u>2,126,959</u>	<u>4,119,502</u>

19 Creditors

	Group 2020	Foundation 2020	Group 2019	Foundation 2019
	£	£	£	£
<i>Amounts falling due within one year</i>				
Bank overdrafts	1,273,762	1,273,762	3,468,907	3,468,907
Trade creditors	653,978	567,320	3,517,731	3,157,098
Other creditors	69,380	25,926	400,242	366,666
Hire purchase	110,477	97,247	76,030	65,638
Other taxation payable	156,187	69,977	188,896	-
Corporation tax	95	-	-	-
Accruals and deferred income	1,686,673	1,323,012	676,567	453,151
	<u>3,950,551</u>	<u>3,357,244</u>	<u>8,328,372</u>	<u>7,511,461</u>
<i>Amounts falling due after more than one year</i>				
Hire purchase due in 2-5 years	<u>35,016</u>	<u>9,106</u>	<u>23,060</u>	<u>9,129</u>

Notes (continued)

20 Fund movements

Group	Note	Balance 1 April 2019 (Restated) £	Incoming resources £	Resources expended £	Gains or losses £	Transfers between funds £	Balance 31 March 2020 £
Endowment fund	20.1	70,731,342	180,113	(237,058)	(505,632)	(282,448)	69,886,317
Restricted funds	20.2	11,866,985	6,800,851	(3,998,567)	-	(72,997)	14,596,272
General funds	20.3	33,324,659	15,380,639	(14,017,472)	(2,800)	355,445	35,040,471
Total funds		115,922,986	22,361,603	(18,253,097)	(508,432)	-	119,523,060

Foundation	Note	Balance 1 April 2019 (Restated) £	Incoming resources £	Resources expended £	Gains or losses £	Transfers between funds £	Balance 31 March 2020 £
Endowment fund	20.1	66,524,430	42,799	(211,792)	(112,782)	(52,448)	66,190,208
Restricted funds	20.2	9,560,370	8,437,471	(4,069,139)	-	612,280	14,540,982
General funds	20.3	17,847,483	13,273,086	(8,736,229)	-	(559,832)	21,824,508
Total funds		93,932,283	21,753,356	(13,017,159)	(112,782)	-	102,555,698

20.1 Endowment fund

Group	Balance 1 April 2019 (Restated) £	Incoming resources £	Resources expended £	Gains or losses £	Transfers between funds £	Balance 31 March 2020 £
The Prince's Foundation - Endowment assets	64,693,259	-	(196,511)	-	-	64,496,748
The Traditional and Islamic Arts Education Fund	1,831,171	42,799	(15,280)	(112,782)	(52,448)	1,693,460
Abdul Latif Jameel Centre for Traditional Arts and Crafts	4,206,912	137,314	(25,267)	(392,850)	(230,000)	3,696,109
	<u>70,731,342</u>	<u>180,113</u>	<u>(237,058)</u>	<u>(505,632)</u>	<u>(282,448)</u>	<u>69,886,317</u>

Foundation	Balance 1 April 2019 (Restated) £	Incoming resources £	Resources expended £	Gains or losses £	Transfers between funds £	Balance 31 March 2020 £
The Prince's Foundation - Endowment assets	64,693,259	-	(196,511)	-	-	64,496,748
The Traditional and Islamic Arts Education Fund	1,831,171	42,799	(15,280)	(112,782)	(52,448)	1,693,460
	<u>66,524,430</u>	<u>42,799</u>	<u>(211,791)</u>	<u>(112,782)</u>	<u>(52,448)</u>	<u>66,190,208</u>

The Prince's Foundation - Endowment assets - Included in endowment funds are heritage assets of £60,751,527, freehold land & buildings of £3,694,719 and sporting rights of £50,500.

Included in endowment funds is the Abdul Latif Jameel Centre for Traditional Arts and Crafts endowment fund and The Traditional and Islamic Arts Education Fund.

Notes (continued)

20 Fund movements (continued)

20.2 Restricted funds

Group	Balance 1 April 2019 £	Incoming resources £	Resources expended £	Gains or losses £	Transfers between funds £	Balance 31 March 2020 £
Group restricted - Various Funds	7,913,764	4,752,050	(3,914,112)	-	94,967	8,846,669
Glenside Build	2,516,839	-	(6,521)	-	(65,209)	2,445,109
The Prince's Foundation - Capital Projects	(996,874)	771,036	(13,100)	-	238,938	-
Prince's School of Traditional Arts - Property fund	2,232,665	-	(30,665)	-	-	2,202,000
Glenside printmaking studio	200,591	277,765	-	-	-	478,356
Coachford cottage development	-	1,000,000	(34,169)	-	(341,693)	624,138
	<u>11,856,985</u>	<u>6,800,851</u>	<u>(3,998,567)</u>	<u>-</u>	<u>(72,997)</u>	<u>14,596,272</u>
Foundation	Balance 1 April 2019 £	Incoming resources £	Resources expended £	Gains or losses £	Transfers between funds £	Balance 31 March 2020 £
The Prince's Foundation - Various Funds	7,839,814	4,156,005	(3,984,684)	-	780,244	8,791,379
Glenside Build	2,516,839	-	(6,521)	-	(65,209)	2,445,109
The Prince's Foundation - Capital Projects	(996,874)	771,036	(13,100)	-	238,938	-
Prince's School of Traditional Arts - Property fund	-	2,232,665	(30,665)	-	-	2,202,000
Glenside printmaking studio	200,591	277,765	-	-	-	478,356
Coachford cottage development	-	1,000,000	(34,169)	-	(341,693)	624,138
	<u>9,560,370</u>	<u>8,437,471</u>	<u>(4,069,139)</u>	<u>-</u>	<u>612,280</u>	<u>14,540,982</u>

Various Funds - consists of numerous restricted funds from donations made to the Group for purposes specified by the donor. These funds are disclosed as a total due to their individual values.

Glenside Build - consists of funds held for the development of the Glenside Centre for Traditional Arts.

The Prince's Foundation - Capital Projects - consists of funds held for costs related to capital projects undertaken by The Prince's Foundation. The opening balance on this fund was in deficit due to the timing of work on several projects. This position was rectified upon receipt of committed funds in the year to 31st March 2020.

Prince's School of Traditional Arts - Property Fund - represents the net book value of the charity's one third share of 19-21 Charlotte Road, London EC2A 3GS.

Glenside printmaking studio - consists of funds held for the development of the printmaking studio within the Glenside Centre for Traditional Arts.

Coachford cottage development - consists of funds held for the development of the Coachford Cottage artists retreat.

20.3 Unrestricted funds

Group	Balance 1 April 2019 (Restated) £	Incoming resources £	Resources expended £	Gains or losses £	Transfers between funds £	Balance 31 March 2020 £
General funds	22,722,847	15,380,639	(14,017,472)	(2,800)	1,930,979	26,014,193
The Prince's Foundation for Building and Community - Property revaluation reserve	489,457	-	-	-	(489,457)	-
The Queen Elizabeth Castle of Mey Trust - Fixed asset fund	10,112,355	-	-	-	(1,086,077)	9,026,278
	<u>33,324,659</u>	<u>15,380,639</u>	<u>(14,017,472)</u>	<u>(2,800)</u>	<u>355,445</u>	<u>35,040,471</u>
Foundation	Balance 1 April 2019 (Restated) £	Incoming resources £	Resources expended £	Gains or losses £	Transfers between funds £	Balance 31 March 2020 £
General funds	17,847,483	13,273,086	(8,736,229)	-	(559,832)	21,824,508

General funds - General unrestricted funds are those that can be used in accordance with the group's charitable objectives as the discretion of the Trustees.

The Prince's Foundation for Building and Community - Property revaluation reserve - represents the difference between the net book value and the historical cost of the property occupied by the Group as its head office. The revaluation reserve was eliminated in the year following recognition of asset at cost within the parent entity. This fund has been released to general funds within The Foundation.

The Queen Elizabeth Castle of Mey Trust - Fixed asset fund - the fixed asset fund comprises all fixed assets held by the Trust.

Notes (continued)

20 Fund movements (continued)

Prior year comparatives

20.4 Group	Note	Balance 1 April 2018 (Restated) £	Introduction of new subsidiaries £	Incoming resources £	Resources expended £	Gains or losses £	Transfers between funds £	Balance 31 March 2019 £
Endowment fund	20.5	64,838,065	6,281,629	106,990	(217,548)	(243,294)	(34,500)	70,731,342
Restricted funds	20.6	10,543,824	644,797	5,262,038	(3,917,615)	-	(666,059)	11,866,985
General funds	20.7	17,935,984	15,803,280	11,190,852	(12,413,243)	107,227	700,559	33,324,659
Total funds		93,317,873	22,729,706	16,559,880	(16,548,406)	(136,067)	-	115,922,986

Foundation	Note	Balance 1 April 2018 (Restated) £	Incoming resources £	Resources expended £	Gains or losses (Restated) £	Transfers between funds £	Balance 31 March 2019 (Restated) £
Endowment fund	20.5	64,838,065	2,024,879	(153,370)	(150,644)	(34,500)	66,524,430
Restricted funds	20.6	10,543,824	5,825,535	(3,893,226)	-	(2,915,763)	9,560,370
General funds	20.7	14,655,917	8,854,612	(8,613,309)	-	2,950,263	17,847,483
Total funds		90,037,806	16,705,026	(12,659,905)	(150,644)	-	93,932,283

20.5 Endowment fund

Group	Balance 1 April 2018 (Restated) £	Introduction of new subsidiaries £	Incoming resources £	Resources expended £	Gains or losses £	Transfers between funds £	Balance 31 March 2019 £
The Prince's Foundation - Endowment assets	64,838,065	-	-	(144,806)	-	-	64,693,259
The Traditional and Islamic Arts Education Fund	-	1,988,177	36,702	(8,564)	(150,644)	(34,500)	1,831,171
Abdul Latif Jameel Centre for Traditional Arts and Crafts	-	4,293,452	70,288	(64,178)	(92,650)	-	4,206,912
	64,838,065	6,281,629	106,990	(217,548)	(243,294)	(34,500)	70,731,342

Foundation	Balance 1 April 2018 (Restated) £	Incoming resources £	Resources expended £	Gains or losses £	Transfers between funds £	Balance 31 March 2019 £
The Prince's Foundation - Endowment assets	64,838,065	-	(144,806)	-	-	64,693,259
The Traditional and Islamic Arts Education Fund	-	2,024,879	(8,564)	(150,644)	(34,500)	1,831,171
	64,838,065	2,024,879	(153,370)	(150,644)	(34,500)	66,524,430

The Prince's Foundation - Endowment assets - Included in endowment funds are heritage assets of £60,751,527, freehold land & buildings of £3,891,232 and sporting rights of £50,500.

Included in endowment funds is the Abdul Latif Jameel Centre for Traditional Arts and Crafts Endowment Fund and The Traditional and Islamic Arts Education Fund.

Notes (continued)

20 Fund movements (continued)

20.6 Restricted funds

Group	Balance 1 April 2018 £	Introduction of new subsidiaries £	Incoming resources £	Resources expended £	Gains or losses £	Transfers between funds £	Balance 31 March 2019 £
Group restricted - Various Funds	7,543,948	644,797	4,751,193	(2,955,554)	-	(1,870,029)	8,114,355
Glenside Build	2,999,876	-	-	(483,037)	-	-	2,516,839
The Prince's Foundation - Capital Projects	-	-	510,845	(461,135)	-	(1,046,584)	(996,874)
Prince's School of Traditional Arts - Property fund	-	-	-	(17,889)	-	2,250,554	2,232,665
	<u>10,543,824</u>	<u>644,797</u>	<u>5,262,038</u>	<u>(3,917,615)</u>	<u>-</u>	<u>(666,059)</u>	<u>11,856,985</u>

Foundation	Balance 1 April 2018 £	Incoming resources £	Resources expended £	Gains or losses £	Transfers between funds £	Balance 31 March 2019 £
The Prince's Foundation - Various Funds	7,543,948	5,314,690	(2,949,054)	-	(1,869,179)	8,040,405
Glenside Build	2,999,876	-	(483,037)	-	-	2,516,839
The Prince's Foundation - Capital Projects	-	510,845	(461,135)	-	(1,046,584)	(996,874)
	<u>10,543,824</u>	<u>5,825,535</u>	<u>(3,893,226)</u>	<u>-</u>	<u>(2,915,763)</u>	<u>9,560,370</u>

Various Funds – consists of numerous restricted funds from donations made to the Group for purposes specified by the donor. These funds are disclosed as a total due to their individual values.

Glenside Build – consists of funds held for the development of the Glenside Centre for Traditional Arts.

The Prince's Foundation - Capital Projects - consists of funds held for costs related to capital projects undertaken by The Prince's Foundation. This fund is in deficit due to the timing of the work on several projects.

Prince's School of Traditional Arts - Property Fund - represents the net book value of the charity's one third share of 19-22 Charlotte Road, London EC2A 3SG.

20.7 Unrestricted funds

Group	Balance 1 April 2018 {Restated} £	Introduction of new subsidiaries £	Incoming resources £	Resources expended £	Gains or losses £	Transfers between funds £	Balance 31 March 2019 £
General funds	17,935,984	3,998,526	11,190,852	(12,413,243)	107,227	1,903,501	22,722,847
The Prince's Foundation for Building and Community - Property revaluation reserve	-	489,457	-	-	-	-	489,457
Prince's School of Traditional Arts - Property fund - designated	-	2,250,554	-	-	-	(2,250,554)	-
The Queen Elizabeth Castle of Mey Trust - Fixed asset fund	-	9,064,743	-	-	-	1,047,612	10,112,355
	<u>17,935,984</u>	<u>15,803,280</u>	<u>11,190,852</u>	<u>(12,413,243)</u>	<u>107,227</u>	<u>700,559</u>	<u>33,324,659</u>

Foundation	Balance 1 April 2018 {Restated} £	Incoming resources £	Resources expended £	Gains or losses £	Transfers between funds £	Balance 31 March 2019 £
General funds	14,655,917	8,854,612	(8,613,309)	-	2,950,263	17,847,483

General funds - General unrestricted funds are those that can be used in accordance with the group's charitable objectives as the discretion of the Trustees.

The Prince's Foundation for Building and Community - Property revaluation reserve - represents the difference between the net book value and the historical cost of the property occupied by the Group as its head office.

Prince's School of Traditional Arts - designated property fund has moved to restricted - see note 20.6.

The Queen Elizabeth Castle of Mey Trust - Fixed asset fund - the fixed asset fund comprises all fixed assets held by the Trust.

Notes (continued)

21 Analysis of net assets between funds

Group	General Funds	Restricted Funds	Endowment Funds	Total 2020	Total 2019 (Restated)
	£	£	£	£	£
Tangible fixed assets	35,314,583	7,578,079	69,894,727	112,787,389	115,762,243
Current assets	3,683,045	7,038,193	-	10,721,238	8,512,176
Current liabilities	(3,922,141)	(20,000)	(8,410)	(3,950,551)	(8,328,372)
Non current liabilities	(35,016)	-	-	(35,016)	(23,060)
Total net assets	35,040,471	14,596,272	69,886,317	119,523,060	115,922,986

Foundation	General Funds	Restricted Funds	Endowment Funds	Total 2020	Total 2019 (Restated)
	£	£	£	£	£
Tangible fixed assets	22,374,490	7,578,079	66,193,728	96,146,296	93,148,194
Current assets	2,792,848	6,982,903	-	9,775,751	8,304,679
Current liabilities	(3,333,724)	(20,000)	(3,520)	(3,357,244)	(7,511,461)
Non current liabilities	(9,106)	-	-	(9,106)	(9,129)
Total net assets	21,824,508	14,540,982	66,190,208	102,555,698	93,932,283

2019 Comparatives					
Group	General Funds (Restated)	Restricted Funds	Endowment Funds (Restated)	Total 2019 (Restated)	Total 2018 (Restated)
	£	£	£	£	£
Tangible fixed assets	37,002,902	8,030,062	70,729,279	115,762,243	93,209,897
Current assets	4,610,713	3,899,400	2,063	8,512,176	6,717,464
Current liabilities	(8,265,895)	(62,477)	-	(8,328,372)	(6,591,780)
Non current liabilities	(23,060)	-	-	(23,060)	(17,708)
Total net assets	33,324,659	11,866,985	70,731,342	115,922,986	93,317,873

Foundation	General Funds (Restated)	Restricted Funds	Endowment Funds (Restated)	Total 2019 (Restated)	Total 2018 (Restated)
	£	£	£	£	£
Tangible fixed assets	20,902,379	5,723,448	66,522,367	93,148,194	89,637,908
Current assets	4,403,217	3,899,399	2,063	8,304,679	6,423,158
Current liabilities	(7,448,984)	(62,477)	-	(7,511,461)	(6,023,260)
Non current liabilities	(9,129)	-	-	(9,129)	-
Total net assets	17,847,483	9,560,370	66,524,430	93,932,283	90,037,806

Notes (continued)

21 Analysis of net assets between funds (continued)

Reserve analysis between funds

Group	General Funds	Restricted Funds	Endowment Funds	Total 2020	Total 2019 (Restated)
	£	£	£	£	£
At the beginning of period	33,324,659	11,866,985	70,731,342	115,922,986	93,317,873
Profit/(loss) for the period before revaluation	1,546,318	2,802,284	(96,353)	4,252,248	(13,900)
Gross transfers between funds	355,445	(72,997)	(282,448)	-	-
(Losses) on revaluation of investments	(185,951)	-	(466,224)	(652,174)	(110,693)
Introduction of Funds on acquisitions	-	-	-	-	22,729,706
	<u>35,040,471</u>	<u>14,596,273</u>	<u>69,886,317</u>	<u>119,523,060</u>	<u>115,922,986</u>
Foundation	General Funds	Restricted Funds	Endowment Funds	Total 2020	Total 2019 (Restated)
	£	£	£	£	£
At the beginning of the period	17,847,483	9,560,370	66,524,430	93,932,283	90,037,806
Profit/(loss) for the period before revaluation	4,536,858	4,368,332	(217,180)	8,688,009	4,026,516
Gross transfers between funds	(559,832)	612,280	(52,448)	-	-
Gains/(losses) on revaluation of investments	-	-	(64,595)	(64,595)	(132,039)
	<u>21,824,508</u>	<u>14,540,982</u>	<u>66,190,208</u>	<u>102,555,698</u>	<u>93,932,283</u>
2019 Comparatives					
Group	General Funds (Restated)	Restricted Funds	Endowment Funds (Restated)	Total 2019 (Restated)	Total 2018 (Restated)
	£	£	£	£	£
At the beginning of period	17,935,984	10,543,824	64,838,065	93,317,873	87,433,917
Profit/(loss) for the period before revaluation	(1,221,985)	1,344,423	(136,338)	(13,900)	5,883,956
Gross transfers between funds	700,559	(666,059)	(34,500)	-	-
Gains/(losses) on revaluation of investments	106,821	-	(217,514)	(110,693)	-
Introduction of Funds on acquisitions	15,803,280	644,797	6,281,629	22,729,706	-
	<u>33,324,659</u>	<u>11,866,985</u>	<u>70,731,342</u>	<u>115,922,986</u>	<u>93,317,873</u>
Foundation	General Funds (Restated)	Restricted Funds	Endowment Funds (Restated)	Total 2019 (Restated)	Total 2018 (Restated)
	£	£	£	£	£
At the beginning of the period	14,655,917	10,543,824	64,838,065	90,037,806	83,747,758
Profit/(loss) for the period before revaluation	241,303	1,932,309	1,852,904	4,026,516	6,290,048
Gross transfers between funds	2,950,263	(2,915,763)	(34,500)	-	-
Gains/(losses) on revaluation of investments	-	-	(132,039)	(132,039)	-
	<u>17,847,483</u>	<u>9,560,370</u>	<u>66,524,430</u>	<u>93,932,283</u>	<u>90,037,806</u>

Notes (continued)

22 Analysis of changes in net cash

Group	1 April 2019	Cash flow	Other non cash changes	31 March 2020
	£	£	£	£
Cash:				
At bank overdraft	(3,468,907)	2,195,145	-	(1,273,762)
At bank and in hand	5,098,779	3,429,894	-	8,528,673
Total	1,629,872	5,625,039	-	7,254,911

Foundation	1 April 2019	Cash flow	Other non cash changes	31 March 2020
	£	£	£	£
Cash:				
At bank overdraft	(3,468,907)	2,195,145	-	(1,273,762)
At bank and in hand	4,185,177	3,436,574	-	7,621,751
Total	716,270	5,631,719	-	6,347,989

23 Transactions with Trustees

During the year, the following transactions took place with Trustees of the charitable company:

	2020 £	2019 £
Expenses paid on behalf of Trustees	5,455	2,273

Trustees were reimbursed for the following expenditure -

Reimbursement type	No. of trustees reimbursed	Total £
Travel costs	2	5,455
Total		5,455

Donations

During 2020, the Trustees of the charitable company donated £nil (2019: £nil) to The Prince's Foundation.

24 Defined contribution pension scheme

	2020 £	2019 £
Charge to statement of financial activities	231,426	178,467

The Group operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the Group in independently administered funds.

25 Financial instruments

	Group 2020 £	Foundation 2020 £	Group 2019 £	Foundation 2019 £
Carrying amount of financial assets				
Debt instruments measured at amortised cost	722,869	2,139,500	1,868,935	4,075,196
Investments measured at fair value through profit or loss	6,703,416	1,696,980	9,400,129	1,829,108
Carrying amount of financial liabilities				
Measured at amortised cost	2,676,790	2,092,588	4,693,630	4,051,684

Notes (continued)

26 Related party transactions

During the year one transaction took place with a company for which a Trustee of the Foundation, Mr Ian Marcus, is a director.

A donation was paid from Town Centre Securities PLC with the value of £10,000 (2019: £10,000).

During the year, sales totalling £2,104 (2019 £1,143) were made from the Foundation to Premier Mode Limited, a company for which Michael Fawcett is a director. No amounts were outstanding at the year end. In 2019 a trade debtor balance of £554 was outstanding at year end and was fully repaid during the year. No other transactions occurred during the financial year.

27 Contingent liabilities

During the financial year and subsequent to the year end, the Trustees continue to review the use of a community asset and the potential for any attendant tax liabilities to arise. At the date of approval, it has not been possible to measure reliably any associated liability arising from this matter.

28 Transfer between funds

	General Funds £	Restricted Funds €	Endowment Funds £
Consolidated statement of financial activities			
Transfers within projects	79,445	(72,997)	(6,448)
Allocation of Total return	276,000	-	(276,000)
Total transfers between funds	<u>355,445</u>	<u>(72,997)</u>	<u>(282,448)</u>

On completion of, or completion of specific elements of, projects funded by restricted funds, the value of the completed assets within the project are reallocated from restricted funds to general funds.

29 Fixed asset register - prior period adjustments

The prior year adjustments relate to fixed asset costs which should have been written off in 2017 when the Dumfries House collection and estate was revalued and items capitalised incorrectly on the fixed asset register.

The adjustments update the opening reserve balance with the net effect of these amounts, which are shown below.

The change has resulted in the Endowment funds (Heritage assets) brought forward at 1 April 2018 decreasing by £2,472,284 and the Unrestricted funds (Other tangible fixed assets) brought forward at 1 April 2018 falling by £2,142,042.

Summary of the prior period accounting impact	£
Reduction in fixed assets cost brought forward - heritage assets	<u>2,472,284</u>
Reduction in fixed assets cost brought forward - other tangible	<u>2,142,042</u>

The impact of the prior year adjustment on tangible fixed assets is stated in note 15 as follows:

Decrease in Cost brought Forward	(2,374,798)
Decrease in Accumulated Depreciation	232,756
Decrease in Net Book Value brought forward	<u>(2,142,042)</u>

Notes (continued)

30 Post balance sheet events

The accounts for the year ended 31 March 2020 will not capture the financial impact of COVID-19 on the activities and finances of the group and parent company. In March 2020, and in line with government guidelines, the Foundation closed its premises to all but essential staff and suspended trading operations.

The Foundation received a £5m unrestricted donation post year-end which has provided stability to post year end reserves. Since the year end, a total of £8,285,122 of unrestricted donations have been received by The Prince's Foundation, to the end of August 2020.

The Foundation's investment portfolios could be affected by ongoing economic uncertainty brought about by COVID-19. Our investment portfolios deteriorated 13% in the final quarter of the financial year but, as of the end of August 2020, have returned to within 4% of 31 December 2019 positions. The future operations of the charitable company and group are dependent on the continued financial support of donation providers and surpluses from charitable and trading operations to meet obligations as they fall due. The Trustees also have access to an overdraft facility for liquidity purposes. Throughout the pandemic the Trustees have met regularly to review the operational and financial performance of the charity, including budgets and cash flow projections containing income and cost assumptions that the Trustees consider reasonable and prudent.

Having considered the above matters, the Trustees are of the view that, at the date of approval of the financial statements, the company and group will have sufficient resources to continue to operate and meet debts as they due for the foreseeable future. The financial statements have therefore, been prepared on a going concern basis.

Notes (continued)

31 Summarised financial results

The summarised financial results of the charity and its subsidiaries for the year ended 31 March 2020 are as follows:

	The Prince's Foundation £	Dumfries House Trust Trading Ltd £	Dumfries House Home Farm Ltd £	Dumfries Farming & Land Ltd £	The Prince's Foundation for Building Community £
Income	21,753,356	3,036,946	249,302	723,305	-
Expenditure	(13,017,158)	(3,035,107)	(310,034)	(731,977)	(2,412,666)
Net income / (expenditure)	8,736,198	1,839	(60,732)	(8,672)	(2,412,666)
Distributions to parent	-	-	-	-	-
Taxation	-	-	-	-	-
Other recognised (losses)	(112,783)	-	-	-	-
Net movement in funds	8,623,415	1,839	(60,732)	(8,672)	(2,412,666)
Funds brought forward	93,932,283	(151,744)	3,204,238	178,427	2,412,666
Funds carried forward at 31 March 2020	102,555,698	(149,905)	3,143,506	169,755	-

	Community Capital Ltd £	The Prince's Regeneration Trust £	Prince's School of Traditional Arts £	The Queen Elizabeth Castle of Mey Trust £	Castle & Gardens of Mey Ltd £
Income	1,112,418	2,500	137,314	1,613,747	461,764
Expenditure	(447,278)	(14,084)	(2,493,033)	(1,394,108)	(461,472)
Net Income / (expenditure)	665,140	(11,584)	(2,355,719)	219,639	292
Distributions to parent	(665,140)	-	-	-	-
Taxation	-	-	-	-	(95)
Other recognised (losses)	-	-	(392,850)	(2,799)	-
Net movement in funds	-	(11,584)	(2,748,569)	216,840	197
Funds brought forward	367,014	54,587	6,445,578	9,495,625	14,544
Funds carried forward at 31 March 2020	367,014	43,003	3,697,009	9,712,465	14,741