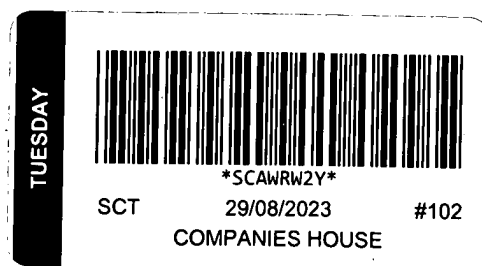


The Prince's Foundation
(A company limited by guarantee)
Trustees' annual report and financial statements

Charity Number SC038770
Company Number SC331738
For the year ended 31 March 2023



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Chair's statement

On behalf of my fellow Trustees, I am delighted to report that during the course of the last year The Prince's Foundation's activities have gone from strength to strength.

We are very aware that the current economic environment and the higher cost of living is a challenge for many of our beneficiaries, trading partners, members of staff and society as a whole. I am proud of the work of the Foundation and the role that we can play, especially during times like this. The Foundation helps people by providing opportunities in the communities we serve, through educational, recreational and charitable offerings and the development of local employment, as well as the direct delivery of our charitable programmes to a broad and diverse network of beneficiaries, students and the wider public.

This year saw further development and growth of our educational delivery across our sites in the UK and internationally.

At our headquarters of Dumfries House, we engaged with pupils from primary and secondary schools across a range of discipline areas, using not only our bespoke education centres but the estate itself as a classroom. During the past year we have delivered innovative and interdisciplinary programmes, including our new Food for the Future programme, which takes an innovative approach to demonstrate how food production systems work and explores ways to reduce waste.

We continue to expand our programmes in craft skills and applied and traditional arts, targeted at the next generation of artisans and practitioners. Our Diploma Year in the Fine and Applied Arts, delivered at Trinity Buoy Wharf in London, has seen the number of enrolled students grow by over a third in the coming year. Similarly, we are pleased to welcome an expanded cohort onto our MA Traditional Arts delivered via our School for Traditional Arts. We have also expanded our craft training with a new All-Ireland Heritage Skills Programme, building on our very successful Building Craft and Building Arts Programmes.

A significant undertaking over the last year has been the delivery of our inaugural education and training programmes from our newly opened facilities at Highgrove, Gloucestershire. Our new Snowdon Furniture School aims to educate and train graduate furniture design students in the value of wood as a sustainable and beautiful material for the production of design-led furniture. Also at Highgrove, we launched a specialist postgraduate-level programme to provide students with intensive training opportunities in the field of embroidery for haute couture and the luxury fashion industry.

During the past year, our architecture and heritage team was pleased to be a part of the Commission on Creating Healthy Cities report, an initiative linked to the Global Centre on Healthcare and Urbanisation at Kellogg College, University of Oxford, with whom we share a close collaboration.

The Foundation continues to invest heavily in the heritage we are responsible for, namely our gardens, estates and buildings, which span the United Kingdom from The Queen Elizabeth Castle of Mey in Caithness, near the northern tip of mainland Scotland, to our premises at Charlotte Road in London. The preservation and upkeep of Dumfries House and the Highgrove Gardens are focal points for the charity and we have a rolling programme of investment to maintain and continually improve these magnificent sites for the enjoyment of the visiting public.

It is through the extraordinary generosity of our donors that we have been able to execute such a significant delivery programme this year. We are reliant on donations to fund our activities and, on behalf of the Board, I would like to extend my sincere thanks to all of our supporters for their philanthropy.

The Foundation's extensive programme of charitable delivery is made possible by our hard-working colleagues and volunteers. On behalf of the Board, I would also like to thank our colleagues and volunteers for everything they have done for the charity in the past year – it is greatly appreciated.

This year we undertook a wholesale revaluation of our land and building assets, as well as the Dumfries House collection of art and furniture, as is recommended from time to time by The Charities Statement of Recommended Practice. The overall value of these assets increased £2.3m as a result of the revaluation, with some falls in non-heritage assets outweighed by increases in heritage assets. The valuation movements are attributed to a combination of factors, including market appetite for certain types of assets and the effect of inflation and high interest rates on current property values. Some properties held at cost on the balance sheet were valued for the first time, including a number of buildings constructed or refurbished since the last revaluation in 2017.

Whilst it is of course reassuring that the overall value has increased, the purpose of the exercise is in fulfilment of the Trustees' governance role to ensure true and fair reporting of asset values on balance sheet. This was a very substantial piece of work, and I would like to thank all involved.

The Foundation has strengthened its control environment during the year with the implementation of an updated handbook and a revised suite of policies. This is part of the charity's governance action plan, which followed a review of governance arrangements after allegations surfaced in 2021 regarding historic fundraising practices at the charity. The Board of Trustees commissioned an independent investigation into those allegations, at the time, the outputs of which are being considered by relevant parties, including the Office of the Scottish Charity Regulator (OSCR). Trustees were also aware that the Metropolitan Police Service had been investigating allegations of offences under the Honours (Prevention of Abuses) Act 1925 but that, as of 21 August 2023, this investigation concluded with no further action being taken. The Board of Trustees takes these matters very seriously and is committed to ensuring the charity adheres to the highest standards of professional conduct in all its dealings.

In the course of the last year we welcomed Folarin Oyeleye (December 2022) and Julian Payne (April 2023) to the Board of Trustees. I would like to extend a warm welcome to them, and to express my heartfelt thanks to all Trustees for their steadfast support, dedication and service over the past year.

I would also like to welcome our new Chief Executive Officer, Kristina Murrin, to the Foundation. Kristina joined the Foundation in July 2023 and brings a range of considerable experience to the charity. On behalf of the Board of Trustees I would like to thank Emily Cherrington for agreeing to step up to the role on a temporary basis. Emily has done an outstanding job and has since resumed her former role as Chief Operating Officer and Deputy Chief Executive.

I am deeply proud of all that the Foundation has achieved in the past year, only a snapshot of which is recorded here. I look forward with optimism as the charity continues to flourish, driven forward by our ever committed and hard-working colleagues and inspired by the vision of our President, His Majesty King Charles III, to whom we express our profound gratitude.



Dame Susan Bruce
Chair
The Prince's Foundation

Strategic Report for the year ended 31 March 2023

Review of the Charity

The Prince's Foundation, of which His Majesty, King Charles III, 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.

During the year ended 31 March 2023 the Foundation continued to deliver on its charitable objectives. A number of capital projects progressed on the Dumfries House estate and the Highgrove estate, as set out on pages 10/11.

The Foundation continues its broad education programme at Dumfries House, Trinity Buoy Wharf and at the School of Traditional Arts in London. During the year, the Foundation progressed its plans to expand its education offering by renovating a series of courtyard buildings in Highgrove, Gloucestershire and now offers building crafts and textile education programmes in the region. Details of our education activities can be found on pages 11 to 15. The Foundation's Architecture and Heritage team continued to deliver projects in both the UK and internationally, this year, further information on which is set out on pages 15-16. All of this has been achieved at the same time as the charity further bolstered its balance sheet and has reported positive free group reserves for the third year in a row. Please refer to pages 16 and 17 for the financial review of the year and our reserves assessment.

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 monthly management accounts, finance and fundraising reconciliations, budget setting and tracking, and cash flow forecasts are used to oversee and manage current and future liquidity. The charity's fundraising requirements are a key input to these reports.

In 2021 the Foundation was the subject of a number of press reports into historic fundraising practices at The Prince's Foundation. The Trustees asked their legal advisors to commission an independent investigation into the press reports. The Trustees and OSCR received the findings arising from that investigation in November 2021 and subsequently the Trustees commissioned and reviewed legal advice on the findings of the report.

The risks highlighted and considered include the potential for legal, regulatory, employee and reputational risks. The Trustees accept the reputational risk arising from these events as probable and note the possible risk of regulatory outcomes. The timing and amount of any economic outflows are uncertain at this time. Trustees were also aware that the Metropolitan Police had been conducting an investigation into allegations of offences under the Honours (Prevention of Abuses) Act 1925 but that, as of 21 August 2023, this investigation concluded with no further action being taken.

The Trustees are satisfied, based on the work professionally commissioned at the time, that there is no evidence of endemic or systematic breakdown within the operating control environment of the Foundation. The Trustees also accept that it remains possible that historic transactions could result in ongoing contingent risk to the Foundation.

Strategic Report for the year ended 31 March 2023 (continued)

Principal risks and uncertainties (continued)

Section 172 Statement, Employee Engagement and Business Relationships

This statement is included to meet the requirements of the Companies (Miscellaneous Reporting) Regulations 2018.

Consequences of long-term decisions

Trustees and management actively consider the long-term implications of all significant decisions made by the charity. Performance is monitored via departmental reporting and monthly management accounts to ensure that operations are meeting their objectives. Long term cashflow projections and budgets are reviewed on a regular basis by the committees described on pages 6 and 7, to make sure that the Foundation is financially sustainable to deliver its future plans as set out on page 17.

Impact on the community and environment

Promotion and development of the local and wider community is inherent in all activities of The Prince's Foundation. As described in the Foundation's objectives on page 9, the charity exists to improve the conditions of life for persons in need and to promote community development. This is evidenced throughout the Trustees' report which describes the numerous successful activities undertaken in the year.

The Foundation is conscious of its influence and impact on the environment. It strives to ensure that it leads by example, particularly in its promotion of the protection, preservation and conservation of architectural heritage, artefacts and estates it is entrusted to safeguard. Work is progressing on the development of an Environmental, Social and Governance (ESG) strategy to formalise this activity.

Business relationships with suppliers, customers and others

We have continued to support our suppliers and third-party contractors by ensuring timely payments and active communication, and have invested in a new purchase ordering and invoice processing system in 2023 to help manage the volume of invoices received as the charity continues to grow.

We were pleased to welcome back our customers following the pandemic, and offer them a number of activities through our community investment programme, such as Tea Dances, HM The Queen's Jubilee celebration and community sewing and textile events.

We engaged in several new customer relationships as The Foundation continued to expand its Health and Wellbeing offering and Education facilities. Our regular visitors, local schools and returning students benefitted from the facilities re-opening fully and we continue to actively seek feedback from customers so that we can improve our services.

Employee engagement

A flexible work pattern for office based staff is available, allowing the option of working from home for up to two days per week. We continue to encourage the use of virtual meetings, placing emphasis on the need for teams to keep in touch and the management team issue regular all-staff communications to keep colleagues informed of updates.

A staff survey was undertaken during the year, to gauge staff satisfaction working at the Foundation and to request suggestions for improvements, which are being taken forward.

Strategic Report for the year ended 31 March 2023 (continued)

Section 172 Statement, Employee Engagement and Business Relationships (continued)

High standards of business conduct

We are regulated by the Office of the Scottish Charity Regulator (OSCR) and the Office For Students (OfS) and maintain an internal governance structure designed to ensure effective oversight of all operational and financial matters. We strive to maintain the highest levels of business conduct and, following a robust and detailed governance review by the Trustees of The Prince's Foundation in line with the Charity Governance Code, a new Control Framework has been developed, including an updated Code of Business Conduct. We continue to review our control environment and make further improvements as required.

The need to act fairly as between members of the company

All members as defined in our Structure, Governance and Management statement on pages 17 and 18 are given equal consideration. Regular communications are made to all members in a timely and efficient manner without prejudice. Terms of reference exist for our Board and its various Committees, and these have all been subject to review during the year.

Statement of Corporate Governance and Internal Control

This statement is included to meet the requirements of the Office for Students regulatory advice 9: accounts direction 2019.41.

Transparency, adequacy and effectiveness of corporate governance and risk management arrangements, including compliance with statutory and regulatory responsibilities

The Prince's Foundation is regulated by the Office of the Scottish Charities Regulator (OSCR) as its principal regulator and, additionally, by the Office for Students (OfS). The OfS requires disclosures to be made in the published financial statements of its providers, including this statement of corporate governance and internal control and the disclosures set out in page 69 to the accounts. This is supplementary to the requirements of FRS 102 and the Charities Statement of Recommended Practice (SORP).

This statement of corporate governance and internal control provides an overview of the governance at The Prince's Foundation, including the internal control arrangements and processes by which we manage risk.

Our charitable objects and powers are set out in our Articles of Association, which are available publicly at Companies House (company number SC331738). Our Articles set out the membership of our governing body, being our Board of Trustees, including voting powers and the rules for meetings and appointments to the Board.

The Prince's Foundation is committed to exhibiting best practice in all aspects of our corporate governance. Good corporate governance and internal control enable and support a charity's compliance with the law and relevant regulations. They also underpin a culture where colleagues work towards fulfilling the charity's objects.

The Charity Governance Code (The 'Code') represents a standard of good governance practice to which all charities should aspire. The Code includes seven principles – organisational purpose; leadership; integrity; decision making, risk and control; board effectiveness; equality, diversity and inclusion; and openness and accountability.

Although The Code is voluntary, during the financial year to 31 March 2022 the Trustees of the Prince's Foundation reviewed the corporate governance arrangements of the Foundation and developed a plan to follow The Code's best practice recommendations, and implementation has continued in the year to 31 March 2023.

Strategic Report for the year ended 31 March 2023 (continued)

Statement of Corporate Governance and Internal Control (continued)

During the year to 31 March 2023, as part of that plan, a new Control Framework and updated policies were implemented. The Board is committed to regular review of the adequacy and effectiveness of our corporate governance arrangements and receives regular updates on progress. The Board and its Committees also receive updates on statutory and regulatory compliance matters, in addition to updates on restricted funds as part of the monthly management accounts process.

With respect to funding arrangements, The Prince's Foundation does not receive public funding from the OfS, UK Research and Innovation (UKRI, including Research England), the Department for Education or the Education and Skills Funding Agency.

Corporate governance structures

The Board of Trustees

The Board of Trustees comprises persons appointed under the charity's Articles of Association. The Articles govern the membership of the Board of Trustees, including its voting powers. The charity currently has 11 Trustees, the biographies of whom are set out on pages 19 – 22 below. All new Trustees are provided with training and induction materials including a finance orientation session. The Trustee Handbook has been reviewed and updated in the year to 31 March 2023, and the Trustees approved a Delegated Authorities Manual.

The Board of Trustees sets and oversees the strategic direction of the Foundation (Group) and is responsible for all policy decisions. The Board of Trustees of The Prince's Foundation met formally five times during the year.

The Prince's Foundation maintains a register of interests of members of the Board to allow the charity to monitor any conflicts of interest, to ensure the correct statutory declarations are made and that any authorisations are put in place as necessary. The Board confirms the status of any conflicts of interest at the beginning of each meeting. The Conflicts of Interest policy was reviewed and updated during the year.

The Board of Trustees delegates authority to a number of Board Committees, which operate at Group level as part of the governance structure of the Foundation. These Committees derive their scope, membership and powers from their Terms of Reference, which have been reviewed and updated during the year.

An overview of each of the Board Committees is set out below.

Policy and Resources Committee ('PARC')

The committee met eleven times during the year. The purpose of the Policy and Resources Committee is, on behalf of the Board of Trustees of the Foundation, to oversee the day-to-day financial and operational management of the Foundation's activities, including the effective use of the Foundation's resources, adherence to policies and procedures, and monitoring and reporting.

PARC also undertakes the activity of the Remuneration Committee ('RemCo'), to oversee senior management remuneration and also to determine any severance payments in respect of termination of appointments for senior post holders. Note that the role of Trustee of The Prince's Foundation is a non-remunerated position.

Strategic Report for the year ended 31 March 2023 (continued)

Statement of Corporate Governance and Internal Control (continued)

Audit and Risk Committee ('AARC')

The committee met four times during the year. The purpose of the Audit and Risk Committee is, on behalf of the Board of Trustees of the Foundation, to oversee the Group's financial reporting, assess the effectiveness of the control environment and consider the Group's strategic risks and appropriate mitigation of them. AARC oversees the appointment, effectiveness and objectivity of the external auditors; the integrity of the group's financial reporting; and the effectiveness of the group's internal control environment.

Members of the Foundation's senior management team are invited to attend meetings of AARC but they are not members of the Committee, and AARC meets with the external auditor without senior executives being present at least once a year.

Funding Approval Committee ('FAC')

The committee met three times during the year. The purpose of the Funding Approvals Committee is, on behalf of the Board of Trustees of the Foundation, to challenge and scrutinise the Foundation's policies, practices and activities in relation to the acceptance of donations and other funding. FAC oversees due diligence processes and the review process for donation prospects, including the review and approval of referred fundraising prospects and all material donations.

Nominations Committee ('NomCo')

The committee met five times during the year. The Nominations Committee reviews which skills, knowledge and experience the Board of Trustees requires, and leads the process for recruiting those positions and making recommendations to the Board for the appointment of Trustees. NomCo's role extends to the appointment of senior staff positions such as the Chief Executive Officer.

Internal control arrangements with respect to identifying and managing risk, the effectiveness of these arrangements and the role of external audit

The Prince's Foundation's system of internal controls and risk management is based on an ongoing process designed to identify and mitigate risks to our achievement of policies and charitable objects. This process has been in place for the year ended 31 March 2023 and up to the date of approval of these financial statements, in line with OfS guidance.

The Board of Trustees has responsibility for implementing and reviewing the effectiveness of the system of internal controls. A new control and policy framework was adopted during the year. The following processes have been established in relation to implementing an effective system of internal control and ongoing review of its effectiveness:

- The Board of Trustees meets at regular intervals and at least four times each year. This is in addition to regular meetings of the Board's Committees, the scope of which is described above, and the Board receives reports from its Committees on matters arising;
- The Board has delegated to the Audit and Risk Committee (AARC) some of the responsibility for providing oversight of risk management. This includes bi-annual reviews of the Group risk register and ongoing updates on risk management on topics as they arise. The Group risk register includes an assessment of the likelihood and impact of risks becoming a reality. Our approach to risk assessment is that it is embedded in ongoing operations and includes all categories of likely risk to which the Foundation is exposed, including operational, financial, regulatory and legal;

Strategic Report for the year ended 31 March 2023 (*continued*)

Internal control arrangements with respect to identifying and managing risk, the effectiveness of these arrangements and the role of external audit (*continued*)

- The Trustees' Strategic Report for the year ended 31 March 2023, at page 3 above, includes an update on the principal risks and uncertainties to which the Foundation is exposed. Trustees have included within this report a review of internal control weaknesses and actions taken in response;
- There is regular review of management information tools including budget setting and tracking, monthly management accounts, bank reconciliations and monthly restricted funds reconciliations. Cash flow forecasts are used to oversee and manage current and future liquidity. Key internal financial controls include segregation of duties for accounting reconciliations, controls over system access and payment authorisation procedures;
- AARC also considers detailed audit reports from the external auditor together with management action plans for the improvement of our systems of internal control, and monitors those plans.

This system of internal control has been reviewed, updated and further documented during the year and is designed to manage – rather than eliminate – the risk of failure to achieve policies, aims and objectives. It can only provide reasonable, not absolute, assurance of effectiveness. However, the Trustees are committed to maintaining a sound system of internal control and risk management and intend to maintain the highest standards in all areas and foster a culture of the utmost integrity and probity.

Global economic outlook

The Trustees are monitoring the current macroeconomic environment, in particular global inflationary effects, and the associated impact on the charity. The continuing uncertainty over the war in Ukraine has also led to volatility in international markets. The scale of those developments and the wider impacts remain difficult to predict, and a continued period of heightened uncertainty seems inevitable.

The Trustees have considered inflationary pressures in the recent budget, and have reviewed the financial position of the charity and its cash flow and reserves in light of this. The capital value of our investment portfolios is being monitored closely by Trustees to ensure the safeguarding of these funds. The risk register has also been reviewed, and the Trustees will continue to monitor developments.

ON BEHALF OF THE BOARD:



Dame Susan Bruce
Chair

Report of the Trustees for the year ended 31 March 2023

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 Foundation's objects are for the benefit of the public:

- 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 apply the principles of harmony to its actions. This means ensuring that the natural world is at the heart of its sustainability. The Foundation falls within the scope of the carbon reporting requirements under the government's Streamlined Energy and Carbon Reporting (SECR) Policy. Our Carbon Audit report is available on pages 23 to 24.

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 combining The Prince's Foundation for Building Community, The Prince's School of Traditional Arts, The Prince's Regeneration Trust and The Queen Elizabeth Castle of Mey Trust, it is the intention that our organisation 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 2023 (continued)

Recognising the contribution of our volunteers

Volunteers continue to play a significant role in the running of The Prince's Foundation. In the financial year to 31 March 2023 there were a total of 59 volunteers. This has increased from 58 the previous year. 12 volunteers assist with house tours and large events at Dumfries House throughout the year. The garden and grounds also benefit with 5 working alongside the gardening team to help maintain the gardens throughout the estate.

The Queen Elizabeth Castle of Mey Trust continues to be assisted by 2 volunteer gardeners. And, at Highgrove, we are assisted by 8 volunteer gardeners and 32 volunteer garden tour guides and shop assistants. We are very grateful for the contribution of our volunteers across the Foundation's activities at various locations.

Executive summary of achievements and performance 2022-2023

The preservation and ongoing maintenance of Dumfries House estate and the heritage assets continues to be a key objective of the Foundation. In 2022 we welcomed circa 15,000 visitors to Dumfries House. Investment into pre-planned maintenance programmes continued throughout 2022/2023. These investments included new garden features at Dumfries House, including a new bird hide in the arboretum which was designed and constructed by our students.

Highgrove retail and garden tours are continually evolving and being invested in, enhancing the visitor experience, and new retail partnerships have also been developed during the year. In 2022 we welcomed 27,174 visitors to the Highgrove estate. Also at Highgrove, Barley Court opened during the year allowing the expansion of our heritage craft and textile training programs.

Dumfries House Home Farm continues to operate as an organic farm showcasing best practices. The farm has approximately 786 sheep and 235 cattle, all of which are rare breeds.

The Garrison Chapel in Chelsea Barracks is proving to be a great asset in Central London, raising our profile and giving the Foundation a place to exhibit the work of our students throughout the year. Alongside this, the addition of a larger space at Trinity Buoy Wharf has allowed the Foundation to increase its education capacity.

The Foundation's education offering continues to develop and grow. During 2022, there were over 15,000 enrolments in our education programmes.

The Queen Elizabeth Castle of Mey saw visitor numbers start to return to pre pandemic levels, with circa 16,500 visitors in 2022. Visitors enjoyed the newly refurbished Visitor centre and cafe. 2022/23 was the first year the Granary was able to open for the full summer following the lessening of COVID restrictions, with guest numbers rising as the season went on. Investment was made into the gardens and infrastructure including resurfacing the access roads. Longhoe farm continues to maintain steady livestock numbers, with approximately 115 cattle and 264 sheep. Investment into the animal centre was carried out in the winter.

Capital projects in the year

The investment in the infrastructure of Dumfries House and other Foundation properties continued during the year via a number of capital projects, as detailed below:

Dumfries House

- **Printmaking studio.** Works on the printmaking studio began in March 2021 and construction completed in April 2022. The building offers a dedicated space for traditional printmaking on the estate. Numerous workshops and placements have taken place over the last year with an increase in footfall expected for this coming year.

Report of the Trustees for the year ended 31 March 2023 (*continued*)

Capital projects in the year (*continued*)

- **Farm Education Centre.** Work commenced in March 2022 and construction is due to complete in September 2023. The development will be the first of its kind in the UK with unrivalled teaching space connected to an agricultural shed in order to deliver farming related courses.
- **Building Crafts Programme.** The Dumfries House bird hide was designed and constructed as part of a student project in March 2023 and is a very welcome addition to the estate. The hide sits alongside the river Lugar next to the Adam Bridge and is the perfect spot for bird watching.

Highgrove

- **Barley Court.** The redevelopment of the courtyard of buildings at Barley Court commenced in July 2022 and is complete. The facility can accommodate eight residential students and has four different workshop areas, each offering a different craft skill.
- **Close Farm.** During the period The Prince's Foundation acquired Close Farm, a property situated within the Highgrove estate. Redevelopment commenced in December 2022 to convert this building into student and staff accommodation which will help facilitate the education programmes on the estate.

Future Capital Projects

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

- **Glenside.** Construction is scheduled to commence in September 2023 with an anticipated build programme of fifteen months. The building will host a number of courses and workshops in relation to traditional arts and craft skills.
- **Knockroon.** A full review of the Knockroon project will be undertaken and plans will be developed taking into account the Community Renewable Energy (CoRE) project and how that will be integrated into the masterplan. Discussions to take place this year with potential developers in relation to resuming development at the site.

Education

The Prince's Foundation's education portfolio is diverse, covering subject areas including architecture and urbanism, traditional arts, 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 be taught in a collaborative, interdisciplinary way. Our programmes are delivered across the UK, with several centres in both England and Scotland, as well as internationally and online.

Following a change to our education delivery channels during the Covid-19 pandemic period, this year in-person learning returned to being our principal focus. In addition, we were able to commence activity at our new site at Highgrove, delivering both furniture making and textiles courses.

Report of the Trustees for the year ended 31 March 2023 (*continued*)

Education (*continued*)

During the financial year the Foundation delivered educational activities across our various sites, as follows:

Dumfries House

Farming, Horticulture and Food Education

Nearly 3,000 school children have benefitted from an educational experience at the Valentin's Education Farm and the Kauffman Education Garden this year. We held a 'Countryside Careers' event and a 'Festival of Farming' to further promote our activities. Due to an increase in demand from secondary school teachers, we developed a new programme, aimed at students working towards their National 5 in Practical Cookery. In addition, we opened the gates of Valentin's Education Farm for a selection of days throughout the year and invited members of the public to attend ticketed hourly farm tours. The events were sold out and the feedback was very positive.

A second 'Food for the Future' course was delivered in the 2022/23 academic year, with three schools taking part. The programme underwent an improvement review prior to the delivery with partners including the Jamie Oliver Group education team. Industry impact visits and the challenge day proved to be successful with excellent ideas submitted. This cohort were also invited to produce recipes for the Coronation of His Majesty King Charles III, which allowed pupils to apply their knowledge post participation on the programme.

Residential, Outdoor and Nature Based Learning

Academic year 2022/23 saw healthy demand for outdoor education delivery at the Tamar Manoukian Residential Centre. Over 1,500 pupils took part in over 320 workshops over 31 weeks of the year. The centre welcomed guests from primary schools, secondary schools, adult learners, uniformed youth groups, private organisations and international conference students.

Science, Technology, Engineering and Maths (STEM)

In 2022 over 1,200 learners took part in STEM focused workshops. Most attendees have been primary age pupils with around a quarter coming from secondary schools, a figure which has grown by 120% from 2021 to 2022. The Prince's Foundation has offered two STEM Skills Week programmes in 2022, on the themes of Aerospace and Green Energy. Skills weeks are five-day programmes that cover the core skills that the industry seeks in its future workforce. They facilitate site visits for the participants and aim to give them a thorough understanding of the varied roles and routes into roles within a given STEM sector. A total of thirty-eight Senior 4 – Senior 6 pupils have taken part in skills weeks this year with all of them achieving the "Preparing for Work" Level 1, City and Guilds unit. The STEM Open Day in July 22 had the highest number of attendees to date, at over 800 participants.

Hospitality

In September 2022 delivery of our new 'Introduction to Hospitality' programme linked to City and Guilds qualifications commenced. 12 participants who were unemployed joined the programme, some of whom have been out of work for several years. The opportunity to work on live service skills early in the programme, coupled with the wide-ranging experiences offered on the estate from overnight accommodation and café service to personal butler training, ensures our students leave with a breadth of skills. The students also benefit from our approach to sustainability, spending time in the education garden and farm learning about organic and locally sourced produce.

The course had a 100% retention and pass rate, and all students were offered opportunities post programme with a number moving into the industry.

Report of the Trustees for the year ended 31 March 2023 (*continued*)

Education (*continued*)

Future Textiles

During the academic year 2022/23 the overall participant numbers for Future Textiles activity at Dumfries House and Trinity Buoy Wharf was over 1,100 with a further 300 attending the sustainable fashion conference with Fashion Council Germany, which took place in October 2022.

The Atelier programme continues to deliver skills-based day workshops at Dumfries House and at Trinity Buoy Wharf for secondary age pupils. A total of 40 students undertook a City & Guilds qualification in the year. A number of our community sewing bee members also undertook a City & Guilds qualification allowing members to gain recognition for their efforts.

Our Knitwise programme continued to develop with an exhibition celebrating traditional knitting techniques at the Dumfries House Arboretum. The former Prince of Wales attended the exhibition and met Knitwise members to hear about their journey to create the installation and the skills that they learned.

In January we welcomed eight Artisans to the Dumfries House estate for the second edition of Modern Artisan. The project is delivered in partnership with Yoox Net-A-Porter. The cohort consisted of four British and four Italian Artisans. The final collection was inspired by Highgrove Gardens drawing inspiration for shapes, details and colours to inspire their designs for the collection.

Trinity Buoy Wharf

Diploma Year

The Prince's Foundation 'Diploma Year', run from Trinity Buoy Wharf in London, is in its second year of operations. The Diploma Year is a course in fine and applied art, delivered five days per week for 36 weeks each year. This year we awarded 37 supported places to students and, of these places, 10 were awarded a full scholarship, 12 awarded a fee waiver and 15 awarded a fee reduction. 19 students with a supported place live in boroughs local to Trinity Buoy Wharf.

We provide scholarship and bursary support for disadvantaged students to ensure an opportunity exists to nurture their artistic potential and improve their progression opportunities in Higher Education. 78% of the 2022-23 cohort were awarded either a Distinction or Merit for their Final Assessment.

Highgrove

Furniture making and Textiles

Barley Court on the Highgrove estate became fully operational in October 2022, with the completion of building work to the furniture workshops and accommodation block. The teaching area for textiles, two large barns for furniture, and additional stonemasons shed and multifunctional utility workshop are all functioning, with ongoing development and improvements being made as programme delivery settles in.

Since July 2022 we have continued our focus on workshops with community groups, developing the public programme (paid for masterclasses) and delivery of our Furniture School Create programme, as well as our Metiers d'Art Fellowship in Partnership with Le19. This postgraduate programme delivers expert tuition in embroidery, and students benefit from two visits to Le19M in Paris to work with the embroidery studios.

Report of the Trustees for the year ended 31 March 2023 (*continued*)

Education (*continued*)

The furniture workshops were finished in October 2022, with bespoke designed extraction, electrics and fixed machinery in the larger threshing barn, and work benches in the smaller barn. Prior to completion of the spaces we were able to deliver The Snowdon Summer School. October saw the start of our flagship postgraduate programme, Create-Rethinking Wood for Furniture.

The furniture school was asked to make ten of one hundred specially commissioned Coronation chairs, a project which allowed us to recruit alumni makers who had completed the Snowdon Summer School in previous years. Six makers worked for a week in the workshop with our furniture manager to produce the chairs which are subsequently being sold to raise money for charities.

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. Collaborations range from short courses and seminars through to long term education and training programmes.

Academic programmes

Our academic education programmes cater 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. In addition, we co-edit the Journal of Urbanism and we are founding partners of the Global Centre for Healthcare and Urbanisation at Kellogg College, University of Oxford. Courses were taught over the course of this year with a mixture of online and in-person delivery.

Vocational programmes – Building Crafts; Building Arts; All Ireland Heritage Skills; and short courses

Our craft programmes provide training for the next generation of master craftspeople working with traditional craft skills. Courses include our long running Building Crafts Programme and the Building Arts Programme, which is delivered in collaboration with The Queen Elizabeth Scholarship Trust (QUEST).

During 2022 our Building Craft Programme students have undertaken placements on projects such as Braemar Castle, Glasgow Museum of Modern Art, Trinity College Oxford, as well as designing and constructing the new bird hide on the Dumfries House estate. With respect to the Building Arts Programme, this year's cohort of students concluded the course with a final project at The Sculpture House in Ferguslie Park, Paisley. Here the group showcased the role of traditional skills and materials in the creation of new work, producing encaustic tiling, stained glass, decorative plasterwork, metal work, and furniture to adorn and elevate the building.

During 2022 we launched the All Ireland Heritage Skills Programme in collaboration with Heritage Council Ireland and the Department for Communities, Historic Environment Division, with the aim of supporting traditional crafts throughout the Republic of Ireland and Northern Ireland. These programmes are full time courses delivered over a number of months, taking on a small cohort (8-12) of adult learners each year.

We also 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 skillsets. Courses include summer schools, public programmes, short courses, and seminar series.

Report of the Trustees for the year ended 31 March 2023 (*continued*)

Education (*continued*)

The Prince's Foundation School of Traditional Arts ('the School')

The School has pioneered practical MA, MPhil and PhD degrees in the traditional arts of the world's great civilisations. These degree courses are validated by the University of Wales and University of Wales Trinity Saint David. Three postgraduate degrees are offered by the School: a Master of Arts (MA), a Master of Philosophy degree (MPhil) and Doctor of Philosophy (Ph.D.) in arts practice research in the traditional arts.

The school also offers lectures, workshops and short, practical courses in traditional arts and crafts as part of our Open Programme. This extends aspects of the core academic programme to a world-wide audience.

We have been rebuilding our in-person teaching following the interruption of the pandemic. Following the introduction of online teaching in response to Covid-19, the School now offers a full programme of both in-person and online courses. Our online courses continue to be popular, with participants joining from across the world.

In November 2022, the School also graduated a cohort of students from its Icon Painting course. This is a three year, part time foundation course taught by Aidan Hart based in Shrewsbury, Shropshire. This was our fourth cohort of graduates since the course was established in 2009.

The School's International Outreach Programme operates five centres outside of the UK. Each of these centres is an extension of our core ethos and methodology in the context of the traditional arts of each region. Our centre in Cairo offers a two-year programme which is continuing to flourish. The centre attracts hundreds of applicants each year, with the quality of work setting a high standard for all our students worldwide. In Azerbaijan, we have developed a strong local team to support our work with the Art Academy in Baku. Our China centre is the last to emerge from travel restrictions with our tutors continuing to teach online through the remainder of the 2022-23 academic year. In-person teaching is expected to resume in Autumn 2023. While the China Centre was heavily affected by the country's extended lockdown, we were nevertheless able to deliver a full programme of online courses with the support of our local partner.

Our two outreach centres in Saudi Arabia have expanded substantially this year. In AlUla, the centre is host to a Vocational Training Programme, a Design and Production Studio, Public Programmes, Artist Residencies, and also participates in other ambitious initiatives with the Royal Commission for AlUla. In Jeddah, the Centre for the Building Arts supports the restoration and preservation of the Old City, including a new, two year accredited Diploma Programme.

Architecture and Heritage

A key focus of our Architecture and Heritage (A&H) team is to champion a more sustainable approach to how we live our lives and build our communities. We adopt a holistic approach to our work in planning, urban design and heritage-based architecture, and support communities that are facing growth pressure as well as those needing regeneration. We are a trusted partner to public, private and third sector organisations in the UK and overseas, and our aim is to bring together local communities through our proven 'Enquiry by Design' methodology.

Our core service in the 'urbanism' theme includes initial community engagement, master planning with support vision documents, and design codes or supporting planning applications. As part of the 'architectural' offer – we work largely at the concept stages, including engagement support, but look to handover the detailed design / construction stages to local practices.

Report of the Trustees for the year ended 31 March 2023 (*continued*)

Architecture and Heritage (*continued*)

During the past year the team has been delivering a large international project, two site-based pilot projects in Commonwealth countries using our Rapid Planning Toolkit, major visioning projects with local authorities in the UK, a community engagement role supporting the development of a village plan, a community engagement and visioning for a major government land disposal agency helping to re-imagine a redevelopment opportunity for a site, and three ongoing architectural and conservation roles.

These projects are supported by a range of research and networking programmes, including Building a Legacy, which promotes legacy-based development across the UK.

Performance Review

During the financial year to March 2023, key measures of success for the Foundation included continued investment into our properties, estates and gardens to increase visitor appeal. The delivery of high quality Education programmes across a variety of sectors and locations continues to be a key measure of our success.

Commercial activity through our trading subsidiaries helps towards funding the operations of the Foundation however philanthropy still accounts for a substantial portion of our income. Donations are sourced through trusts and foundations; private individuals and companies, and are subject to stringent due diligence checks, and the review and approval of the Funding Approval Committee (FAC) as appropriate.

We are incredibly grateful to our benefactors for their ongoing support; it is through these generous pledges that the charity is able to deliver on all the programmes, projects and activities set out above.

Financial Review

During the financial year to 31 March 2023, the Foundation had income of £23,315,719, an overall increase of 4% from the previous year (2022: £22,476,925). Of this, £16,032,825 was general funds, £7,103,278 restricted funds and £179,616 endowment funds. The general funds included donations, grants and gifts in kind of £5,130,976 (2022: £6,098,727) and income generated from the Foundation's Dumfries House trading operations of £2,953,152 (2022: £2,012,614). The restricted funds include £1,900,000 of capital donations (2022: £3,452,089). We raise funds for capital developments in advance and, in the prior year, capital donations were higher due primarily to the addition of multiple Highgrove education facilities, whereas this year's focus was on raising funds for the development of the new Farm Education Centre which is currently underway.

In line with the Charities SORP (FRS 102), The Foundation undertook a valuation of its land and buildings and heritage assets. This has resulted in a one-off net gain of £2,261,876. Details of the valuation can be found in notes 14 and 15 of the accounts. Excluding this gain the charity recorded a small deficit at year end of £192k (2022: surplus of £3.2m). It continues to carefully manage its cash flow by focusing on cost management, returns on investments and establishing a sustained donor funding base.

Donations and legacies decreased year-on-year by 28% but this was anticipated as there had been an exceptional donation in the prior year for planned capital works. Fundraising costs increased by £31k due the purchase of IT software to support our improved governance processes.

Excluding revaluation movements, expenditure on charitable activities increased by £1.6m (12%) during the year. This is due partially to the normalisation of costs as our charitable activities and facilities re-opened but mainly due to the increase in education activities across all our sites.

Report of the Trustees for the year ended 31 March 2023 (continued)

Financial Review (continued)

On average, 432 people were employed during the financial year (2022: 354). Staff numbers increased significantly due to the acquisition of AG Carrick (AGC), Highgrove. The prior year included the average headcount of AGC from July to March (off season) compared to a full year average in the current year. Staff numbers also increased in the Foundation as result of the increase in charitable activity.

Reserves Statement

At the year end March 2023, the Foundation had a positive free group reserves position of £7,037,027 (2022: £8,456,680).

The Prince's Foundation group aims to hold three months' of operating expenditure in reserve. The Foundation also maintains an overdraft as a contingency liability facility.

Total Foundation net assets are £131,684,042 as of year-end (2022: £129,614,549).

Plans for Future Periods

The continued cultivation of philanthropic donations continues to be essential to the ongoing delivery of the charitable objectives. Increasing commercial trading activity is a key objective for the future to support the preservation of the heritage assets.

Through careful financial management and the generosity of our donors, we are confident the Foundation will continue to deliver on its charitable objects and the vision and mission of our President. We will continue to invest in the management and preservation of our estates and properties for the benefit of the public and to ensure that we are able to continue to deliver our education and other charitable activity.

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 subsidiaries as of 31 March 2023:

- **Dumfries House Trust Trading Limited** (incorporated October 2007, registration number SC333119) operates the Foundation's commercial activities at Dumfries House, New Cumnock and Ballater including House admissions, gift shop, café, weddings, events, B&B 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 intended for residential development purposes. The company has ownership of the development site at Knockroon.

Report of the Trustees for the year ended 31 March 2023 (continued)

Structure, Governance and Management (continued)

- **The Queen Elizabeth Castle of Mey Trust** (established 11 June 1996, 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 historical and architectural education by offering opportunities for access to 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.
- **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.
- **AG Carrick Limited** (incorporated May 1988, registration number 02258628) offers organic food and lifestyle products through its two shops in Gloucestershire and online sale. It also generates income from copyrights, tours of the gardens at Highgrove and restaurant sales.
- **Community Capital Limited*** (incorporated August 2001, registration number 04268547) offers building consultancy services.
- **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.
- **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. This Charity is now dormant.
- **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. This Charity is now dormant.
- **The Prince's Foundation America** (incorporated October 2023), a US corporation formed under the not-for-profit Corporation Law. The Prince's Foundation became the sole Member of The Prince's Foundation America upon its incorporation. There is no share capital. Members are not permitted to share in the income of the Charitable Corporation. However, a member who is a charity may benefit from the distribution of grants. The Member does not direct the operations of the Charitable Corporation and is not its parent entity; its sole power is the appointment of the Directors. However due to this power The Prince's Foundation incorporates its financial results in its consolidated accounts.

** Trading has ceased and these entities are intended to or have become dormant. We have absorbed the charitable activities of these subsidiary organisations into the work of The Foundation and its subsidiaries.*

Report of the Trustees for the year ended 31 March 2023 (continued)

Our Staff

At the beginning of April 2022, the Foundation employed 404 staff. By the end of March 2023, the Foundation employed a total of 402 staff. The average headcount is 432 (2022: 354) which equates to a full time equivalent of 249 (2022: 240). For details of the senior management team see page 26. A split of the average headcount by entity can be found in the notes to the accounts.

Equality, Diversity and Inclusion

The Prince's Foundation is committed to equal treatment of all employees and applicants to promote a culture which actively values difference, recognising that people from diverse backgrounds bring valuable insights to the workplace and enhance the way we do business. The Foundation is an equal opportunities employer and aims to be an inclusive organisation by recruiting, training, promoting and rewarding on the basis of merit and irrespective of the protected characteristics detailed in the Equality Act 2010. This includes our commitment to support employees and applicants with disabilities, and to make every effort that should any employee become disabled during the course of employment they will stay in employment.

The Board of Trustees

The first and current President of the Foundation is His Majesty, King Charles III. Lord Snowdon became Vice President in April 2018.

The Foundation is administered by a Board of Trustees which meets at least four times each year. 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. Training and induction is provided to new Trustees. The Trustees are selected from a variety of relevant backgrounds including heritage, education, business and finance, details of which can be found on pages 19 to 22. The Board of Trustees is currently chaired by Dame Susan Bruce.

Dame Susan Bruce (Chair from 15 September 2021), 1 April 2018 – present

Susan Bruce is a former public servant who during her career focused on education and social and economic regeneration. She held the posts of Chief Executive of City of Edinburgh, Aberdeen City and East Dunbartonshire Councils. Sue holds a portfolio of non-executive and trustee roles with SSE PLC; Chair of the Royal Scottish National Orchestra; Convener of Court at the University of Strathclyde and Electoral Commissioner for Scotland. She is also a Deputy Lieutenant of the City of Edinburgh and a member of the Royal Company of Merchants of the City of Edinburgh.

Sue holds degrees of M.Phil and LLB from the University of Strathclyde. Sue is a Fellow of the Royal Society of Edinburgh and of the RSA.

Dame Ann Limb (Deputy Chair), 21 June 2021 – present

Dame Ann Limb is a former Further Education College Principal and senior civil servant. Since 2005, she has held Chair and NED roles in business, economic development, housing, and regeneration. Dame Ann is currently Chair of the Innovation Corridor, UK's globally significant life sciences cluster and holds several national charity chair positions at City & Guilds, Lloyds Bank Foundation, and the Lifelong Education Institute.

Report of the Trustees for the year ended 31 March 2023 (*continued*)

The Board of Trustees (*continued*)

In 1998, she founded the social mobility charity, the Helena Kennedy Foundation. A linguist by background, feminist through experience, and Quaker by conviction. Dame Ann's passionate belief in the power of art, creativity, education, imagination, and faith to transform individuals and communities is based on her own life's journey, from her early years in a butcher's shop in 1950's Moss Side to serving as Deputy Lieutenant and High Sheriff of Buckinghamshire 2023-4.

Mr George Richards, 15 September 2018 – present

George Richards is the Director of Community Jameel, an independent, global organisation advancing science and learning for communities to thrive.

An Arabist specialising in the archaeoastronomy of pre-Islamic Arabia, George has undertaken field expeditions to document cultural heritage on behalf of the British Library and the British Institute for the Study of Iraq. He 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. He is a Fellow of the Royal Geographical Society and a Fellow of the Society of Antiquaries of Scotland.

Mrs Rosemary Hilary, 21 June 2021 – present

Rosemary Hilary is an experienced non-executive director and risk professional. Her other board roles are at St James's Place where she chairs the Risk Committee; Vitality Life and Health where she chairs the Risk Committee; at Willis Ltd where she chairs the Audit Committee and at Scottish Building Society. She is on the MBA Advisory Board of Bayes (formerly known as Cass) Business School. Previous NED roles include the Pension Protection Fund, Record Currency Management and the homelessness charity Shelter.

Rosemary's executive career was largely in banking and regulation. She was Chief Internal Auditor - an Executive Committee role - at TSB Bank from 2013 to 2016 where she was part of the team that managed the IPO. Prior to that she held a number of senior positions at the Financial Conduct Authority, its predecessor the Financial Services Authority and at the Bank of England.

Rosemary is a Chartered Certified Accountant – FCCA, and she gained a first-class honours degree in Mathematics and European Studies from Manchester University.

Mr Michael Jary, 21 June 2021 – present

Michael Jary co-founded OC&C Strategy Consultants in 1987 and served as Global Managing Partner until 2011: during this time the firm grew to 600 consultants across 12 offices worldwide. He is now a Senior Adviser at OC&C, working with CEOs and boards on corporate strategy.

He holds a portfolio of board and trustee positions. He is a Non-Executive Director of Barclays Bank UK plc. He is Chair of Itad, a data and insight company in international development. He is the Lead Non-Executive director for the UK Government. He chairs Duchy Originals, the UK's largest organic food brand which was established by His Majesty, King Charles III. Prior to its transfer to The Prince's Foundation, he also chaired AG Carrick Limited which is the holding company for garden tours and retail activities at Highgrove House. He is a trustee of Opera Holland Park. And he was formerly chair of Fairtrade Foundation.

Michael holds an MA from Oxford University, an MBA from INSEAD and a post-graduate diploma from SOAS.

Report of the Trustees for the year ended 31 March 2023 (continued)

The Board of Trustees (continued)

Cavaliere Federico Marchetti, 21 June 2021 – present

Federico Marchetti is a tech entrepreneur and a sustainability pioneer: he founded YOOX - the world's first lifestyle e-commerce destination - in 2000 and in 2015, he drove the game-changing merger of YOOX and NET-A-PORTER to create the world leader in online luxury fashion, which was acquired by Richemont in 2018.

Notably Federico has brought his entrepreneurial spirit to the heart of his social and environmental initiatives, significantly advancing sustainable and socially responsible fashion.

He launched an area to promote sustainable fashion in 2009 and he also developed a customer experience to embrace circular models. He remains convinced that the intelligent use of technology can help us save the planet. In 2017 Federico was recognized by the President of the Italian Republic who knighted him as a Cavaliere. In 2019 Federico was honoured with the amfAR Award of Courage, recognizing "his profound commitment to important issues".

Federico is Chair of His Royal Highness's Sustainable Markets Initiative Task Force on Fashion and a Board Member of Giorgio Armani, GEDI and AG Carrick, The Prince's Foundation's trading subsidiary responsible for the Highgrove visitor attraction and shop on the estate in Gloucestershire.

Ms Sarah de Gay, 12 October 2021 – present

Sarah de Gay joined international law firm Slaughter and May in 1996, as a Corporate/M&A lawyer, and established its Compliance Department in 2008. She was appointed as Slaughter and May's first General Counsel in 2015. Sarah stepped down as Slaughter and May's General Counsel at the end of 2019 to focus on a portfolio of roles connected with values, standards and ethics. She is currently a Visiting Professor of UCL's Faculty of Laws, an Independent Lay Member of the Editors' Code of Practice Committee, an Independent Member of ACOBA, Master of the City of London Solicitors' Company and President of the City of London Law Society. She also continues to advise Slaughter and May on certain regulatory matters as a Special Advisor.

Mr Ewan Venters, 15 March 2022 – present

Ewan Venters is Chief Executive Officer of international art gallery Hauser & Wirth, which was founded in Zurich in 1992 by Iwan Wirth, Manuela Wirth and Ursula Hauser and represents over 80 leading artists and artists' estates. An established business leader with a proven track record, Ewan oversees the strategic evolution of the gallery and leads its global team across outposts in Hong Kong, London, New York, Los Angeles, Somerset, Gstaad, St. Moritz, Southampton (NY), Menorca, and Monaco. Hauser & Wirth have several hospitality interests overseen by Ewan, including the award-winning Fife Arms Hotel on Royal Deeside. Ewan previously held the position of Chief Executive Officer of Fortnum & Mason from 2012 to 2020. Under Ewan's leadership, Fortnum's made record sales and profits, and expanded beyond their historic London home into new locations including Hong Kong, Dubai, Heathrow Airport and St Pancras Station in London. He joined Fortnum & Mason from Selfridges, where he was executive director for food, restaurants and online. In his seven years at Selfridges, Ewan was part of an executive team which transformed the department store. Twice in that period, it was named Best Department Store in the World by its peers.

Report of the Trustees for the year ended 31 March 2023 (*continued*)

The Board of Trustees (*continued*)

Mr Alexander Manson, 11 July 2022 – present

Alexander (Sandy) Manson trained and qualified as a Chartered Accountant with Arthur Andersen in Edinburgh in 1985 and in 1991 joined Johnston Carmichael Chartered Accountants as an Associate. He was promoted to Partner in 1993 and became the Managing Partner of their Aberdeen office. In 2007 he was appointed Chief Executive of Johnston Carmichael and Chair in 2019. Sandy retired from Johnston Carmichael on 31 May 2022 following which he has built a NXD portfolio. Sandy was appointed a member of the Council of the Institute of Chartered Accountants of Scotland (ICAS) in 2011 and elected President 2018/19. In 2020, he was appointed by Her Late Majesty The Queen as Lord-Lieutenant of Aberdeenshire. He is also Chair of Salvesen Mindroom Centre, a charity specialising in supporting young people with neurodiversity challenges, and is an Honorary Professor of the University of Stirling where he sits on the advisory board of the management school. He is also the former Honorary Dutch Consul for the North of Scotland and Chair of the Development Trust for the University of Aberdeen.

Mr Folarin Oyeleye, 5 December 2022 – present

Folarin Oyeleye is a Managing Director at JPMorgan Chase and works within their wealth management division in the United Kingdom. Folarin joined the firm in 2006. Folarin is a graduate of University of Surrey and holds a BEng (Hons) in Electronic Engineering. Folarin was raised in Nigeria prior to continuing his education in Ireland and the United Kingdom.

Mr Julian Payne, 1 April 2023 – Present

Julian Payne is Chair of Corporate Affairs for Edelman EMEA. Prior to this Julian worked for five years with the British Royal Family as Communications Secretary to Their Royal Highnesses The Prince of Wales and The Duchess of Cornwall (now King Charles III and Queen Consort). Previously, Julian held a series of global roles specialising in Corporate, Brand and Digital communications for the BBC, where he was Director of Communications, and Burberry where he held the post of VP Global PR and Corporate Affairs.

Report of the Trustees for the year ended 31 March 2023 (continued)

Carbon Audit

Large UK companies are required to report publicly on their UK energy use and carbon emissions within their Directors' Report. This new requirement has been implemented by the Department for Business, Energy and Industrial Strategy (BEIS) and follows the Energy Savings Opportunity Scheme (ESOS) guidelines.

During the year to 31 March 2023, The Prince's Foundation contracted the services of Anthesis (UK) Limited to conduct a carbon audit of The Prince's Foundation group in line with the ESOS guidelines.

The below table and supporting narrative summarise the Streamlined Energy and Carbon Reporting (SECR) disclosure in line with the requirements for a "large" unquoted company, as per The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018. The disclosure also extends beyond the scope of a "large" unquoted company and includes emissions and energy consumption from the combustion of all fuels on site including LPG, propane, heating oil and gas oil.

Current reporting year	1 April 2022 - 31 March 2023	1 April 2021 - 31 March 2022
Location	UK	UK
Emissions from the combustion of fuel and operation of facilities (Scope 1) (tCO ₂ e)	738	615
Emissions from purchase of electricity (tCO ₂ e) (Scope 2)	429	398
Emissions from business travel in rental cars or employee-owned vehicles where company is responsible for purchasing the fuel (tCO ₂ e) (Scope 3)	11	24
Total gross emissions based on the above (tCO ₂ e)	1,178	1,038
Energy consumption per Scope 1 emissions (kWh)	3,401,869	2,676,460
Energy consumption per Scope 2 emissions (kWh)	2,219,256	1,874,837
Energy consumption per Scope 3 emissions (kWh)	42,917	97,702
Total energy consumption based on above (kWh)	5,664,043	4,648,998
Intensity ratio: tCO ₂ e (gross Scope 1, 2 + 3) per full-time employee	4.88	4.40

The year-on-year increase is broadly attributed to operations reopening fully in the year to 31 March 2023, following the lifting of Covid-19 restrictions.

Methodology

The 2022/23 SECR footprint is equivalent to 964 tCO₂e, with the largest portion being made up of emissions from the combustion of fuel at 588 tCO₂e. Overall, the emissions have increased by 13% since the previous reporting year and the intensity ratio has increased by 12% compared to 2021/22.

Anthesis has calculated the above greenhouse gas (GHG) emissions to cover all material sources of emissions for which The Prince's Foundation is responsible. The methodology used was that of the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (revised edition, 2015). Responsibility for emissions sources was determined using the operational control approach. All emissions sources required under The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 are included.

Report of the Trustees for the year ended 31 March 2023 (*continued*)

Carbon Audit (*continued*)

Raw data in the form of invoices and expense claims forms were gathered by The Prince's Foundation and collated in a spreadsheet. Energy was converted to greenhouse gas estimates using the UK Government's GHG Conversion Factors for Company Reporting 2022.

Energy Efficiency Action

Over the last year further improvements have been made within the organisation. Two new plug-in hybrid cars have replaced two diesel cars. Four electric charging points have been added for guests to use at Dumfries House and a further four charging points have been made available at Highgrove for public use.

Battery operated hedge trimmers, strimmers and blowers have been introduced into the garden teams and, at Dumfries House, an electric utility terrain vehicle (UTV) has been trialled.

Energy use remains high however this is commensurate with size of property portfolio that the Foundation has. Energy efficiency is monitored with new technology and initiatives being implemented where required. Two new energy efficient heat pumps have been installed replacing older, less efficient models.

Video conferencing continues to be promoted as the preferred form for meetings rather than travel, reducing reliance on travel.

Planting of trees and hedgerows continues across Dumfries House, Castle of Mey and Highgrove with around 2000 trees being planted. The workshop at Highgrove has been updated, refurbished and insulated to modern standards. Energy efficient lighting has been fitted to all workshop and classroom space. An electric vehicle is used by staff to move around the estate.

Environmental, Social and Governance (ESG) factors

The Prince's Foundation is committed to a process of continuous review and improvement of its environmental, social and governance performance. The Foundation applies sustainability principles in its actions, including our investments, and we have implemented an ESG policy with each of our investment managers. From a governance perspective the Foundation is committed to upholding the highest standards of professional conduct and compliance. During the prior financial year the Trustees commissioned a governance review and, this year, have been in the process of implementing its recommendations.

Report of the Trustees for the year ended 31 March 2023 *(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 Foundation'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 Foundation'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 Majesty, King Charles III
Vice President	The Rt Hon The Earl of Snowdon
Trustees	Dame Susan Bruce (Chair) Dame Ann Limb (Deputy Chair) Mr George Richards Mrs Rosemary Hilary Mr Michael Jary Cavaliere Federico Marchetti Ms Sarah de Gay Mr Ewan Venters Mr Alexander Manson (Appointed 11 July 2022) Mr Folarin Oyeleye (Appointed 5 December 2022) Mr Julian Payne (Appointed 1 April 2023)

Report of the Trustees for the year ended 31 March 2023 (continued)

Reference and Administrative Information (continued)

Senior Management Team	<p>Mrs Kristina Murrin, Chief Executive Officer (Appointed 17 July 2023)</p> <p>Mrs Emily Cherrington, Acting Chief Executive Officer (Appointed 4 September 2021); Deputy Chief Executive Officer and Chief Operating Officer (Appointed 17 July 2023)</p> <p>Mr Kieran Ferguson, CFA, Chief Financial Officer</p> <p>Mr Gordon Neil, Executive Director (Estates)</p> <p>Mr Simon Sadinsky, Executive Director (Education)</p> <p>Mr Constantine Innemee, Executive Director (Highgrove)</p> <p>Mr Ben Bolgar, Executive Director - Projects Team (Architecture & Heritage)</p> <p>Mr Colin Mackenzie-Blackman, Executive Director – Development (Fundraising)</p> <p>Miss Shirley Farquhar, Administrator of The Queen Elizabeth Castle of Mey Trust</p> <p>Mr Khaled Azzam, Director of The Prince's Foundation School of Traditional Arts</p> <p>Mr Kim Hitch, Director of Projects (Architecture & Heritage)</p> <p>Mrs Lucy Campbell, CA, Director of Finance (Resigned 24 May 2023)</p> <p>Ms Jacqueline Farrell, Education Director</p> <p>Mr Daniel McAuliffe, Education Director (Education Hubs)</p>
Bankers	<p>Coutts & Co 440, The Strand London WC2R 0QS</p>
Auditors	<p>Saffery Champness 133 Fountainbridge Edinburgh EH3 9BA</p>
Solicitors	<p>McCarthy Denning Limited Minster House 42 Mincing Lane London EC3R 7AE</p>

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 the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company and group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (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 the group 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 the group 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 Susan Bruce

Chair

Date 29/08/2023

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 2023 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Foundation Balance Sheet, the Consolidated Cash Flow Statement, the Foundation Cash Flow Statement, and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 March 2023, and of the group's and parent charitable 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); and
- meet the requirements of the Accounts Direction 2019 issued by the Office for Students.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

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

Emphasis of matter – significant events and contingent liabilities

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosures made in note 29 to the financial statements concerning significant events and contingent liabilities arising from press reports into historic fundraising practices at The Prince's Foundation in relation to certain donations historically received by the Foundation Group. Following these press reports the Office of the Scottish Charity Regulator (OSCR) opened an investigation into the Foundation and its governance in 2021. Trustees were also aware that the Metropolitan Police had been conducting an investigation into allegations of offences under the Honours (Prevention of Abuses) Act 1925 but that, as of 21 August 2023, this investigation concluded with no further action being taken. The Trustees asked their legal advisors to appoint investigatory accountants in relation to the press reports and, having taken legal advice, at the date of approval of the financial statements are satisfied that the findings of the report do not result in a material financial exposure to the Foundation which would require adjustment to or additional disclosure within the Foundation's financial statements. At the date of approval of the financial statements OSCR's investigation is ongoing.

Other information

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

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Report on other legal and regulatory requirements

We are required to report on the following matters issued by the Office for Students (OfS).

In our opinion, in all material respects:

- funds from whatever source administered by the provider for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;
- funds provided by the OfS and Research England have been applied in accordance with the relevant terms and conditions; and
- the requirements of the OfS's accounts direction have been met.

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

Other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent charitable company and their 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) require 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.

We are required to report by exception, the following matters by the Accounts Direction 2019 issued by the Office for Students:

- grant and fee income, as disclosed in the notes to the accounts, has been materially misstated; or
- expenditure on access and participation activities for the financial year has been materially misstated.

We have nothing to report in these respects.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees Responsibilities (set out on page 27), 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 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.

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

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the group and parent charitable company's financial statements to material misstatement and how fraud might occur, including through discussions with the Trustees, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the group and parent charitable company by discussions with Trustees, and updating our understanding of the sectors in which the group and parent charitable company operate.

Laws and regulations of direct significance in the context of the group and parent charitable company include The Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Education Reform Act 1988, the OfS Accounts Direction 2019, the Charities Accounts (Scotland) Regulations 2006 (as amended) and guidance issued by the Office of the Scottish Charity Regulator.

Audit response to risks identified:

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the parent charitable company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the parent charitable company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business.

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

Audit response to risks identified: (continued)

We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

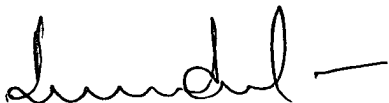
There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

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
Chartered Accountants
Statutory Auditors
133 Fountainbridge
Edinburgh
EH3 9BA

Date: 29 August 2023

Saffery Champness 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 2023

	Notes	General Funds £	Restricted Funds £	Endowment Funds £	Total 2023 £	Total 2022 £
Income and endowments from:						
Donations and legacies						
Donations	2	5,095,915	5,021,078	-	10,116,993	14,027,365
Grants and gift in kind	3	35,061	2,082,200	-	2,117,261	500,000
Other trading activities						
Rental income		68,317	-	-	68,317	63,442
Consultancy income		2,123,194	-	-	2,123,194	1,269,899
Dumfries House Trust Trading Limited		2,953,152	-	-	2,953,152	2,012,614
AG Carrick Limited		3,871,336	-	-	3,871,336	2,849,869
Dumfries House Home Farm Limited		308,460	-	-	308,460	359,524
Dumfries Farming & Land Limited		1,898	-	-	1,898	1,749
Community Capital Limited		78,305	-	-	78,305	64,789
Castle & Gardens of Mey Limited		405,045	-	-	405,045	265,433
Education income		701,837	-	-	701,837	514,271
The Queen Elizabeth Castle of Mey Trust		294,523	-	-	294,523	311,147
Investment income	16	13,793	-	179,616	193,409	166,274
Other income	4	81,989	-	-	81,989	70,549
Total		16,032,825	7,103,278	179,616	23,315,719	22,476,925
Expenditure on:						
Raising funds						
Building costs	5	(525,906)	-	-	(525,906)	(254,735)
Portfolio management costs	5	(7,907)	-	(32,140)	(40,047)	(39,703)
Dumfries House Trust Trading Limited	5	(2,824,602)	-	-	(2,824,602)	(2,274,733)
AG Carrick Limited	5	(3,485,501)	-	-	(3,485,501)	(2,291,703)
Dumfries House Home Farm Limited	5	(445,951)	-	-	(445,951)	(481,861)
Dumfries Farming & Land Limited	5	(8,300)	-	-	(8,300)	(8,390)
Community Capital Limited	5	(3,988)	-	-	(3,988)	(72,221)
Castle & Gardens of Mey Limited	5	(433,375)	-	-	(433,375)	(341,559)
Fundraising costs	5	(271,478)	-	-	(271,478)	(240,508)
	5	(8,007,008)	-	(32,140)	(8,039,148)	(6,005,413)
Charitable activities						
Wages & salaries	6, 10	(3,425,925)	(2,825,590)	-	(6,251,515)	(5,991,686)
Administration costs	6	(52,472)	-	-	(52,472)	(73,367)
Exhibition & promotion costs	6	(369,844)	(129,999)	-	(499,843)	(391,939)
Preservation of contents	6	(569,421)	-	-	(569,421)	(529,326)
Restoration of buildings	6	(1,373,787)	(400,517)	(58,274)	(1,832,578)	(1,654,770)
Net losses on fixed asset valuation*		(11,653,262)	(189,215)	(213,654)	(12,056,131)	-
Maintenance of the estate	6	(1,239,487)	(631,037)	-	(1,870,524)	(1,710,342)
Education	6	(1,239,114)	(817,590)	-	(2,056,704)	(1,388,533)
Community events	6	(20,830)	(12)	-	(20,842)	(37,352)
Patronage & heritage costs	6	(39,645)	(28,963)	-	(68,608)	(99,435)
Donations made	6, 8	(222,124)	(310,319)	-	(532,443)	(285,098)
The Queen Elizabeth Castle of Mey Trust	6	(601,860)	(4,478)	-	(606,338)	(633,723)
		(20,807,771)	(5,337,720)	(271,928)	(26,417,419)	(12,795,571)
Other resources expended						
Gains/(losses) on fixed asset disposal		(1,501)	-	-	(1,501)	5,802
		(1,501)	-	-	(1,501)	5,802
Governance costs	7	(660,815)	-	-	(660,815)	(1,004,190)
Total expenses		(29,477,095)	(5,337,720)	(304,068)	(35,118,883)	(19,799,372)
Net gains on fixed asset valuation*	14/15	7,161,429	4,019,551	3,137,027	14,318,007	-
Net gains/(losses) on investments		27,392	-	(124,148)	(96,756)	81,798
Change in market value of investments		(41,556)	-	(307,038)	(348,594)	446,917
Net income/(expenditure) for the year before taxation and transfers		(6,297,005)	5,785,109	2,581,389	2,069,493	3,206,268

* The revaluation of fixed assets resulted in a consolidated net gain of £2,261,876 for the year ended 31 March 2023.

Consolidated statement of financial activities
(incorporating an income and expenditure account) (continued)
For the year ended 31 March 2023

	Notes	General Funds	Restricted Funds	Endowment Funds	Total 2023	Total 2022
		£	£	£	£	£
Net income/(expenditure) for the year before transfers		(6,297,005)	5,785,109	2,581,389	2,069,493	3,206,268
Gross transfers between funds		(2,661,518)	(3,091,306)	5,752,824	-	-
Transfer - investment disbursement		156,000	-	(156,000)	-	-
Total transfers between funds	28	(2,505,518)	(3,091,306)	5,596,824	-	-
Net movements in funds		<u>(8,802,523)</u>	<u>2,693,803</u>	<u>8,178,213</u>	<u>2,069,493</u>	<u>3,206,268</u>
Reconciliation of funds:						
Fund balances at 1 April 2022	20, 21	45,109,139	13,392,430	71,112,980	129,614,549	126,408,281
Net movements in funds		(8,802,523)	2,693,803	8,178,213	2,069,493	3,206,268
Fund balances at 31 March 2023	20, 21	<u>36,306,616</u>	<u>16,086,233</u>	<u>79,291,193</u>	<u>131,684,042</u>	<u>129,614,549</u>

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

The net income for the period for Companies Act purposes, comprising net incoming / outgoing resources before other recognised gains and losses on permanent endowments, totals loss £422,695 (2022: gain £2,731,766).

The notes on pages 39 to 72 form part of these financial statements.

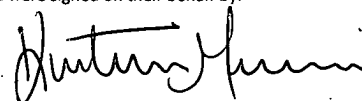
Consolidated balance sheet
at 31 March 2023

	Notes	General Funds	Restricted Funds	Endowment Funds	Total 2023	Total 2022
		£	£	£	£	£
Fixed assets						
Intangible assets	13	1,150	-	50,500	51,650	51,849
Heritage assets	14	4,000,000	-	67,971,345	71,971,345	61,751,527
Other tangible assets	15	24,339,001	8,528,334	5,015,000	37,882,335	45,074,620
Investments	16	929,438	-	6,254,348	7,183,786	7,651,870
		<u>29,269,589</u>	<u>8,528,334</u>	<u>79,291,193</u>	<u>117,089,116</u>	<u>114,529,866</u>
Current assets						
Stock	17	1,897,185	-	-	1,897,185	1,629,989
Debtors	18	2,050,147	-	-	2,050,147	1,171,408
Cash at bank and in hand		6,859,786	9,033,232	-	15,893,018	16,489,756
		<u>10,807,118</u>	<u>9,033,232</u>	<u>-</u>	<u>19,840,350</u>	<u>19,291,153</u>
Creditors: amounts falling due within one year	19	<u>(3,764,669)</u>	<u>(1,475,333)</u>	<u>-</u>	<u>(5,240,002)</u>	<u>(4,173,224)</u>
Net current (liabilities)/ assets		7,042,449	7,557,899	-	14,600,348	15,117,929
Total assets less current (liabilities) / assets		36,312,038	16,086,233	79,291,193	131,689,464	129,647,795
Creditors: amounts falling due after more than one year	19	<u>(5,422)</u>	<u>-</u>	<u>-</u>	<u>(5,422)</u>	<u>(33,246)</u>
Net assets		<u>36,306,616</u>	<u>16,086,233</u>	<u>79,291,193</u>	<u>131,684,042</u>	<u>129,614,549</u>
Funds						
General	20				36,306,616	45,109,139
Restricted	20				16,086,233	13,392,430
Endowment	20				79,291,193	71,112,980
					<u>131,684,042</u>	<u>129,614,549</u>

The notes on pages 39 to 72 form part of these financial statements.

These financial statements were approved by the Trustees on 29/08/2023 and were signed on their behalf by:


Dame Susan Bruce
Chair


Mrs Kristina Murrin
Accountable Officer (Ofs)

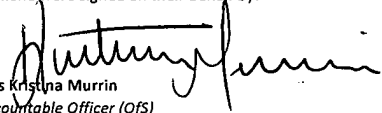
Foundation balance sheet
at 31 March 2023

	Notes	General Funds	Restricted Funds	Endowment Funds	Total 2023	Total 2022
		£	£	£	£	£
Fixed Assets						
Intangible assets	13	-	-	50,500	50,500	50,500
Heritage assets	14	-	-	67,971,345	67,971,345	60,751,527
Other tangible assets	15	16,025,891	8,528,334	5,015,000	29,569,225	35,210,389
Investments	16	991,607	-	6,254,348	7,245,955	7,691,961
		<u>17,017,498</u>	<u>8,528,334</u>	<u>79,291,193</u>	<u>104,837,025</u>	<u>103,704,377</u>
Current assets						
Debtors: amounts falling due within one year	18	4,591,635	-	-	4,591,635	3,644,873
Cash at bank		<u>4,585,940</u>	<u>9,003,882</u>	<u>-</u>	<u>13,589,822</u>	<u>14,605,964</u>
		9,177,575	9,003,882	-	18,181,457	18,250,837
Creditors: amounts falling due within one year	19	<u>(1,622,136)</u>	<u>(1,475,333)</u>	<u>-</u>	<u>(3,097,469)</u>	<u>(2,521,375)</u>
Net current (liabilities)/ assets		7,555,439	7,528,549	-	15,083,988	15,729,462
Total assets less current (liabilities) / assets		24,572,937	16,056,883	79,291,193	119,921,013	119,433,839
Creditors: amounts falling due after more than one year	19	-	-	-	-	-
Net assets		<u>24,572,937</u>	<u>16,056,883</u>	<u>79,291,193</u>	<u>119,921,013</u>	<u>119,433,839</u>
Funds						
General	20				24,572,937	34,965,999
Restricted	20				16,056,883	13,354,860
Endowment	20				<u>79,291,193</u>	<u>71,112,980</u>
					<u>119,921,013</u>	<u>119,433,839</u>

The notes on pages 39 to 72 form part of these financial statements.

These financial statements were approved by the Trustees on 29/08/2023 and were signed on their behalf by:


Dame Susan Bruce
Chair


Mrs Kristina Murrin
Accountable Officer (OfS)

Consolidated cash flow statement
For the year ended 31 March 2023

Cash flow statement	Notes	2023 £	2022 £
Cash flows from operating activities	i	2,454,571	5,820,917
Interest paid		245	(2,422)
Interest element of hire purchase and finance lease rental		(235)	(719)
Net cash provided by (used in) operating activities		2,454,581	5,817,776
Cashflows from investing activities			
Purchase of tangible fixed assets	15	(3,294,893)	(4,522,046)
Proceeds on disposal of tangible fixed assets		-	50,406
Purchase of fixed asset investments	16	(1,950,877)	(2,021,194)
Proceeds on disposal of fixed asset investments	16	2,067,767	1,983,534
Net cash movement in investments	16	(93,776)	84,486
Investment income	16	193,409	166,274
Net cash provided by (used in) investing activities		(3,078,370)	(4,258,540)
Cash flow from financing activities			
New hire purchase contracts		241,388	234,008
Repayment of capital element of hire purchase contracts		(214,337)	(206,011)
Net cash flow from financing activities		27,051	27,997
Change in cash and cash equivalents in the reporting period		(596,738)	1,587,233
Cash and cash equivalents at the beginning of the period		16,489,756	14,902,523
Cash and cash equivalents at the end of the period	ii 23	15,893,018	16,489,756

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)		2,069,493	3,206,268
Adjustments for:			
Depreciation, amortisation and impairment charges	13,15	2,528,758	2,291,057
Interest paid		(245)	2,422
Interest element of hire purchase and finance lease rental		235	719
Purchase of tangible assets on acquisition of subsidiary		-	(173,080)
(Gains)/ losses on fixed asset valuation		(2,261,876)	-
(Gains)/Losses on disposal of fixed asset		681	(16,819)
(Gains)/Losses on investments	16	444,970	(524,292)
Investment income	16	(193,409)	(166,274)
(Increase)/decrease in stock	17	(267,196)	(359,431)
(Increase)/decrease in debtors	18	(878,744)	(433,060)
(Decrease)/increase in creditors excluding overdraft & hire purchase	19	1,011,904	1,993,408
Net cash provided by (used in) operating activities		2,454,571	5,820,917

Note ii

Reconciliation of net cash flow

Increase/(Decrease) in cash in the period		(596,738)	1,587,233
Net cash at start of the year		16,489,756	14,902,523
Movement in net funds in the period	23	(596,738)	1,587,233
Net cash at the end of the year	23	15,893,018	16,489,756

Foundation cash flow statement
For the year ended 31 March 2023

Cash flow statement	Notes	2023 £	2022 £
Cash flows from operating activities	i	1,954,755	6,559,168
Interest paid		245	(2,422)
Interest element of hire purchase and finance lease rental		(235)	(719)
Net cash provided by (used in) operating activities		1,954,765	6,556,027
Cashflows from investing activities			
Purchase of tangible fixed assets	15	(3,225,273)	(5,774,032)
Proceeds on disposal of tangible fixed assets		(820)	185,910
Purchase of fixed asset investments	16	(1,082,930)	(1,440,941)
Proceeds on disposal of fixed asset investments	16	1,169,322	1,428,003
Net cash movement in investments	16	(71,570)	51,095
Investment income	16	179,616	157,618
Net cash provided by (used in) investing activities		(3,031,655)	(5,392,347)
Cash flow from financing activities			
New hire purchase contracts		241,388	189,727
Repayment of capital element of hire purchase contracts		(180,640)	(193,727)
Net cash flow from financing activities		60,748	(4,000)
Change in cash and cash equivalents in the reporting period		(1,016,142)	1,159,680
Cash and cash equivalents at the beginning of the period		14,605,964	13,446,284
Cash and cash equivalents at the end of the period	ii 23	13,589,822	14,605,964
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)		487,174	4,836,617
Adjustments for:			
Depreciation, amortisation and impairment charges	13,15	2,080,708	1,851,606
Interest paid		(245)	2,422
Interest element of hire purchase and finance lease rental		235	719
(Gains)/ losses on fixed asset valuation		(434,771)	-
(Gains)/Losses on disposal of fixed asset		1,501	(5,806)
(Gains)/Losses on investments	16	431,184	(474,502)
Investment income	16	(179,615)	(157,618)
Exceptional income		-	(991,602)
Decrease/(increase) in debtors	18	(946,763)	667,021
(Decrease)/increase in creditors excluding overdraft & hire purchase	19	515,347	830,311
Net cash provided by (used in) operating activities		1,954,755	6,559,168
Note ii Reconciliation of net cash flow			
Increase/(Decrease) in cash in the period		(1,016,142)	1,159,680
Net cash at start of the year		14,605,964	13,446,284
Movement in net funds in the period	23	(1,016,142)	1,159,680
Net cash at the end of the year	23	13,589,822	14,605,964

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 heritage assets, land and buildings, investments and sporting rights, and on the going concern basis.

Going Concern

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 bank balances, donor pipeline and the availability of bank overdraft facilities.

When considering the going concern status of the Foundation the Trustees are mindful of prior year events and the risks to the Foundation as reported in Note 29.

Against this background and the Trustee assessment of these reported risks, the Trustees have prepared and approved up to date company and group management accounts, budgets and cash flow projections, which include key income and cost assumptions including ongoing support from core donors and trading surpluses that the Trustees consider reasonable and prudent. Whilst not currently being utilised, the Trustees also renewed bank overdraft arrangements during August 2023 for a further 12 months.

Having considered the above matters, the Trustees are of the view that, at the date of approval of the financial statements, the Foundation will have sufficient financial resources, donor support and the necessary ongoing bank arrangements to continue to deliver the group's objectives and to meet debts as they fall due for the foreseeable future. The financial statements have therefore been prepared on a going concern basis.

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 25. The country of incorporation and registration numbers are detailed in the Trustees report on page 25. 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, its subsidiary undertakings and funds held with The Prince's Foundation America Inc.

The financial statements of The Prince's Foundation's subsidiary entities:

- Dumfries House Trust Trading Limited
- AG Carrick 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
- 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.

Notes (continued)

1 Accounting policies (continued)

Basis of consolidation (continued)

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 or book value.

Critical accounting judgements and key 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.

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. See note 28.

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. Where income is received for which goods or services are yet to be provided the income is included as a creditor within deferred income.

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 are included within donated services.

Notes (continued)

1 Accounting policies (continued)

Income (continued)

Other trading activities

Income from Dumfries House Trust Trading Limited includes the Dumfries House shop, café and restaurant, the Rothesay Rooms restaurant in Ballater, the Swimming Pool and Town Hall facilities in New Cumnock, as well as Dumfries House admissions, functions and income from a bed and breakfast business, health and wellbeing and architectural consultancy services. Income from other commercial activities is recognised in the period in which it is received. Other commercial income received is recognised on entitlement.

Income from AG Carrick Limited includes shop, café and restaurant and garden tour income at the Highgrove Estate. Other income received through AG Carrick Limited is recognised on entitlement. Other commercial income received is recognised on entitlement.

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

Income from Dumfries Farming & Land Limited represents grazing rent income paid to Dumfries Farming & Land Limited.

Income from Community Capital Limited represents income in respect of payments attributed to architectural and building consultancy services in a prior period.

Income from Castle and Gardens of Mey represents income 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 2023, £115,040 of gift aid was received from subsidiaries (2022: £300,000).

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 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 gains and losses on asset disposals.

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, the Dumfries House Collection and the Castle of Mey.

The Dumfries House Collection dates back to the commissioning of the House in the 1750s, and is 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.

In June 2023, a fair value valuation of Dumfries House, the stables and coach house was undertaken by Stanley Wright, Chartered Surveyors in accordance with RICS Valuation – Global Standards. Due to the materiality of these assets on balance sheet, the carrying value of these assets has been updated in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019), in the financial year to 31 March 2023 as detailed in notes 14 and 15.

In June 2023, a fair value valuation of the Dumfries House Collection was undertaken by Lyon and Turnbull, auctioneers. The valuation was based on similar previous sale estimates and results. Due to the materiality of these assets on balance sheet, the carrying value of these assets has been updated in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019), in the financial year to 31 March 2023 as detailed in notes 14 and 15.

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 of Mey is inspected on a regular basis and any work required is brought to the attention of the Trustees. The inspection may be carried out by the Administrator who oversees the property and its use.

In June 2023, a fair value valuation of The Castle and the land and buildings owned by The Queen Elizabeth Castle of Mey Trust was undertaken by Savills in accordance with RICS Valuation – Global Standards. Due to the materiality of these assets on balance sheet, the carrying value of these assets has been updated in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019), in the financial year to 31 March 2023 as detailed in notes 14 and 15.

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.

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

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; and
- 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.

Other tangible fixed assets (excluding heritage assets) and depreciation

A revaluation of the non-heritage land and buildings assets took place in June 2023. Land and buildings are stated at fair 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".

The fair value valuation of the non-heritage land and buildings owned by The Queen Elizabeth Castle of Mey Trust was undertaken by Savills. The non-heritage land and buildings at the Dumfries House Estate, Knockroon and New Cumnock was undertaken by Stanley Wright, and the property held in London was valued by Gerald Eve LLP. Each valuation was conducted in accordance with the RICS Valuation – Global Standards. Due to the significant movement in value, the carrying value of these assets have been updated in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019), in the financial year to 31 March 2023.

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 Castle of Mey furnishings were revalued by the Trustees on 31 December 2004 at £583,570. This value is held as the deemed cost in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019). The valuation basis used by the Trustees was market value and the current Trustee is content with the valuation and is not aware of any changes.

Other tangible fixed assets are stated at historic cost.

The Prince's Foundation holds a 125 year lease on property at Highgrove estate. Leasehold property and all relating assets are depreciated in line with the useful life of the asset as noted in the table below.

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
Leasehold 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
Improvements to leasehold property	-	25 years
Website costs	-	5 years
Assets under construction	-	not provided

No depreciation is provided on freehold land.

Individual purchases of a capital nature below £300 are not usually capitalised.

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, with the exception of the leasehold properties which are depreciated over 50 years.

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, AG Carrick 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 heritage assets and other tangible fixed assets

As described in the accounting policies, land and buildings, heritage assets and castle furnishings are stated at fair value based on the valuation performed by independent professional valuers with 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.

A revaluation of the land and buildings and heritage assets on the Dumfries House estate and at the Castle of Mey, the land and buildings at Charlotte Road in London, and the Dumfries House Collection, took place in June 2023. These valuations were undertaken by Chartered Surveyors in accordance with the RICS Valuation - Global Standards - and in the case of the Dumfries House Collection by auctioneers with a working knowledge of the Dumfries House Collection.

Having commissioned a revaluation in June 2023, as disclosed in notes 14 and 15, the Trustees have determined transfers between land and building assets and heritage assets and within reserves to capture the correct asset categorisation and funds split. This includes impairment of property improvements as required to ensure the faithful application of the revaluation within the balance sheet.

Notes (continued)

2 Donations and legacies

	General Fund £	Restricted Fund £	Total 2023 £	Total 2022 £
Donations received	<u>5,095,915</u>	<u>5,021,078</u>	<u>10,116,993</u>	<u>14,027,365</u>

For prior year funds breakdown please refer to note 11.

3 Grants and gifts in kind

	General Fund £	Restricted Fund £	Total 2023 £	Total 2022 £
Grants received				
Charitable organisations	-	49,500	49,500	229,500
Corporate bodies	-	30,000	30,000	68,000
Trusts	2,500	1,959,950	1,962,450	202,500
Other	<u>32,561</u>	<u>42,750</u>	<u>75,311</u>	<u>-</u>
	<u>35,061</u>	<u>2,082,200</u>	<u>2,117,261</u>	<u>500,000</u>

Grant income includes a grant received in year from The MacRobert Trust for the Home Farm redevelopment at Dumfries House (£1.9m). This is shown under grants received from Trusts.

For prior year funds breakdown please refer to note 11.

4 Other income

	General Fund £	Restricted Fund £	Total 2023 £	Total 2022 £
Health Initiative Income	400	-	400	1,973
Other Income	<u>81,589</u>	<u>-</u>	<u>81,589</u>	<u>68,576</u>
	<u>81,989</u>	<u>-</u>	<u>81,989</u>	<u>70,549</u>

For prior year funds breakdown please refer to note 11.

Notes (continued)

5 Raising funds

	General Fund £	Restricted Fund £	Endowment Fund £	Total 2023 £	Total 2022 £
Building costs	(525,906)	-	-	(525,906)	(254,735)
Portfolio management	(7,907)	-	(32,140)	(40,047)	(39,703)
<u>Dumfries House Trust Trading costs</u>					
Trading cost of sales	(2,168,596)	-	-	(2,168,596)	(1,834,969)
Admin costs	(656,006)	-	-	(656,006)	(439,764)
	<u>(2,824,602)</u>	<u>-</u>	<u>-</u>	<u>(2,824,602)</u>	<u>(2,274,733)</u>
<u>AG Carrick trading costs *</u>					
Trading cost of sales	(1,288,177)	-	-	(1,288,177)	(830,502)
Admin costs	(2,197,324)	-	-	(2,197,324)	(1,461,201)
	<u>(3,485,501)</u>	<u>-</u>	<u>-</u>	<u>(3,485,501)</u>	<u>(2,291,703)</u>
<u>Home Farm costs</u>					
Farm cost of sales	(255,783)	-	-	(255,783)	(247,012)
Admin costs	(190,168)	-	-	(190,168)	(234,849)
	<u>(445,951)</u>	<u>-</u>	<u>-</u>	<u>(445,951)</u>	<u>(481,861)</u>
<u>Dumfries Farming & land costs</u>					
Admin costs	(8,300)	-	-	(8,300)	(8,390)
	<u>(8,300)</u>	<u>-</u>	<u>-</u>	<u>(8,300)</u>	<u>(8,390)</u>
<u>Community Capital costs</u>					
Cost of sales	-	-	-	-	(58,899)
Admin costs	(3,988)	-	-	(3,988)	(13,322)
	<u>(3,988)</u>	<u>-</u>	<u>-</u>	<u>(3,988)</u>	<u>(72,221)</u>
<u>Castle & Gardens of Mey costs</u>					
Cost of sales	(121,118)	-	-	(121,118)	(56,995)
Admin costs	(312,257)	-	-	(312,257)	(284,564)
	<u>(433,375)</u>	<u>-</u>	<u>-</u>	<u>(433,375)</u>	<u>(341,559)</u>
<u>Fundraising costs</u>					
Admin costs	(151,058)	-	-	(151,058)	(114,763)
Costs of raising funds	(120,420)	-	-	(120,420)	(125,745)
	<u>(271,478)</u>	<u>-</u>	<u>-</u>	<u>(271,478)</u>	<u>(240,508)</u>
	<u>(8,007,008)</u>	<u>-</u>	<u>(32,140)</u>	<u>(8,039,148)</u>	<u>(6,005,413)</u>

* On 1 July 2021, The Prince's Foundation acquired AG Carrick Limited. The cost shown above represents a full year's expenditure whereas the 2022 comparative represents the 9 months expenditure from the date of acquisition.

For prior year funds breakdown please refer to note 11.

Notes (continued)

6 Charitable activities

	Direct costs £	Support Costs £	Total 2023 £	Total 2022 £
General fund				
Wages & salaries	-	(3,425,925)	(3,425,925)	(3,336,958)
Administration costs	-	(52,472)	(52,472)	(73,367)
Exhibition & promotions costs	-	(369,844)	(369,844)	(305,876)
Preservation of contents	(462,170)	(107,251)	(569,421)	(519,752)
Restoration of buildings	-	(1,373,787)	(1,373,787)	(1,215,755)
Net losses on fixed asset valuation	-	(11,653,262)	(11,653,262)	-
Maintenance of the estate	(1,098,618)	(140,869)	(1,239,487)	(1,095,864)
Education department	(1,239,114)	-	(1,239,114)	(669,580)
Community events	(20,830)	-	(20,830)	-
Patronage and heritage costs	(39,645)	-	(39,645)	(60,491)
Donations made	(222,124)	-	(222,124)	-
The Queen Elizabeth Castle of Mey Trust	(244,140)	(357,720)	(601,860)	(568,289)
	<u>(3,326,641)</u>	<u>(17,481,130)</u>	<u>(20,807,771)</u>	<u>(7,845,932)</u>
Restricted fund				
Wages & salaries	-	(2,825,590)	(2,825,590)	(2,654,728)
Administration costs	-	-	-	-
Exhibition & promotion costs	-	(129,999)	(129,999)	(86,063)
Preservation of contents	-	-	-	(9,574)
Restoration of buildings	-	(400,517)	(400,517)	(401,051)
Net losses on fixed asset valuation	-	(189,215)	(189,215)	-
Maintenance of estate	(631,037)	-	(631,037)	(614,478)
Education department	(817,590)	-	(817,590)	(718,953)
Community events	(12)	-	(12)	(37,352)
Patronage and heritage costs	(28,963)	-	(28,963)	(38,944)
Donations made	(310,319)	-	(310,319)	(285,098)
The Queen Elizabeth Castle of Mey Trust	(4,478)	-	(4,478)	(65,434)
	<u>(1,792,399)</u>	<u>(3,545,321)</u>	<u>(5,337,720)</u>	<u>(4,911,675)</u>
Endowment fund				
Restoration of buildings	-	(58,274)	(58,274)	(37,964)
Net losses on fixed asset valuation	-	(213,654)	(213,654)	-
	<u>-</u>	<u>(271,928)</u>	<u>(271,928)</u>	<u>(37,964)</u>
Total	<u>(5,119,040)</u>	<u>(21,298,379)</u>	<u>(26,417,419)</u>	<u>(12,795,571)</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.

For prior year funds breakdown please refer to note 11.

Notes (continued)

7 Support and other costs

	General Fund £	Restricted Fund £	Endowment Funds £	Total 2023 £	Total 2022 £
Support costs					
Staff costs	(3,425,925)	(2,825,590)	-	(6,251,515)	(5,991,686)
Marketing, communication and exhibition costs	(369,844)	(129,999)	-	(499,843)	(391,939)
Depreciation and amortisation	(1,979,627)	(400,517)	(58,274)	(2,438,418)	(2,197,144)
Net losses on fixed asset valuation	(11,653,262)	(189,215)	(213,654)	(12,056,131)	-
Administration costs	(52,472)	-	-	(52,472)	(73,367)
	<u>(17,481,130)</u>	<u>(3,545,321)</u>	<u>(271,928)</u>	<u>(21,298,379)</u>	<u>(8,654,136)</u>
Governance costs					
Legal	(160,180)	-	-	(160,180)	(395,372)
Auditor's remuneration	(74,697)	-	-	(74,697)	(99,626)
Bank interest and charges	(76,339)	-	-	(76,339)	(78,547)
Irrecoverable VAT expense	(138,234)	-	-	(138,234)	(165,161)
Consulting & professional fees	(211,365)	-	-	(211,365)	(178,873)
Other - Acquisition of subsidiary	-	-	-	-	(86,611)
	<u>(660,815)</u>	<u>-</u>	<u>-</u>	<u>(660,815)</u>	<u>(1,004,190)</u>

For prior year funds breakdown please refer to note 11.

8 Donations made

	2023 £	2022 £
Architecture & Heritage projects donations	113,453	131,230
Donations to Education institutions including bursaries and student support	417,284	152,900
Community events and initiatives donations	1,706	968
	<u>532,443</u>	<u>285,098</u>

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

	2023 £	2022 £
Auditor's remuneration:		
Audit of Foundation financial statements	49,500	80,425
Non-audit services provided to the Foundation	-	8,000
Audit of subsidiary financial statements	51,746	45,150
Non-audit services provided to subsidiaries	9,900	8,545
	<u>111,146</u>	<u>142,120</u>
 Depreciation and amortisation	 <u>2,528,758</u>	 <u>2,291,057</u>

Notes (continued)

10 Staff Costs

	The Prince's Foundation £	Dumfries House Trust Trading Limited £	AG Carrick Limited £	Dumfries House Home Farm Limited £	The Queen Elizabeth Castle Of Mey Trust £	Castle and Gardens Of Mey Limited £	Dumfries Farming and Land Limited £
Wages and salaries	5,278,622	1,281,438	1,000,655	85,355	248,592	180,761	286,675
Social security costs	461,169	80,887	69,019	8,488	19,471	11,516	29,464
Other pension costs	223,246	38,136	56,856	3,414	20,415	8,594	9,212
	<u>5,963,037</u>	<u>1,400,461</u>	<u>1,126,530</u>	<u>97,257</u>	<u>288,478</u>	<u>200,871</u>	<u>325,351</u>

	Community Capital Limited £	2023 £	2022 £
Wages and salaries	-	8,362,098	7,948,531
Social security costs	-	680,014	550,457
Other pension costs	-	359,873	272,959
	<u>-</u>	<u>9,401,985</u>	<u>8,771,947</u>

Staff costs as a result of the charitable activities total £6,251,515 (2022: £5,991,686). This amount comprises the wages, salaries and related staff costs of The Prince's Foundation and The Queen Elizabeth Castle of Mey Trust.

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 have no employee costs.

During the year redundancy and termination payments of £42,664 were made (2022: £137,582). All payments were settled in year.

Number of employees whose total employee benefits (excluding employer pension costs) > £60,000

	2023	2022
From -		
£60,001 to £70,000	9	6
£70,001 to £80,000	3	-
£80,001 to £90,000	1	3
£90,001 to £100,000	1	-
£100,001 to £120,000	-	-
£120,001 to £130,000	1	1
£130,001 to £140,000	-	1
£140,001 to £150,000	1	-
£150,001 to £180,000	-	-
£180,001 to £190,000	-	1
£190,001 to £200,000	-	-

All of the employees above received pension contributions.

	2023 £	2022 £
Employer pension contributions for the employees above	<u>66,328</u>	<u>43,713</u>

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

	2023 Number	2022 Number
The Prince's Foundation	166	153
AG Carrick Limited	114	58
Dumfries House Trust Trading Limited	106	99
Dumfries House Home Farm Limited	3	3
Dumfries Farming and Land Limited	8	8
The Queen Elizabeth Castle of Mey Trust	18	15
Castle and Gardens of Mey Limited	17	17
Community Capital Limited	-	1
	<u>432</u>	<u>354</u>

210 (2022: 154) 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 25 and 26. The total employee benefits (excluding employer pension costs) of the key management personnel of the Foundation were £1,010,561 (2022: £1,176,046).

Notes (continued)

11 2022 Comparatives for the Consolidated Statement of Financial Activities

	Notes	General Funds £	Restricted Funds £	Endowment Funds £	Total 2022 £	Total 2021 £
Income and endowments from:						
Donations and legacies						
Donations	2	6,096,227	7,931,138	-	14,027,365	17,641,693
Grants and gift in kind	3	2,500	497,500	-	500,000	251,067
Other trading activities						
Rental income		63,442	-	-	63,442	58,704
Consultancy income		1,269,899	-	-	1,269,899	464,484
Dumfries House Trust Trading Limited		2,012,614	-	-	2,012,614	302,359
AG Carrick Limited		2,849,869	-	-	2,849,869	-
Dumfries House Home Farm Limited		359,524	-	-	359,524	393,213
Dumfries Farming & Land Limited		1,749	-	-	1,749	-
Community Capital Limited		64,789	-	-	64,789	413,845
Castle & Gardens of Mey Limited		265,433	-	-	265,433	57,981
Education income		514,271	-	-	514,271	423,263
The Queen Elizabeth Castle of Mey Trust		311,147	-	-	311,147	248,613
Investment income	16	8,656	-	157,618	166,274	165,680
Other income	4	70,549	-	-	70,549	215,339
Total		13,890,669	8,428,638	157,618	22,476,925	20,636,241
Expenditure on:						
Raising funds						
Building costs	5	(254,735)	-	-	(254,735)	(163,700)
Portfolio management costs	5	(7,501)	-	(32,202)	(39,703)	(47,135)
Dumfries House Trust Trading Limited	5	(2,274,733)	-	-	(2,274,733)	(1,773,794)
AG Carrick Limited	5	(2,291,703)	-	-	(2,291,703)	-
Dumfries House Home Farm Limited	5	(481,861)	-	-	(481,861)	(400,474)
Dumfries Farming & Land Limited	5	(8,390)	-	-	(8,390)	(100,271)
Community Capital Limited	5	(72,221)	-	-	(72,221)	(343,804)
Castle & Gardens of Mey Limited	5	(341,559)	-	-	(341,559)	(217,781)
Fundraising costs	5	(189,315)	(51,193)	-	(240,508)	(142,140)
	5	(5,922,018)	(51,193)	(32,202)	(6,005,413)	(3,189,099)
Charitable activities						
Wages & salaries	6, 10	(3,336,958)	(2,654,728)	-	(5,991,686)	(4,808,396)
Administration costs	6	(73,367)	-	-	(73,367)	(45,029)
Exhibition & promotion costs	6	(305,876)	(86,063)	-	(391,939)	(238,659)
Preservation of contents	6	(519,752)	(9,574)	-	(529,326)	(464,121)
Restoration of buildings	6	(1,215,755)	(401,051)	(37,964)	(1,654,770)	(1,656,083)
Maintenance of the estate	6	(1,095,864)	(614,478)	-	(1,710,342)	(913,733)
Education	6	(669,580)	(718,953)	-	(1,388,533)	(661,755)
Community events	6	-	(37,352)	-	(37,352)	(40,571)
Patronage & heritage costs	6	(60,491)	(38,944)	-	(99,435)	(77,737)
Donations made	6, 8	-	(285,098)	-	(285,098)	(619,510)
The Queen Elizabeth Castle of Mey Trust	6	(568,289)	(65,434)	-	(633,723)	(578,650)
		(7,845,932)	(4,911,675)	(37,964)	(12,795,571)	(10,104,244)
Other resources expended						
Gains/(losses) on fixed asset disposal		5,802	-	-	5,802	(962,158)
		5,802	-	-	5,802	(962,158)
Governance costs						
	7	(905,968)	(98,222)	-	(1,004,190)	(652,414)
Total expenses		(14,668,116)	(5,061,090)	(70,166)	(19,799,372)	(14,907,915)
Net gains/(losses) on investments		24,467	-	57,331	81,798	197,362
Change in market value of investments		29,746	-	417,171	446,917	959,533
Net income/(expenditure)						
for the year before taxation and transfers		(723,234)	3,367,548	561,954	3,206,268	6,885,221

Notes (continued)

11 2022 Comparatives for the Consolidated Statement of Financial Activities (continued)

	<i>Notes</i>	General Funds	Restricted Funds	Endowment Funds	Total 2022	Total 2021
		£	£	£	£	£
Net income/(expenditure) for the year before transfers		(723,234)	3,367,548	561,954	3,206,268	6,885,221
Gross transfers between funds		3,821,340	(3,814,185)	(7,155)	-	-
Transfer - investment disbursement		156,000	-	(156,000)	-	-
Total transfers between funds	28	3,977,340	(3,814,185)	(163,155)	-	-
 Net movements in funds		<u>3,254,106</u>	<u>(446,637)</u>	<u>398,799</u>	<u>3,206,268</u>	<u>6,885,221</u>
 Reconciliation of funds:						
Fund balances at 1 April 2021	20, 21	41,855,033	13,839,067	70,714,181	126,408,281	119,523,060
Net movements in funds		3,254,106	(446,637)	398,799	3,206,268	6,885,221
 Fund balances at 31 March 2022	20, 21	<u>45,109,139</u>	<u>13,392,430</u>	<u>71,112,980</u>	<u>129,614,549</u>	<u>126,408,281</u>

The net income for the period for Companies Act purposes, comprising net incoming / outgoing resources before other recognised gains and losses on permanent endowments, totals gain £2,731,766 (2021: gain £5,981,509).

Notes (continued)

12 2023 Statement of financial activities - Foundation only

Foundation statement of financial activities
(incorporating an income and expenditure account)
for the year ended 31 March 2023

	General Funds	Restricted Funds	Endowment Funds	Total 2023	Total 2022
	£	£	£	£	£
Income and endowments from:					
<i>Donations and legacies</i>					
Donations	4,911,208	5,021,078	-	9,932,286	13,868,513
Grants and gift in kind	-	2,082,200	-	2,082,200	497,500
Other trading activities	2,191,511	-	-	2,191,511	1,333,341
Gift aid from subsidiaries	115,040	-	-	115,040	300,000
Investment income	-	-	179,616	179,616	157,618
Education income	701,837	-	-	701,837	514,271
Other income	73,358	-	-	73,358	1,055,639
Total	7,992,954	7,103,278	179,616	15,275,848	17,726,882
Expenditure on:					
<i>Raising funds</i>					
Building costs	(525,906)	-	-	(525,906)	(254,735)
Portfolio management	-	-	(32,140)	(32,140)	(32,202)
Fundraising costs	(271,478)	-	-	(271,478)	(240,508)
	(797,384)	-	(32,140)	(829,524)	(527,445)
<i>Charitable activities</i>					
Wages & salaries	(3,138,229)	(2,824,809)	-	(5,963,038)	(5,773,209)
Administration costs	(8,846)	-	-	(8,846)	(7,956)
Exhibition & promotion costs	(369,844)	(129,999)	-	(499,843)	(391,939)
Preservation of contents	(569,421)	-	-	(569,421)	(529,326)
Restoration of buildings	(1,373,787)	(400,517)	(58,274)	(1,832,578)	(1,654,770)
Net losses on fixed asset valuation	(8,863,503)	(189,215)	(213,654)	(9,266,372)	-
Maintenance of the estate	(1,239,487)	(631,037)	-	(1,870,524)	(1,711,148)
Education	(1,239,114)	(817,590)	-	(2,056,704)	(1,388,533)
Community events	(20,830)	(12)	-	(20,842)	(37,352)
Patronage and heritage costs	(39,645)	(28,963)	-	(68,608)	(99,435)
Donations made	(170,393)	(310,318)	-	(480,711)	(370,150)
	(17,033,099)	(5,332,460)	(271,928)	(22,637,487)	(11,963,818)
<i>Other resources expended</i>					
Gains/(losses) on fixed asset disposal	(1,501)	-	-	(1,501)	5,812
<i>Governance costs</i>	(590,119)	-	-	(590,119)	(879,317)
Total expenses	(18,422,103)	(5,332,460)	(304,068)	(24,058,631)	(13,364,768)
Net gains on fixed asset valuation	2,544,565	4,019,551	3,137,027	9,701,143	-
Net gains/(losses) on investments	-	-	(124,148)	(124,148)	57,331
Change in market value of investments	-	-	(307,038)	(307,038)	417,169
Net income/(expenditure) for the year before taxation and transfers	(7,884,584)	5,790,369	2,581,389	487,174	4,836,614
Gross transfers between funds	(2,664,478)	(3,088,346)	5,752,824	-	-
Transfer - investment disbursement	156,000	-	(156,000)	-	-
Total transfers between funds	(2,508,478)	(3,088,346)	5,596,824	-	-
Net movements in funds	(10,393,062)	2,702,023	8,178,213	487,174	4,836,614
Reconciliation of funds:					
Fund balances at 1 April 2022	34,965,999	13,354,860	71,112,980	119,433,839	114,597,225
Fund balances at 31 March 2023	24,572,937	16,056,883	79,291,193	119,921,013	119,433,839

* The revaluation of fixed assets resulted in a consolidated net gain of £434,772 for the year ended 31 March 2023.

Notes (continued)

12 2022 Comparative Statement of financial activities - Foundation only

Foundation statement of financial activities
(incorporating an income and expenditure account)
for the year ended 31 March 2022

	General Funds	Restricted Funds	Endowment Funds	Total 2022	Total 2021
	£	£	£	£	£
Income and endowments from:					
<i>Donations and legacies</i>					
Donations	5,942,323	7,926,190	-	13,868,513	17,576,909
Grants and gift in kind	-	497,500	-	497,500	238,567
Other trading activities	1,333,341	-	-	1,333,341	523,188
Gift aid from subsidiaries	300,000	-	-	300,000	58,580
Investment income	-	-	157,618	157,618	71,245
Education income	514,271	-	-	514,271	423,263
Other income	1,055,639	-	-	1,055,639	4,521,787
Total	9,145,574	8,423,690	157,618	17,726,882	23,413,539
Expenditure on:					
<i>Raising funds</i>					
Building costs	(254,735)	-	-	(254,735)	(163,700)
Portfolio management	-	-	(32,202)	(32,202)	(19,012)
Fundraising costs	(189,315)	(51,193)	-	(240,508)	(142,139)
	(444,050)	(51,193)	(32,202)	(527,445)	(324,851)
<i>Charitable activities</i>					
Wages & salaries	(3,132,818)	(2,640,391)	-	(5,773,209)	(4,607,977)
Administration costs	(7,956)	-	-	(7,956)	(7,632)
Exhibition & promotion costs	(305,876)	(86,063)	-	(391,939)	(238,659)
Preservation of contents	(519,752)	(9,574)	-	(529,326)	(464,121)
Restoration of buildings	(1,215,755)	(401,051)	(37,964)	(1,654,770)	(1,656,081)
Maintenance of the estate	(1,096,670)	(614,478)	-	(1,711,148)	(913,733)
Education	(669,580)	(718,953)	-	(1,388,533)	(661,755)
Community events	-	(37,352)	-	(37,352)	(40,571)
Patronage and heritage costs	(60,491)	(38,944)	-	(99,435)	(77,737)
Donations made	-	(370,150)	-	(370,150)	(1,154,511)
	(7,008,898)	(4,916,956)	(37,964)	(11,963,818)	(9,822,777)
Other resources expended					
Gains/(losses) on fixed asset disposal	5,812	-	-	5,812	(962,153)
Governance costs	(781,095)	(98,222)	-	(879,317)	(596,412)
Total expenses	(8,228,231)	(5,066,371)	(70,166)	(13,364,768)	(11,706,193)
Net gains/(losses) on investments	-	-	57,331	57,331	11,736
Change in market value of investments	-	-	417,169	417,169	322,445
Net income/(expenditure) for the year before taxation and transfers	917,343	3,357,319	561,952	4,836,614	12,041,527
Taxation	-	-	-	-	-
Net income/(expenditure) for the year before transfers	917,343	3,357,319	561,952	4,836,614	12,041,527
Gross transfers between funds	3,570,117	(3,562,964)	(7,153)	-	-
Transfer - investment disbursement	156,000	-	(156,000)	-	-
Total transfers between funds	3,726,117	(3,562,964)	(163,153)	-	-
Net movements in funds	4,643,460	(205,645)	398,799	4,836,614	12,041,527
Reconciliation of funds:					
Fund balances at 1 April 2021	30,322,539	13,560,505	70,714,181	114,597,225	102,555,698
Fund balances at 31 March 2022	34,965,999	13,354,860	71,112,980	119,433,839	114,597,225

Notes (continued)

13 Intangible assets

Group

	Trademarks £	Sporting rights £	Total
Cost or valuation			
At 1 April 2022	6,280	50,500	56,780
Additions	-	-	-
Disposals	-	-	-
At 31 March 2023	<u>6,280</u>	<u>50,500</u>	<u>56,780</u>
Amortisation			
At 1 April 2022	4,931	-	4,931
Charge for the period	199	-	199
At 31 March 2023	<u>5,130</u>	<u>-</u>	<u>5,130</u>
Net book value			
At 31 March 2023	<u>1,150</u>	<u>50,500</u>	<u>51,650</u>
At 31 March 2022	<u>1,349</u>	<u>50,500</u>	<u>51,849</u>

Foundation

	Sporting rights £	Total
Cost or valuation		
At 1 April 2022	50,500	50,500
Additions	-	-
Disposals	-	-
At 31 March 2023	<u>50,500</u>	<u>50,500</u>
Net book value		
At 31 March 2023	<u>50,500</u>	<u>50,500</u>
At 31 March 2022	<u>50,500</u>	<u>50,500</u>

Cost or valuation at 31 March 2023 is represented by:

	Trademarks £	Sporting Rights £
Cost	6,280	65,000
Revaluation	-	(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:

	2023 £	2022 £
Cost of sporting rights	<u>65,000</u>	<u>65,000</u>

14 Heritage assets

Group

	Heritage assets £
Cost or valuation	
At 1 April 2022	61,751,527
Revaluations	(2,899,190)
Transfers	13,119,008
At 31 March 2023	<u>71,971,345</u>
Depreciation	
At 1 April 2022	-
Charge	-
Revaluation	(6,486,100)
Impairment	1,302,270
Transfers	5,183,830
At 31 March 2023	<u>-</u>
Net book value	
At 31 March 2023	<u>71,971,345</u>
At 31 March 2022	<u>61,751,527</u>

Cost or valuation at 31 March 2023 is represented by:

	Heritage assets £
Cost	52,902,484
Revaluation	19,068,861
	<u>71,971,345</u>

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

	2023 £	2022 £
Cost of heritage assets	<u>52,902,484</u>	<u>39,783,476</u>

Notes (continued)

14 Heritage Assets (continued)

Foundation	Heritage assets
	£
Cost or valuation	
At 1 April 2022	60,751,527
Additions	-
Revaluations	(2,923,013)
Transfers	10,142,831
At 31 March 2023	<u>67,971,345</u>
Depreciation	
At 1 April 2022	-
Charge	-
Revaluation	(4,782,689)
Impairment	864,341
Transfers	3,918,348
At 31 March 2023	<u>-</u>
Net book value	
At 31 March 2023	<u>67,971,345</u>
At 31 March 2022	<u>60,751,527</u>

Cost or valuation at 31 March 2023 is represented by:

	Heritage assets
	£
Cost	48,926,307
Revaluation	<u>19,045,038</u>
	<u>67,971,345</u>

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

	2023	2022
	£	£
Cost of heritage assets	48,926,307	38,783,476
	<u>48,926,307</u>	<u>38,783,476</u>

Heritage assets within the Endowment Funds comprise Dumfries House, the stables and coach house and the Collection 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.

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. 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.

Dumfries House has an unrivalled collection (the '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. 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. Assets acquired are purchased to enhance the Collection within the House.

A full revaluation of the heritage assets was conducted in June 2023 the results of which are reflected in the accounts to 31 March 2023 due to the materiality of these assets on balance sheet. There is no intention to either acquire or dispose of heritage assets.

In June 2023, a fair value valuation of Dumfries House, the stables and coach house was undertaken by Stanley Wright, Chartered Surveyors in accordance with RICS Valuation – Global Standards. Due to the materiality of these assets on balance sheet, the carrying value of these assets has been updated in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019), in the financial year to 31 March 2023 as detailed in notes 14 and 15. These heritage assets are currently held at a valuation of £9,315,000.

In June 2023, a fair value valuation of the Dumfries House Collection was undertaken by Lyon and Turnbull, auctioneers. The valuation was based on similar previous sale estimates and results. Due to the materiality of these assets on balance sheet, the carrying value of these assets has been updated in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019), in the financial year to 31 March 2023 as detailed in notes 14 and 15. These heritage assets are currently held at a valuation of £58,656,345.

In June 2023, a fair value valuation of the Castle of Mey, owned by The Queen Elizabeth Castle of Mey Trust, was undertaken by Savills in accordance with RICS Valuation – Global Standards. Due to the materiality of these assets on balance sheet, the carrying value of these assets has been updated in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019), in the financial year to 31 March 2023 as detailed in notes 14 and 15. These heritage assets are currently held at a valuation of £4,000,000.

Summary analysis of Group Heritage Asset transactions

	2023	2022	2021	2020	2019
	£	£	£	£	£
Purchases and additions	-	-	-	-	1,000,000
Revaluation	3,586,910	-	-	-	-
Impairment	(1,302,270)	-	-	-	-
Transfers	<u>7,935,178</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>10,219,818</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,000,000</u>
Disposals	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Notes (continued)

15 Other tangible fixed assets

Group	Land & Buildings £	Leasehold Land & Buildings £	Improvements to Property £	Improvements to Leasehold Property £	Plant & Machinery £	Fixtures & Fittings £	Motor vehicles £	Website Costs £	Assets under Construction £	Total 2023 £
Cost or valuation										
At 1 April 2022	50,527,572	690,000	2,495,241	219,679	460,765	5,001,676	232,320	3,564	2,578,362	62,209,179
Additions	425,000	-	212,669	271,790	105,019	109,980	22,200	-	2,148,235	3,294,893
Disposals	-	-	-	-	(1,340)	(81,914)	-	(3,564)	-	(86,818)
Transfers	(10,072,617)	-	(2,692,910)	1,646,583	-	-	-	-	(2,000,064)	(13,119,008)
Revaluation	(9,295,433)	-	(15,000)	-	-	-	-	-	-	(9,310,433)
At 31 March 2023	31,584,522	690,000	-	2,138,052	564,444	5,029,742	254,520	-	2,726,533	42,987,813
Depreciation										
At 1 April 2022	11,976,574	11,500	1,259,268	2,880	295,961	3,498,833	85,980	3,564	-	17,134,561
Charge for period	1,817,861	13,800	134,862	39,425	97,132	384,993	40,486	-	-	2,528,559
Revaluation	(9,398,148)	-	(1,800)	-	-	-	-	-	-	(9,399,948)
Impairment	112,279	-	-	-	-	-	-	-	-	112,279
Disposals	-	-	-	-	(2,154)	(80,414)	-	(3,564)	-	(86,132)
Transfers	(4,052,491)	-	(1,392,330)	260,991	-	-	-	-	-	(5,183,830)
At 31 March 2023	456,075	25,300	-	303,296	390,939	3,803,412	126,466	-	-	5,105,488
Net book value										
At 31 March 2023	31,128,447	664,700	-	1,834,756	173,505	1,226,330	128,054	-	2,726,533	37,882,325
At 31 March 2022	38,550,998	678,500	1,235,973	216,799	164,804	1,502,843	146,340	-	2,578,362	45,074,620
Cost or valuation at 31 March 2023 is represented by:										
	Land & Buildings £	Leasehold Land & Buildings £	Improvements to Property £	Improvements to Leasehold Property £	Plant & Machinery £	Fixtures & Fittings £	Motor vehicles £	Website Costs £	Assets under Construction £	Total 2022 £
Cost	48,688,083	690,000	15,000	2,138,052	564,444	5,029,742	254,520	-	2,962,485	60,342,326
Revaluation	(17,103,561)	-	(15,000)	-	-	-	-	-	(235,952)	(17,354,513)
	31,584,522	690,000	-	2,138,052	564,444	5,029,742	254,520	-	2,726,533	42,987,813

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

	2023 £	2022 £
Cost of freehold land & buildings	48,688,083	58,335,701
Assets under construction	2,962,485	2,814,316

Notes (continued)

15 Other tangible fixed assets (continued)

Foundation	Land & Buildings	Leasehold Land & Buildings	Improvements to Property	Improvements to Leasehold Property	Plant & Machinery	Fixtures & Fittings	Motor vehicles	Website costs	Assets under Construction	Total 2023
	£	£	£	£	£	£	£	£	£	£
Cost or Valuation										
At 1 April 2022	41,914,940	690,000	653,992	219,679	319,539	2,839,096	204,318	3,564	2,578,363	49,423,491
Additions	425,000	-	201,566	271,791	80,968	75,514	22,200	-	2,148,235	3,225,273
Disposals	-	-	-	-	(1,337)	(81,915)	-	(3,564)	-	(86,816)
Transfers	(8,611,422)	-	(855,558)	1,324,213	-	-	-	-	(2,000,064)	(10,142,831)
Revaluation	(9,441,321)	-	-	-	-	-	-	-	-	(9,441,321)
At 31 March 2023	24,287,197	690,000	-	1,815,683	399,170	2,832,695	226,518	-	2,726,534	32,977,797
Depreciation										
At 1 April 2022	11,467,751	11,500	8,064	2,876	183,943	2,458,757	76,647	3,564	-	14,213,102
Charge for period	1,733,146	13,800	46,214	39,425	73,819	139,418	34,886	-	-	2,080,708
Revaluation	(8,993,037)	-	-	-	-	-	-	-	-	(8,993,037)
Impairment	112,279	-	-	-	-	-	-	-	-	112,279
Disposals	-	-	-	-	(2,154)	(80,414)	-	(3,564)	-	(86,132)
Transfers	(3,864,070)	-	(54,278)	-	-	-	-	-	-	(3,918,348)
At 31 March 2023	456,069	25,300	-	42,301	255,608	2,517,761	111,533	-	-	3,408,571
Net book value										
At 31 March 2023	23,831,128	664,700	-	1,773,382	143,563	314,933	114,985	-	2,726,534	29,569,225
At 31 March 2022	30,447,189	678,500	645,928	216,803	135,596	380,339	127,671	-	2,578,363	35,210,389
Cost or valuation at 31 March 2023 is represented by:										
	Land & Buildings	Land & Buildings	Improvements to Property	Improvements to Leasehold Property	Plant & Machinery	Fixtures & Fittings	Motor vehicles	Website costs	Assets under Construction	Total 2023
	£	£	£	£	£	£	£	£	£	£
Cost	43,567,203	690,000	-	1,815,683	399,170	2,832,695	226,518	-	2,962,486	52,493,755
Revaluation	(19,280,006)	-	-	-	-	-	-	-	(235,952)	(19,515,958)
	24,287,197	690,000	-	1,815,683	399,170	2,832,695	226,518	-	2,726,534	32,977,797

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

	2023 £	2022 £
Cost of freehold land & buildings	43,567,203	51,753,625
Assets under construction	2,962,486	2,814,315

Notes (continued)

16 Investments

Group	2023 £	2022 £
Investments	<u>7,183,786</u>	<u>7,651,870</u>
	<u>7,183,786</u>	<u>7,651,870</u>
Parent charity	2023 £	2022 £
Investments in subsidiary undertakings	991,607	991,607
Investments	<u>6,254,348</u>	<u>6,700,354</u>
	<u>7,245,955</u>	<u>7,691,961</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 whose principal activity is in relation to commercial building construction. The registered address of the company is 19-22 Charlotte Road, Shoreditch, London, EC2A 3SG.

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.

AG Carrick Limited (Company number 02258628), a company incorporated in Great Britain and registered in England and Wales is a trading subsidiary whose principal activity is retail and tour operations at the Highgrove estate. The registered address of the company is Clarence House, London, SW1A 1BA. Acquired 1 July 2021.

The Prince's Foundation is the controlling party of the following charities as of 31 March 2023:

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 Foundation America is a US 501(c)(3) corporation formed under the not-for-profit Corporation Law in New York (Federal I.D. number:61-2055366). The Prince's Foundation is the sole Member of The Prince's Foundation America Inc since its incorporation on 28 October 2022. There is no share capital.

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 2023:

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 sole Trusteeship of The Queen Elizabeth Castle of Mey Trust which fully owns this trading subsidiary. The registered address of the company is Castle of Mey, Caithness, KW14 8XH.

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, EC21 3SG.

The summarised financial results of all of these subsidiaries for the period ended 31 March 2023 are disclosed in note 30 to these accounts.

Notes (continued)

16 Investments (continued)

Investments - Group

	2023 £	2022 £
Market value at 31 March 2022	7,651,870	7,174,404
Additions at cost	1,950,877	2,021,194
Disposals at carrying value	(2,067,767)	(1,983,534)
Revaluations	(444,970)	524,292
Investment cash movement	93,776	(84,486)
Market value at 31 March 2023	<u>7,183,786</u>	<u>7,651,870</u>

Analysis of market value of investments:

UK equities	1,018,455	2,443,516
International equities	2,038,696	1,459,539
UK bonds	1,396,664	1,303,138
International bonds	772,109	571,709
Portfolio funds	389,725	343,225
Alternatives	1,342,352	1,375,516
Cash	225,785	155,227
	<u>7,183,786</u>	<u>7,651,870</u>

Analysis of investment income for the period:

UK equities	49,553	62,666
International equities	39,865	25,060
UK bonds	33,763	33,911
International bonds	22,213	5,311
Multi-Asset Funds	888	280
Alternatives	45,808	38,985
Cash	1,319	61
	<u>193,409</u>	<u>166,274</u>

Notes (continued)

16 Investments (continued)

Investments - Parent charity

	2023 £	2022 £
Market value at 31 March 2022	6,700,354	6,264,009
Additions at cost	1,082,930	1,440,941
Disposals at carrying value	(1,169,322)	(1,428,003)
Revaluations	(431,184)	474,502
Investment cash movement	71,570	(51,095)
Transfer on acquisition of subsidiary	-	-
Market value at 31 March 2023	<u>6,254,348</u>	<u>6,700,354</u>

Analysis of market value of investments:

UK equities	974,798	2,327,054
International equities	1,902,605	1,259,980
UK bonds	948,934	926,750
International bonds	772,109	526,006
Multi-Asset Funds	125,042	144,891
Alternatives	1,305,072	1,360,446
Cash	225,788	155,227
	<u>6,254,348</u>	<u>6,700,354</u>

Analysis of investment income for the period:

UK equities	46,524	57,628
International equities	37,600	23,051
UK bonds	26,526	32,608
International bonds	22,213	5,250
Multi-Asset Funds	630	280
Alternatives	44,802	38,801
Cash	1,321	-
	<u>179,616</u>	<u>157,618</u>

17 Stock

	Group 2023 £	Foundation 2023 £	Group 2022 £	Foundation 2022 £
Farming livestock & consumables	582,102	-	535,336	-
Goods for resale - Dumfries House Visitor Centre	39,612	-	31,062	-
Goods for resale - Ballater Highgrove shop	-	-	-	-
Goods for resale - Castle and Gardens of Mey	67,282	-	52,659	-
Goods for resale - AGC	547,732	-	364,127	-
Food & beverage stock - Dumfries House	30,421	-	25,810	-
Food & beverage stock - Ballater Bistro	-	-	3,138	-
Food & beverage stock - AGC	9,638	-	7,857	-
Dumfries Farming and Land Ltd:				
Development land at Knockroon	610,000	-	610,000	-
WIP	10,398	-	-	-
	<u>1,897,185</u>	<u>-</u>	<u>1,629,989</u>	<u>-</u>

Notes (continued)

18 Debtors

	Group 2023 £	Foundation 2023 £	Group 2022 £	Foundation 2022 £
<i>Amounts falling due within one year</i>				
Trade debtors	605,168	118,687	579,989	105,732
Other debtors	43,949	20,800	27,926	11,085
Other taxation recoverable	151,825	134,502	189,029	169,563
Amounts due from subsidiary	-	3,246,968	-	3,094,810
Prepayments and accrued income	1,249,205	1,070,678	374,464	263,683
	<u>2,050,147</u>	<u>4,591,635</u>	<u>1,171,408</u>	<u>3,644,873</u>
<i>Amounts falling due after more than one year</i>				
Other debtors	-	-	-	-
Aggregate amounts	<u>2,050,147</u>	<u>4,591,635</u>	<u>1,171,408</u>	<u>3,644,873</u>

19 Creditors

	Group 2023 £	Foundation 2023 £	Group 2022 £	Foundation 2022 £
<i>Amounts falling due within one year</i>				
Bank overdrafts	-	-	-	-
Trade creditors	738,361	300,518	719,419	434,076
Other creditors	109,007	3,714	481,642	361,227
Hire purchase	179,055	160,267	124,179	99,519
Other taxation payable	496,217	129,121	439,655	125,794
Corporation tax	-	-	-	-
Accruals and deferred income	3,717,362	2,503,849	2,408,329	1,500,759
	<u>5,240,002</u>	<u>3,097,469</u>	<u>4,173,224</u>	<u>2,521,375</u>
<i>Amounts falling due after more than one year</i>				
Hire purchase due in 2-5 years	5,422	-	33,246	-
	<u>5,422</u>	<u>-</u>	<u>33,246</u>	<u>-</u>

The Prince's Foundation recognises income on entitlement. Where entitlement has not been established at the year end date the income is deferred or held as a deposit within creditors.

Included within creditors is deferred income and deposits as follows:

Group	Balance 1 April 2022	Prior year balance released	Additions in year	Released in year	Balance 31 March 2023
Deferred income	992,606	(992,606)	3,879,892	(1,730,488)	2,149,404
Deposits and gift vouchers	591,588	(559,329)	1,588,382	(839,818)	780,823
	<u>1,584,194</u>	<u>(1,551,935)</u>	<u>5,468,274</u>	<u>(2,570,306)</u>	<u>2,930,226</u>
Foundation	Balance 1 April 2022	Prior year balance released	Additions in year	Released in year	Balance 31 March 2023
Deferred income	805,106	(805,106)	3,629,892	(1,667,988)	1,961,904
Deposits and gift vouchers	-	-	-	-	-
	<u>805,106</u>	<u>(805,106)</u>	<u>3,629,892</u>	<u>(1,667,988)</u>	<u>1,961,904</u>

Notes (continued)

20 Fund movements

Group	Note	Balance 1 April 2022	Incoming resources	Resources expended	Gains or losses	Transfers between funds	Balance 31 March 2023
		£	£	£	£	£	£
Endowment fund	20.1	71,112,980	179,616	(304,068)	2,705,841	5,596,824	79,291,193
Restricted funds	20.2	13,392,430	7,103,278	(5,337,720)	4,019,551	(3,091,306)	16,086,233
General funds	20.3	45,109,139	16,032,825	(29,477,095)	7,147,265	(2,505,518)	36,306,616
Total funds		<u>129,614,549</u>	<u>23,315,719</u>	<u>(35,118,883)</u>	<u>13,872,657</u>	<u>-</u>	<u>131,684,042</u>

Foundation	Note	Balance 1 April 2022	Incoming resources	Resources expended	Gains or losses	Transfers between funds	Balance 31 March 2023
		£	£	£	£	£	£
Endowment fund	20.1	71,112,980	179,616	(304,068)	2,705,841	5,596,824	79,291,193
Restricted funds	20.2	13,354,860	7,103,278	(5,332,460)	4,019,551	(3,088,346)	16,056,883
General funds	20.3	34,965,999	7,992,954	(18,422,103)	2,544,565	(2,508,478)	24,572,937
Total funds		<u>119,433,839</u>	<u>15,275,848</u>	<u>(24,058,631)</u>	<u>9,269,957</u>	<u>-</u>	<u>119,921,013</u>

20.1 Endowment fund

Group	Balance 1 April 2022	Incoming resources	Resources expended	Gains or losses	Transfers between funds	Balance 31 March 2023
	£	£	£	£	£	£
The Prince's Foundation - Endowment assets	64,420,819	-	(58,272)	2,923,373	5,750,927	73,036,846
The Traditional and Islamic Arts Education Fund	2,127,573	45,757	(228,359)	109,047	(44,832)	2,009,187
Abdul Latif Jameel Centre for Traditional Arts and Crafts	<u>4,564,588</u>	<u>133,859</u>	<u>(17,437)</u>	<u>(326,577)</u>	<u>(109,271)</u>	<u>4,245,161</u>
	<u>71,112,980</u>	<u>179,616</u>	<u>(304,068)</u>	<u>2,705,841</u>	<u>5,596,824</u>	<u>79,291,193</u>

Foundation	Balance 1 April 2022	Incoming resources	Resources expended	Gains or losses	Transfers between funds	Balance 31 March 2023
	£	£	£	£	£	£
The Prince's Foundation - Endowment assets	64,420,819	-	(58,272)	2,923,371	5,750,927	73,036,845
The Traditional and Islamic Arts Education Fund	2,127,573	45,757	(228,359)	109,047	(44,832)	2,009,187
Abdul Latif Jameel Centre for Traditional Arts and Crafts	<u>4,564,587</u>	<u>133,859</u>	<u>(17,437)</u>	<u>(326,577)</u>	<u>(109,271)</u>	<u>4,245,161</u>
	<u>71,112,980</u>	<u>179,616</u>	<u>(304,068)</u>	<u>2,705,841</u>	<u>5,596,824</u>	<u>79,291,193</u>

The Prince's Foundation - Endowment assets - Included in endowment funds are heritage assets of £67,971,345, freehold land & buildings of £5,015,000 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 2022 £	Incoming resources £	Resources expended £	Gains or losses £	Transfers between funds £	Balance 31 March 2023 £
Group restricted - Various Funds	6,650,499	2,703,278	(4,512,917)	1,046,217	129,404	6,016,482
Highgrove Project	2,669,669	2,500,000	(578,620)	-	(1,734,083)	2,856,966
Farm Education Centre	137,796	1,900,000	(128,668)	-	(1,286,091)	623,037
Glenside Build	1,559,687	-	(8,148)	-	(78,651)	1,472,888
Prince's School of Traditional Arts - Property fund	2,140,666	-	(30,666)	2,973,334	-	5,083,334
Printmaking studio	234,113	-	(78,701)	-	(121,886)	33,526
	<u>13,392,430</u>	<u>7,103,278</u>	<u>(5,337,720)</u>	<u>4,019,551</u>	<u>(3,091,306)</u>	<u>16,086,233</u>
Foundation	Balance 1 April 2022 £	Incoming resources £	Resources expended £	Gains or losses £	Transfers between funds £	Balance 31 March 2023 £
The Prince's Foundation - Various Funds	6,612,929	2,703,278	(4,507,657)	1,046,216	132,363	5,987,131
Highgrove Project	2,669,669	2,500,000	(578,620)	-	(1,734,083)	2,856,966
Farm Education Centre	137,796	1,900,000	(128,668)	-	(1,286,091)	623,037
Glenside Build	1,559,687	-	(8,148)	-	(78,651)	1,472,888
Prince's School of Traditional Arts - Property fund	2,140,666	-	(30,666)	2,973,334	-	5,083,334
Printmaking studio	234,113	-	(78,701)	-	(121,885)	33,527
	<u>13,354,860</u>	<u>7,103,278</u>	<u>(5,332,460)</u>	<u>4,019,551</u>	<u>(3,088,346)</u>	<u>16,056,883</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.

Highgrove Project - consists of funds held for the development of new education facilities at the Highgrove estate.

Farm Education Centre - consists of funds held for the development of new education facilities at the Dumfries House estate.

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

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.

Printmaking studio - consists of funds held for the development of the printmaking studio on the Dumfries House estate.

20.3 Unrestricted funds

Group	Balance 1 April 2022 £	Incoming resources £	Resources expended £	Gains or losses £	Transfers between funds £	Balance 31 March 2023 £
General funds	36,910,809	16,032,825	(29,477,095)	7,060,412	(2,148,840)	28,378,111
Queen Elizabeth Castle of Mey Trust - Fixed asset fund	8,198,330	-	-	86,853	(356,678)	7,928,505
	<u>45,109,139</u>	<u>16,032,825</u>	<u>(29,477,095)</u>	<u>7,147,265</u>	<u>(2,505,518)</u>	<u>36,306,616</u>
Foundation	Balance 1 April 2022 £	Incoming resources £	Resources expended £	Gains or losses £	Transfers between funds £	Balance 31 March 2023 £
General funds	34,965,999	7,992,954	(18,422,103)	2,544,565	(2,508,478)	24,572,937

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

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 - prior year	Note	Balance 1 April 2021	Incoming resources	Resources expended	Gains or losses	Transfers between funds	Balance 31 March 2022
		£	£	£	£	£	£
Endowment fund	20.5	70,714,181	157,618	(70,166)	474,502	(163,155)	71,112,980
Restricted funds	20.6	13,839,067	8,428,638	(5,061,090)	-	(3,814,185)	13,392,430
General funds	20.7	41,855,033	13,890,669	(14,668,116)	54,213	3,977,340	45,109,139
Total funds		126,408,281	22,476,925	(19,799,372)	528,715	-	129,614,549

Foundation - prior year	Note	Balance 1 April 2021	Incoming resources	Resources expended	Gains or losses	Transfers between funds	Balance 31 March 2022
		£	£	£	£	£	£
Endowment fund	20.5	70,714,181	157,618	(70,166)	474,500	(163,153)	71,112,980
Restricted funds	20.6	13,560,505	8,423,690	(5,066,371)	-	(3,562,964)	13,354,860
General funds	20.7	30,322,539	9,145,574	(8,228,231)	-	3,726,117	34,965,999
Total funds		114,597,225	17,726,882	(13,364,768)	474,500	-	119,433,839

20.5 Endowment fund

Group - prior year		Balance 1 April 2021	Incoming resources	Resources expended	Gains or losses	Transfers between funds	Balance 31 March 2022
		£	£	£	£	£	£
The Prince's Foundation - Endowment assets		64,458,783	-	(37,964)	-	-	64,420,819
The Traditional and Islamic Arts Education Fund		1,980,655	41,695	(15,124)	170,239	(49,892)	2,127,573
Abdul Latif Jameel Centre for Traditional Arts and Crafts		4,274,743	115,923	(17,078)	304,263	(113,263)	4,564,588
		70,714,181	157,618	(70,166)	474,502	(163,155)	71,112,980

Foundation - prior year		Balance 1 April 2021	Incoming resources	Resources expended	Gains or losses	Transfers between funds	Balance 31 March 2022
		£	£	£	£	£	£
The Prince's Foundation - Endowment assets		64,458,783	-	(37,964)	-	-	64,420,819
The Traditional and Islamic Arts Education Fund		1,980,655	41,695	(15,124)	170,239	(49,892)	2,127,573
Abdul Latif Jameel Centre for Traditional Arts and Crafts		4,274,743	115,923	(17,078)	304,263	(113,263)	4,564,588
		70,714,181	157,618	(70,166)	474,502	(163,155)	71,112,980

The Prince's Foundation - Endowment assets - Included in endowment funds are heritage assets of £60,751,527, freehold land & buildings of £3,618,794 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 - prior year	Balance 1 April 2021 £	Incoming resources £	Resources expended £	Gains or losses £	Transfers between funds £	Balance 31 March 2022 £
Group restricted - Various Funds	8,789,653	3,094,411	(4,290,248)	-	(805,521)	6,788,295
Highgrove Project	-	4,989,695	(533,372)	-	(1,786,654)	2,669,669
Glenside Build	2,075,565	-	(93,631)	-	(422,247)	1,559,687
Prince's School of Traditional Arts - Property	2,171,333	-	(30,667)	-	-	2,140,666
Printmaking studio	603,637	-	(33,593)	-	(335,931)	234,113
Coachford cottage development	167,505	-	(32,976)	-	(134,529)	-
Dumfries House Playground Project	31,373	344,532	(46,602)	-	(329,303)	-
	<u>13,839,067</u>	<u>8,428,638</u>	<u>(5,061,090)</u>	<u>-</u>	<u>(3,814,185)</u>	<u>13,392,430</u>
Foundation - prior year	Balance 1 April 2021 £	Incoming resources £	Resources expended £	Gains or losses £	Transfers between funds £	Balance 31 March 2022 £
The Prince's Foundation - Various Funds	8,511,091	3,089,463	(4,295,529)	-	(554,300)	6,750,725
Highgrove Project	-	4,989,695	(533,372)	-	(1,786,654)	2,669,669
Glenside Build	2,075,565	-	(93,631)	-	(422,247)	1,559,687
Prince's School of Traditional Arts - Property	2,171,333	-	(30,667)	-	-	2,140,666
Printmaking studio	603,637	-	(33,593)	-	(335,931)	234,113
Coachford cottage development	167,505	-	(32,976)	-	(134,529)	-
Dumfries House Playground Project	31,373	344,532	(46,602)	-	(329,303)	-
	<u>13,560,505</u>	<u>8,423,690</u>	<u>(5,066,371)</u>	<u>-</u>	<u>(3,562,964)</u>	<u>13,354,860</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.

Highgrove Project - consists of funds held for the development of new education facilities at the Highgrove estate.

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

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.

Printmaking studio - consists of funds held for the development of the printmaking studio on the Dumfries House estate.

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

20.7 Unrestricted funds

Group - prior year	Balance 1 April 2021 £	Incoming resources £	Resources expended £	Gains or losses £	Transfers between funds £	Balance 31 March 2022 £
General funds	33,497,550	13,890,669	(14,668,116)	54,213	4,136,493	36,910,809
Queen Elizabeth Castle of Mey Trust - Fixed asset fund	8,357,483	-	-	-	(159,153)	8,198,330
	<u>41,855,033</u>	<u>13,890,669</u>	<u>(14,668,116)</u>	<u>54,213</u>	<u>3,977,340</u>	<u>45,109,139</u>
Foundation - prior year	Balance 1 April 2021 £	Incoming resources £	Resources expended £	Gains or losses £	Transfers between funds £	Balance 31 March 2022 £
General funds	30,322,539	9,145,574	(8,228,231)	-	3,726,117	34,965,999

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

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 2023	Total 2022
	£	£	£	£	£
Tangible fixed assets	29,269,589	8,528,334	79,291,193	117,089,116	114,529,866
Current assets	10,807,118	9,033,232	-	19,840,350	19,291,153
Current liabilities	(3,764,669)	(1,475,333)	-	(5,240,002)	(4,173,224)
Non current liabilities	(5,422)	-	-	(5,422)	(33,246)
Total net assets	36,306,616	16,086,233	79,291,193	131,684,042	129,614,549

Foundation	General Funds	Restricted Funds	Endowment Funds	Total 2023	Total 2022
	£	£	£	£	£
Tangible fixed assets	17,017,498	8,528,334	79,291,193	104,837,025	103,704,377
Current assets	9,177,575	9,003,882	-	18,181,457	18,250,837
Current liabilities	(1,622,136)	(1,475,333)	-	(3,097,469)	(2,521,375)
Non current liabilities	-	-	-	-	-
Total net assets	24,572,937	16,056,883	79,291,193	119,921,013	119,433,839

2022 Comparatives

Group	General Funds	Restricted Funds	Endowment Funds	Total 2022	Total 2021
	£	£	£	£	£
Tangible fixed assets	36,652,459	6,756,233	71,121,174	114,529,866	111,681,916
Current assets	12,654,956	6,636,197	-	19,291,153	16,911,429
Current liabilities	(4,165,030)	-	(8,194)	(4,173,224)	(2,168,761)
Non current liabilities	(33,246)	-	-	(33,246)	(16,303)
Total net assets	45,109,139	13,392,430	71,112,980	129,614,549	126,408,281

Foundation	General Funds	Restricted Funds	Endowment Funds	Total 2022	Total 2021
	£	£	£	£	£
Tangible fixed assets	25,826,970	6,756,233	71,121,174	103,704,377	98,534,109
Current assets	11,652,210	6,598,627	-	18,250,837	17,758,178
Current liabilities	(2,513,181)	-	(8,194)	(2,521,375)	(1,692,384)
Non current liabilities	-	-	-	-	(2,678)
Total net assets	34,965,999	13,354,860	71,112,980	119,433,839	114,597,225

Notes (continued)

21 Analysis of net assets between funds (continued)

Reserve analysis between funds

Group	General Funds	Restricted Funds	Endowment Funds	Total 2023	Total 2022
	£	£	£	£	£
At the beginning of period	45,109,139	13,392,430	71,112,980	129,614,549	126,408,281
Profit/(loss) for the period before revaluation	(1,763,616)	1,954,773	(34,946)	156,211	2,759,351
Gross transfers between funds	(2,505,518)	(3,091,306)	5,596,824	-	-
Net gains/ (losses) on fixed asset valuation	(4,491,833)	3,830,336	2,923,373	2,261,876	-
Gains/(losses) on revaluation of investments	(41,556)	-	(307,038)	(348,594)	446,917
	<u>36,306,616</u>	<u>16,086,233</u>	<u>79,291,193</u>	<u>131,684,042</u>	<u>129,614,549</u>

Foundation	General Funds	Restricted Funds	Endowment Funds	Total 2023	Total 2022
	£	£	£	£	£
At the beginning of the period	34,965,999	13,354,860	71,112,980	119,433,839	114,597,225
Profit/(loss) for the period before revaluation	(1,565,647)	1,960,032	(34,945)	359,441	4,419,445
Gross transfers between funds	(2,508,478)	(3,088,346)	5,596,824	-	-
Net gains/ (losses) on fixed asset valuation	(6,318,937)	3,830,337	2,923,372	434,772	-
Gains/(losses) on revaluation of investments	-	-	(307,038)	(307,038)	417,169
	<u>24,572,937</u>	<u>16,056,883</u>	<u>79,291,193</u>	<u>119,921,013</u>	<u>119,433,839</u>

2022 Comparatives

Group	General Funds	Restricted Funds	Endowment Funds	Total 2022	Total 2021
	£	£	£	£	£
At the beginning of period	41,855,033	13,839,067	70,714,181	126,408,281	119,523,060
Profit/(loss) for the period before revaluation	(752,980)	3,367,548	144,783	2,759,351	5,925,688
Gross transfers between funds	3,977,340	(3,814,185)	(163,155)	-	-
Gains/(losses) on revaluation of investments	29,746	-	417,171	446,917	959,533
Gains/(losses) on revaluation of heritage assets	-	-	-	-	-
	<u>45,109,139</u>	<u>13,392,430</u>	<u>71,112,980</u>	<u>129,614,549</u>	<u>126,408,281</u>

Foundation	General Funds	Restricted Funds	Endowment Funds	Total 2022	Total 2021
	£	£	£	£	£
At the beginning of the period	30,322,539	13,560,505	70,714,181	114,597,225	102,555,698
Profit/(loss) for the period before revaluation	917,343	3,357,319	144,783	4,419,445	11,719,082
Gross transfers between funds	3,726,117	(3,562,964)	(163,153)	-	-
Gains/(losses) on revaluation of investments	-	-	417,169	417,169	322,445
	<u>34,965,999</u>	<u>13,354,860</u>	<u>71,112,980</u>	<u>119,433,839</u>	<u>114,597,225</u>

Notes (continued)

22 Office for Students Accounts direction disclosures

The Prince's Foundation provides accredited education courses regulated by the Office for Students (OfS). To comply with the OfS Accounts Direction additional disclosures are set out below in line with OfS Regulatory advice 9: Accounts direction ref: OfS 2019.41.

22.01 Grant and fee income

	Note	Group 2023 £	Foundation 2023 £	Group 2022 £	Foundation 2022 £
Grants income from the OfS		-	-	-	-
Grant income from other bodies	3	2,117,261	2,082,200	500,000	497,500
Fee income for taught awards (exclusive of VAT)		203,824	203,824	162,789	162,789
Fee income for research awards (exclusive of VAT)		13,792	13,792	9,792	9,792
Fee income from non-qualifying courses (exclusive of VAT)		2,470,923	2,470,923	1,497,826	1,497,826
Other		136,492	136,492	113,763	113,763
Total grant and fee income		4,942,292	4,907,231	2,284,170	2,281,670

Fee income for taught awards, research awards and non-qualifying courses is stated exclusive of VAT in line with the OfS Accounts direction and follows the definitions set out in the Accounts direction.

22.02 Staff costs

Number of employees whose full-time equivalent basic salary (excluding employer pension costs) > £100,000:

	2023	2022
£100,000 to £119,999	-	-
£120,000 to £124,999	-	-
£125,000 to £129,999	1	1
£130,000 to £134,999	-	1
£135,000 to £139,999	-	-
£140,000 to £144,999	-	-
£145,000 to £149,999	1	-
£150,000 to £179,999	-	-
£180,000 to £184,999	-	-

In line with OfS Regulatory advice 9: Accounts direction the table above does not include employees who joined or left part-way through a year.

22.03 Head of Provider remuneration

	Head of Provider B 2023 From 01/04/2022 to 31/03/2023 £	Head of Provider B 2022 From 04/09/21 to 31/03/22 £	Head of Provider A 2022 From 01/04/21 to 04/09/21* £
Period as Head of Provider			
Basic salary	145,000	83,474	126,667
Payments in lieu of pension contributions	-	-	-
Payment of dividends	-	-	-
Performance-related pay and other bonuses	-	-	-
Pension contributions (excluding salary sacrifice schemes)	-	-	-
Salary sacrifice arrangement (inclusive of employee's contribution)	11,600	6,606	10,061
Employee Salary Sacrifice Adjustment	(5,800)	(3,339)	(5,944)
Payment on cessation of office	-	-	59,582
Payments into other pension schemes	-	-	-
Other taxable benefits	-	-	-
Non-taxable benefits	-	-	1,200
Total remuneration	150,800	86,740	191,566

Head of Provider's basic salary as a pay multiple of the median earnings of the Group employees on an FTE basis 5.5 5.8 7.6

Head of Provider's total remuneration as a pay multiple of the median earnings of the Group employees on an FTE basis 5.5 5.7 7.5

Remuneration for senior staff is overseen by the Remuneration Committee (RemCo) which convenes as part of the Policy and Resources Committee (PARC), previously Finance, Investment and Audit Committee (FIAC). The total remuneration package for the head of provider is kept comparable to charitable entities of a similar scale. The head of provider does not receive performance related benefits. Their performance is overseen by and reviewed by the Trustees.

* In line with OfS Regulatory advice 9: Accounts direction, this includes payments made to the individual after they ceased to be the Head of Provider. For the purposes of the requirement 12bi, the basic salary equates to an eight month period on an FTE basis. Amounts shown under payment on cessation of office are inclusive of accrued holiday pay of £21,923.

22.04 Severance payments

The total amount of any payment (inclusive of pension) for all staff on cessation of office in the year to March 2023 was £42,664 (2022: £137,582). This is the aggregate figure for 4 members of staff during the financial year (2022: 3).

The payment on cessation of office made to the Head of the Provider in the year to March 2023 was £nil (2022: £59,582). The amount in the prior year was inclusive of accrued holiday pay of £21,923 and pension contributions of £877. In the prior year an additional £1,200 (inc VAT) contribution for independent legal advice was provided by The Prince's Foundation.

Notes (continued)

23 Analysis of changes in net cash

Group	1 April 2022	Cash flow	Other non cash changes	31 March 2023
	£	£	£	£
Cash :				
At bank overdraft	-	-	-	-
At bank and in hand	16,489,756	(596,738)	-	15,893,018
Hire Purchase	(157,425)	(27,052)	-	(184,477)
Total	<u>16,332,331</u>	<u>(623,790)</u>	<u>-</u>	<u>15,708,541</u>

Foundation	1 April 2022	Cash flow	Other non cash changes	31 March 2023
	£	£	£	£
Cash :				
At bank overdraft	-	-	-	-
At bank and in hand	14,605,964	(1,016,142)	-	13,589,822
Hire Purchase	(99,519)	(60,748)	-	(160,267)
Total	<u>14,506,445</u>	<u>(1,076,890)</u>	<u>-</u>	<u>13,429,555</u>

24 Transactions with Trustees

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

	2023 £	2022 £
Expenses reimbursed to the Trustees or paid on behalf of them	<u>8,076</u>	<u>5,588</u>

Donations

During 2023, the Trustees of the charitable company donated £50,098 (2022: £nil) to The Prince's Foundation.

25 Defined contribution pension scheme

	2023 £	2022 £
Charge to statement of financial activities	<u>359,873</u>	<u>272,959</u>

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.

26 Financial instruments

	Group 2023 £	Foundation 2023 £	Group 2022 £	Foundation 2022 £
Carrying amount of financial assets				
Debt instruments measured at amortised cost	1,898,322	4,457,133	982,379	3,475,310
Investments measured at fair value through profit or loss	<u>7,183,786</u>	<u>6,254,348</u>	<u>7,651,870</u>	<u>6,700,354</u>
Carrying amount of financial liabilities				
Measured at amortised cost	<u>5,245,424</u>	<u>3,097,469</u>	<u>4,206,470</u>	<u>2,521,375</u>

Notes (continued)

27 Related party transactions

Set out below are details of related party transactions in the year:

	Sales		Expenditure		Outstanding debtor/ (creditor) held at the balance sheet date	
	2022/23	2021/22	2022/23	2021/22	2022/23	2021/22
Yoox Net-A-Porter	-	5,000	-	-	-	-
McCarthy Denning	-	-	31,454	-	(29,054)	-

The entities listed above are associated with The Prince's Foundation as set out below:

Yoox Net-A-Porter is a luxury fashion retailer of which our Trustee, Cavaliere Federico Marchetti, was Chairman until July 2021 and was CEO until the end of November 2020. There is a collaboration between The Prince's Foundation and Yoox Net-A-Porter for the Modern Artisan textile education programme. Disclosed above is £5,000 of trading income for licences fees towards the delivery of the Modern Artisan 2 programme in 2021/22. This programme was undertaken by the new CEO of Yoox Net-A-Porter following Cavaliere Federico Marchetti's resignation in November 2020.

McCarthy Denning is a legal firm based in London. Benjamin James, a partner within McCarthy Denning, is also a Trustee of The Prince's Foundation America Inc (US 501(c)(3)). Joseph Casion, a partner within Harter Secrest & Emery LLP, is also a Trustee of the US 501(c)(3). McCarthy Denning and Harter Secrest & Emery LLP via McCarthy Denning provided legal advice regarding the incorporation and registration requirements and filings of the US 501(c)(3). McCarthy Denning also provided legal advice to The Prince's Regeneration Trust in relation to the receipt of a legacy, an entity Benjamin James is a Trustee of.

The cumulative donation income attributed to related parties of Trustees is 2023: £1k (2022: £47,913).

28 Transfer between funds

	General Funds £	Restricted Funds £	Endowment Funds £
Consolidated statement of financial activities			
Transfers within projects	1,433,587	(1,433,587)	-
Transfer due to grouping of asset on revaluation	(4,093,118)	(1,657,719)	5,750,837
Transfers of VAT recovered and deferred income/ accrual movements on endowments	(1,987)	-	1,987
Investment disbursement	156,000	-	(156,000)
Total transfers between funds	(2,505,518)	(3,091,306)	5,596,824

29 Significant events and contingent liabilities

In 2021 The Prince's Foundation was the subject of a number of press reports into historic fundraising practices, where certain donations historically received by the charity were purportedly secured in return for access to the Foundation's President, and support from the Foundation or related entities for donor nominations in relation to the UK honours system.

Following these press reports, the Office of the Scottish Charity Regulator (OSCR) opened an investigation into the Foundation and its governance, and the Trustees of the Foundation asked their legal advisors to commission an independent investigation into the press reports. The Trustees also commissioned an internal governance review in 2021 and during the last year has implemented its recommendations.

The Trustees and OSCR received the findings arising from the independent investigation in November 2021 and subsequently the Trustees commissioned and reviewed legal advice on the findings of the report. In addition to reviewing the Trustee's response and the findings of the independent report in relation to the press allegations made against the Foundation, OSCR also enquired into certain historical transactions.

The risks highlighted and considered in the November 2021 report and the attendant legal advice include the potential for legal, regulatory, employee and reputational outcomes. The Trustees accept the reputational risk arising from these events as probable and note the possible risk of regulatory outcomes. Notwithstanding the risks identified and considered probable and possible, the Trustees and the Trustees' legal advisers are satisfied that the findings of the report and other ongoing enquiries do not result in a material financial exposure to the Foundation which would require adjustment to or specific disclosure within the Foundation's financial statements.

At the date of approval of the financial statements OSCR's investigation is ongoing. Trustees were also aware that the Metropolitan Police Service had been investigating allegations of offences under the Honours (Prevention of Abuses) Act 1925 but that, as of 21 August 2023, this investigation concluded with no further action being taken.

The Trustees, at the date of approval, are satisfied that there are no liabilities, contingent or otherwise, to account for or disclose in relation to these matters within the financial statements. The Trustees also accept that it remains possible that historic transactions could result in ongoing contingent risk to the Foundation.

Notes (continued)

30 Summarised financial results

The summarised financial results of the charity and its subsidiaries for the year ended 31 March 2023 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 £	AG Carrick Ltd £
Income	15,275,848	2,953,154	308,460	1,597,882	-	3,871,336
Expenditure	(24,058,631)	(2,824,604)	(445,952)	(1,604,284)	-	(3,485,501)
Net income / (expenditure)	(8,782,783)	128,550	(137,492)	(6,402)	-	385,835
Distributions to parent	-	-	-	-	-	-
Taxation	-	-	-	-	-	-
Other recognised gains/(losses)	9,269,958	-	1,740,251	-	-	-
Net movement in funds	487,175	128,550	1,602,759	(6,402)	-	385,835
Funds brought forward	119,433,839	(1,546,529)	3,014,718	62,843	-	(520,448)
Funds carried forward at 31 March 2023	119,921,014	(1,417,979)	4,617,477	56,441	-	(134,613)

	Community Capital Ltd £	The Prince's Regeneration Trust £	The Prince's School of Traditional Arts £	The Queen Elizabeth Castle of Mey Trust £	Castle & Gardens of Mey Ltd £	The Prince's Foundation America Inc £
Income	78,305	107,500	-	554,146	405,045	813,211
Expenditure	(3,988)	(107,750)	-	(3,752,033)	(512,557)	(59,192)
Net income / (expenditure)	74,317	(250)	-	(3,197,887)	(107,512)	754,019
Distributions to parent	(115,040)	-	-	-	-	-
Taxation	-	-	-	-	-	-
Other recognised gains/(losses)	-	-	-	2,849,249	-	-
Net movement in funds	(40,723)	(250)	-	(348,638)	(107,512)	754,019
Funds brought forward	59,582	4,308	-	9,343,636	(237,791)	-
Funds carried forward at 31 March 2023	18,859	4,058	-	8,994,997	(345,303)	754,019