

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 2021



COMPANIES HOUSE

14 DEC 2021

EDINBURGH MAILBOX

The Prince's Foundation
Trustees' report and financial statements
For the year ended 31 March 2021

Contents

Chair's statement	1 - 2
Strategic report	3 - 4
Report of the trustees for the year ended 31 March 2021	5 - 20
Statement of trustees' responsibilities in respect of the trustees' report and the financial statements	21
Independent auditor's report to the trustees and members of The Prince's Foundation	22 - 24
Consolidated statement of financial activities	25 - 26
Consolidated balance sheet	27
Foundation balance sheet	28
Consolidated cash flow statement	29
Foundation cash flow statement	30
Notes to the financial statements	31 - 63

Chair's statement

My first annual statement to you as Chair of Trustees of The Prince's Foundation comes at the end of a year of unprecedented economic and social disruption due to the global public health crisis.

Despite the disruption to their own lives, our colleagues have shown tremendous resilience and dedication to the Foundation throughout the past year. Many members of staff have been working from home whilst others have continued at our sites across the UK, restrictions permitting, in order to maintain our heritage assets and gardens and to deliver our hospitality offerings where possible. Our educational offerings have also continued throughout the pandemic at The Prince's Foundation School of Traditional Arts and across the Dumfries House estate.

On behalf of the Board, I would like to say how grateful we are to our staff and volunteers for their commitment to the Foundation and for continuing to deliver for our communities and other charity stakeholders in the most challenging of circumstances.

The Foundation's response to COVID-19 placed the health and safety of our colleagues and customers first. We acted quickly to close all of our sites in March 2020, when the UK went into lockdown, and we put in place a number of measures to support home working, mindful of the physical and mental wellbeing of our staff. As restrictions lifted, we ensured our workplaces were COVID-secure and compliant with social distancing guidelines.

The Board has also adapted its ways of working during this time. The Board and our committees met virtually for much of the financial year, and the frequency of our finance committee meetings increased.

The financial position of the charity has been integral to our ability to weather the pandemic. Over the past year we have strengthened our balance sheet considerably and, for the first time, we can report net positive free reserves at year end. This has been made possible by preserving cash along with thoughtful and prudent management of the charity's finances.

This outcome would not have been possible without the generosity of our donors who have continued to support us throughout this crisis. Donor funding has offset the fall in trading income from the pandemic and has enabled the Foundation to deliver our charitable objectives without accessing the government's furlough scheme. We are enormously grateful to all of our supporters for their philanthropy.

This year saw us bid farewell to our former Chair, Dame Jayne-Anne Gadhia. On behalf of the Board, I would like to extend our sincere thanks to Dame Jayne-Anne for her huge commitment to the Foundation in a very busy life and for her significant contribution to the charity over many years. Our thanks are also extended to Douglas Connell, who served as Chair for six months after Jayne-Anne's departure and before my appointment, and as Trustee for four and a half years prior to that, during which time he made a substantial contribution to the work of the Board, as did Heather Dunk, Ian Marcus and Rufus Bird, all of whom retired as Board members. We wish them all well.

We also welcomed a number of new Trustees following the year end, the details of whom can be found in the enclosed report. I would like to warmly welcome our new Trustees.

Anticipation of COP26 in Glasgow brought into focus the climate emergency faced by us all. Following year end, The Prince's Foundation became a signatory to the Terra Carta, which was launched by HRH The Prince of Wales' Sustainable Markets Initiative. We look forward to furthering the vision of our President in response to this increasingly important issue and, for the first time, we are including our carbon energy report within our accounts.

Another key development following year end is the commencement of the Foundation's activity at Highgrove, where we are developing new education training facilities. We have also taken on responsibility for the Highgrove Gardens in order to ensure they continue to be appreciated by the visiting public, in support of the Foundation's charitable endeavours, and the Highgrove trading arm which will generate an annual income for the charity.

Chair's statement (continued)

It is important that I report here that subsequent to the year end, the Foundation was the subject of a number of press reports into certain fundraising practices. The Board agreed unequivocally that the allegations had to be independently investigated. Following receipt of the findings of the investigation the Board has been considering them, as has the Office of the Scottish Charity Regulator (OSCR) and other relevant parties. The Board of Trustees is determined that lessons will be learned and action taken to ensure that, in future, our charity maintains the highest standards in all areas and always acts with the utmost integrity and probity.

There is no doubt that this Annual Report reflects on a period of significant challenge, change and opportunity. We look forward with optimism and to continuing the delivery of outcomes that benefit many individuals and communities.



Dame Susan Bruce
Chair
The Prince's Foundation

Strategic Report for the year ended 31 March 2021

Review of the Charity

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

During the year ended 31 March 2021 the Foundation continued to deliver on its charitable objectives despite the pandemic. A number of capital projects progressed on both the Dumfries House estate and at The Queen Elizabeth Castle of Mey, as set out on page 6. The Foundation continued to deliver its broad education programme at Dumfries House, Trinity Buoy Wharf and at the School of Traditional Arts in London, details of which can be found on pages 7 to 9. The Foundation's Architecture and Heritage work continued to thrive, both in the UK and internationally, further information on which is set out on page 10. All of this has been achieved at the same time as the charity bolstered its balance sheet and cash reserves in response to the pandemic and, for the first time, has reported positive free group reserves at year end. Please refer to pages 10 and 11 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 regular trade creditor updates, cost reporting, budget setting and cash flow forecasts are used to oversee and manage current and future liquidity, and a detailed fundraising strategy is in place.

Subsequent to the year end the Foundation was the subject of a number of press reports into fundraising practices at The Prince's Foundation. The Trustees commissioned an independent investigation into the press reports and, as at the date of approval of the financial statements, the Trustees and OSCR had received the findings arising from that investigation. The Trustees also 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 both legal and regulatory liability outcomes. The timing and amount of any economic outflows are uncertain at this time.

The Trustees are satisfied, based on the work professionally commissioned and the internal enquiries carried out to the date of approval of the financial statements, 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.

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 page 13, to make sure that The Foundation is financially sustainable to deliver its future plans as set out on page 12.

Impact on the community and environment

Promotion and development of the local and wider community is inherent in all activities of the The Prince's Foundation. As described in The Foundation's objectives on page 5, 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.

Strategic Report for the year ended 31 March 2021 (continued)

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

Business relationships with suppliers, customers and others

We have continued to support our suppliers and third party contractors by ensuring timely payments where due and ongoing dialogue throughout the pandemic. Where customers have been unable to utilise their bookings or gift vouchers The Prince's Foundation has offered refunds, extensions or the flexibility to change the date of an event. As a result of the pandemic, community events could only take place online and we provided access to online classes from our Health and Wellbeing centre. We look forward to the re-commencement of on-site and in-person engagement with our suppliers, customers and the community once restrictions allow.

Employee engagement

The onset of the COVID-19 pandemic resulted in new ways of working for most of our colleagues. In the financial year to 31 March 2021, many of our colleagues worked from home in response to the lockdown measures announced by government. The Foundation takes its responsibilities towards the health and wellbeing of staff very seriously and we were vigilant in applying the safety measures advised by government and to implement restrictions. During the strictest lockdown periods, we closed our sites across the UK and all members of staff moved to home working.

Adapting to remote working presented a number of challenges. We encouraged the use of virtual meetings where possible, via Microsoft Teams and Zoom, placing emphasis on the need for teams to keep in touch. The management team issued regular all-staff communications to keep colleagues informed of updates, not only on the pandemic but also on the charity, and we sought to promote mental wellbeing.

We continued to invest in our colleagues throughout the pandemic and, despite not taking advantage of the government's furlough scheme, we adhered to the spirit of the scheme by continuing to pay our variable hours colleagues during periods when our sites were closed. Also, during the year we implemented a new staff training system, an electronic portal where staff can access online courses.

As COVID-19 restrictions now begin to ease, following the lockdown towards the end of the financial year, we continue to adhere to government guidelines and are implementing a phased re-opening of our sites. All colleagues were invited to share their views regarding our re-opening plans as part of an online survey. Feedback from the survey has been reviewed by management and has been taken into account.

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 year end, the Trustees of The Prince's Foundation have launched a robust and detailed governance review, in line with the Charity Governance Code. We continually review our control environment and make 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 12/13 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. A Board effectiveness review was completed in year as part of a skills matrix review of Trustees.

COVID-19

The Trustees continue to monitor carefully the COVID-19 pandemic and the associated impact on the charity. The pandemic resulted in interruption to our operations and the closure temporarily of many of our sites. It also impacted on the capital value of our investment portfolios in the final quarter of the previous financial year, when equity markets experienced significant volatility and disruption, although we have seen a recovery in the portfolios during the current financial year.

The financial position of the charity and its cash flow, and reserves, have been specifically reviewed by the Trustees throughout the pandemic, as has the risk register. We have also paid particular attention to the safety of our staff, volunteers, members of the public, customers and other stakeholders of the charity during the pandemic. We continue to follow government guidance.

ON BEHALF OF THE BOARD:



Dame Susan Bruce
Chair

Report of the trustees for the year ended 31 March 2021

Objectives and Activities

Objectives

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

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

Additionally, the Foundation seeks to minimise its environmental impact and where practicable apply the principles of sustainability and harmony to its actions. The Foundation falls within the scope of the carbon reporting requirements under the government's Streamlined Energy and Carbon Reporting (SECR) Policy in the 2020-21 financial year. Our Carbon Audit report is available on page 11.

Our vision

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

It was always the ambition of The Prince's Foundation's Founder and President, and a key objective of the Foundation, to demonstrate how a place of historic and cultural significance can be used as a catalyst to regenerate its surrounding community in terms of leadership, leisure, culture, training and education, employment and wellbeing. Through joining forces with The Prince's Foundation for Building Community, The Prince's School of Traditional Arts, 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 2021 (Continued)

Our vision (continued)

Recognising the contribution of our volunteers

Volunteers play a significant role in delivering our charitable objects.

There are approximately 15 volunteers on the Dumfries House estate and gardens, who support the estate and admissions teams. Normally our volunteers carry out general gardening duties and assist with house tours and larger events at the house, contributing to the successful operation of the estate for all our visitors throughout the year. However these activities were restricted by COVID-19 and our adherence to government guidelines.

We are very grateful for the contribution of our volunteers, made in spite of the pandemic, to help the continuation of the Foundation's work.

Executive summary of achievements and performance 2020-2021

The preservation and maintenance of the Dumfries House estate is a key objective of the Foundation. The grounds at Dumfries House are accessible to the general public, without charge, including entry to the Arboretum and woodland walks. For the duration of the pandemic the Foundation had to close Dumfries House, including the estate during the early stages of the pandemic. The estate and grounds were able to re-open. However, the House remained closed to the public in line with the easing of government restrictions. We have now re-opened the House in line with government restrictions and we continue to invest in the infrastructure and re-presentation of areas of the estate to maintain and enhance the visitor experience.

Throughout this challenging period, through the hard work of our education team and a move towards some online provision, we managed to maintain much of our education delivery. Whether it be developing resources for parents and schools to access remotely, going into schools who were not able to travel to the estate or delivering socially distanced education on the Dumfries House estate, when allowed, our school provision continued to provide support and learning throughout the pandemic. Our vocational programmes, including building crafts and textiles, successfully saw students through graduation by combining in-person delivery with a virtual learning environment. Our academic programmes, including MSc and PhD programmes, moved online but continued to provide a high level of tuition.

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

During the year to 31 March 2021 a number of capital projects progressed despite delays attributed to the pandemic.

In October 2020 our Live Build students completed the first phase of the restoration of Pennylands Cottage and Kennels. The students were mentored and assisted by the estate craftsmen and women from the in-house construction team.

During the year the redevelopment of Coachford Cottage continued, restrictions permitting. Coachford Cottage is being developed as an artist residence and studios, and is scheduled to complete in June 2021, only slightly behind plan due to delays stemming from COVID-19 lockdowns.

An ongoing programme of investment into the infrastructure of Dumfries House and other Prince's Foundation properties continued during the year, in preparation for re-opening and the overall needs of the organisation.

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

At The Queen Elizabeth Castle of Mey, investments have been made into the garden and infrastructure during the year, and the Visitor's Centre redevelopment is underway.

Report of the trustees for the year ended 31 March 2021 (continued)

Future Capital Projects

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

- **Horticulture Training and Welfare Facility.** Located behind the Queen Elizabeth Walled Garden this building will replace the temporary portacabins. This new facility will allow the Foundation to further expand The Royal Horticultural Society Training programmes and incorporate welfare facilities for the in-house gardening team.
- **Printmaking Studio.** This will be located next to the existing artists' studios. Designs have been developed and submitted for planning permission. This project is scheduled to commence in June 2021.
- **Farm Education Facility.** Designs are being developed to create two practical classrooms, teaching barn and other ancillary facilities to enable the delivery of practical agricultural education programmes on Dumfries House estate in conjunction with Home Farm.
- **The Glenside Applied Arts Centre.** This project will incorporate traditional building skills and traditional arts. The centre will be situated on the site of the Glenside Farm.
- **Knockroom.** Design work continues on the next phases of the development at Knockroom.

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

- **The Pavilion.** The creation of a new pavilion to the east of Dumfries House to replace the existing marquee attached to Dumfries House.

Education

The Prince's Foundation's education portfolio is diverse, covering subject areas including architecture and urbanism, textiles, building craft, STEM, Food, Farming and Horticulture and a range of others. Core to our educational delivery is a belief that these disciplines should not operate in a vacuum but be taught in a collaborative, interdisciplinary way. Our programmes are delivered across the UK, with a number of centres in both England and Scotland, as well as internationally and online.

This year, in person delivery was impacted due to COVID-19 restrictions. However, the opportunity to refresh strategy, diversify from traditional modes of learning and reach new audiences was embraced. New partnerships with stakeholders were developed, with programmes delivered online and in person when restrictions allowed.

For our schools programmes, much of the engagement took place online via videos sent to teachers or released on YouTube and made more widely accessible. Some in person delivery also took place, namely through the Building Craft and Arts programmes, Modern Artisan textiles programme, schools and outreach courses. Most of our programmes continued at the same level and duration of delivery, with the same number of students as previously; although some areas – such as our schools activity – engaged with smaller numbers than in an average year. Our range of academic programmes, including MSc and PhD programmes were largely moved online but retained on their original timetable, with one course moving to a winter start. While online delivery is not our preferred option, feedback from students was positive and in many cases it allowed us to expand our reach beyond our traditional audience.

Despite the challenging landscape, we were pleased not only to have been able to continue the majority of our delivery but to expand our offer and create new programmes. In addition, The Prince's Foundation became an approved centre for City and Guilds qualifications which will be embedded in a number of programmes in the coming academic year.

Dumfries House and Trinity Buoy Wharf initiatives

During the financial year April 2020 to March 2021 the Foundation operated six areas of educational activity across the Dumfries House estate and at Trinity Buoy Wharf, as follows:

Report of the trustees for the year ended 31 March 2021 (continued)

Education (continued)

Dumfries House and Trinity Buoy Wharf initiatives (continued)

Horticulture and Food Education Programmes. The principal aim of the work being undertaken in the Pierburg Education Centre and the Kauffman Education Garden is to show children where fresh vegetables come from, underpinning the notion of healthy eating and fresh produce. The start of the calendar year 2020 showed an increase in bookings compared to 2019. However COVID-19 impacted on targeted delivery and the method of delivery. Engagement continued through the pandemic both online and through outreach approaches, with 290 pupils benefiting from in-person learning in their school grounds, participating in socially distanced Field to Fork Lessons. A range of publicly available videos were also produced to support family home learning during lockdown and live online workshops were developed and delivered to support home economics classes with their sustainable food production learning. As restrictions allowed, Fresh Start sessions were delivered in-person to secondary school students. In addition to our ongoing delivery a new programme was developed, which will teach secondary pupils the complete food production system process to help them gain an understanding of why food waste occurs and how to prevent it.

Farm Education. The farm education delivery programme was consistent with previous years prior to lockdown. As with the other schools programmes, the offering was diverted to outreach and online at the start of the pandemic. Videos were produced to educate pupils on food journeys and the methodology of beef farming and poultry - these were accessed by pupils across the UK via teacher requests. A number of videos to support family learning were developed and shared via YouTube.

Future Textiles. We adapted our methods of delivery this year to accommodate the COVID-19 restrictions. We delivered our textiles activity in person when restrictions allowed, with adapted studio spaces, and we have also developed online delivery for both our school and community programmes. Our physical delivery was postponed until September 2020, however we retained our engagement with groups throughout the year with a series of online videos and live workshop sessions. Three different beginner level workshops were created that schools could book to be taught live in the classroom. Fifteen schools took part in the workshops with some schools undertaking three different workshops. Six videos were made and uploaded to YouTube for access by families and individuals. Home schooled young people returned to in person learning on a regular basis at Trinity Buoy Wharf when restrictions allowed, while community groups at both sites continued to learn remotely with fortnightly or weekly zoom lessons. The community group at Dumfries House made 100 sets of scrubs and numerous facemasks in response to the crisis. Modern Artisan, a high level training programme focussed on luxury manufacturing skills, resumed in August 2020 with students returning to complete a collection of over 400 garments to be sold on YNAP ecommerce platforms. The collection launched in November 2020 to critical acclaim.

Residential, Outdoor and Nature Based Learning. After a promising start with an increase in both day bookings and residential stays, lockdown restrictions affected the delivery model. In line with other areas, online learning in the form of worksheets and video content was created for a mix of target audiences, from school pupils through to Health and Wellbeing programme participants. In addition, an outreach offering was developed based around environmental food webs and team building exercises that could be brought out to schools and comply with all social distancing measures and COVID-19 safety requirements. The programme proved to be popular and was fully booked. Pupil and teacher feedback was very positive and in total 320 pupils took part across twelve schools. Another new programme, Fresh Start, offered children who would not have otherwise had access take part in outdoor workshops spread across four of the Dumfries House educational facilities in partnership with a group of school 'campus cops'. Following all COVID-19 safety guidelines, the pupils took part in pre-workshop evaluation logbooks and then continued their evaluation at school with their 'campus cop'. The schools had two options for the programme delivery, either once a week over four weeks, or intensively in four days in one week.

Science, Technology, Engineering and Maths (STEM). STEM principles underpin many of the estate activities especially those in the Food, Farming and Horticulture programmes. The STEM strategy was rewritten to focus on industry development needs and create a progression route for pupils. Five key areas were identified as priorities – Clean Energy, Aerospace, Sustainable Design, Food Production Systems and Environmental Studies. Partnership development began with vocational skills programmes being created with the support of Collins Aerospace and Scottish Power. These will be delivered in 21/22. An outreach offering was also developed known as Scientists at Work and delivered to 10 schools across a short timeframe between lockdowns. Online resources in the form of YouTube open access videos were created as well as downloadable worksheets.

Report of the trustees for the year ended 31 March 2021 (continued)

Education (continued)

Dumfries House and Trinity Buoy Wharf initiatives (continued)

Hospitality. The hospitality offering was paused due to the restrictions in place for COVID-19. This allowed time for a new strategy to be developed focusing on a progression route through the industry and involving the wider team on the Dumfries House estate. The first programme to be developed is in line with the earlier offering which targets young people wishing to enter the industry. The programme is more comprehensive than previously, and advice and support has been given by Skills Development Scotland, along with major hotels and restaurants. The new offering will be available from September 2021.

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.

Academic programmes

Our academic education programmes provide specialised training for people interested in tackling the challenges of global warming, rapid urbanization, resource depletion, and the lack of knowledge and skills in traditional arts and craft. The Prince's Foundation is one of very few organisations in the United Kingdom addressing this diverse but interconnected range of issues. Our courses include an MSc in Sustainable Urban Development with the University of Oxford; an MSc in Sustainable Engineering Management with Swansea University and an MSc in Environment and Development with the University of Bahrain. 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. All of these courses ran during the year 20/21, although some moved to an online delivery model and one course had the start date postponed from September to January.

Vocational programmes – Craft training

Our craft programmes provide training for the next generation of master craftspeople working within the heritage sector. Over a third of those working in the heritage crafts are currently nearing retirement age and around three quarters are not currently undertaking any activity to pass on their skills and knowledge. Alongside teaching the practical trade skills, the programmes utilise a holistic approach to teach and promote the principles of Harmony. By exposing students to a range of trades and disciplines, we believe we are training not just skilled craftspeople but proponents of the creation of healthy, sustainable and beautiful communities. Courses include our Building Crafts Programme as well as our Building Arts Programme in partnership with The Queen Elizabeth Scholarship Trust (QEST). These programmes were delivered using adapted approaches during lockdown. Both programmes completed with in person learning during 2020/21 with two successful builds taking place: a Shepherd's Hut with oak timber framing and a mix of crafts from stained glass to decorative tile work, and Pennylands Cottage, a traditional style building on Dumfries House estate that showcased the traditional building craft skills developed through masterclasses.

Short courses and CPD

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

A number of these courses were delivered online pre COVID-19, and continued to be during this year. There were two summer school programmes that were cancelled as a result of COVID-19 as they relied on practical in person delivery, but these were replaced with a number of new online programmes.

The Prince's Foundation School of Traditional Arts

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. Despite lockdown restrictions, by moving some courses online, the entire programme of study was delivered successfully.

The School also offers lectures, workshops and short, practical courses in traditional arts and crafts as part of the Open programme in the UK. The in-person teaching was paused, and the existing courses were redesigned. All new courses were devised to engage online students.

The School's International Outreach delivers educational programmes beyond the UK and operates 7 centres worldwide. Due to the COVID-19 outbreak, in-person teaching was impacted. In response, the School devised elements of the curriculum to adapt to online teaching by the UK-based staff and local tutors in line with local COVID-19 regulations.

Report of the trustees for the year ended 31 March 2021 (continued)

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 through an understanding of Harmony. Our work is both international and national, but the heart of our work is heritage-led regeneration whether on specific buildings or larger strategic planning efforts. As a team our aim is to help realise our President's vision for better places using collaborative planning and design.

During the past year the A&H team has been finalising the 7 for 70 programme of work - including a project at Draper's Hall in Coventry, Stoke Climsland in Cornwall, Strata Florida in the Welsh Uplands and Fleetwood Hospital in Lancashire. We have also completed the latest phase of our consultancy work in Bahrain. This along with a number of master planning projects, including a local plan with Thurrock Council in Essex, has meant that we have continued to deliver a wide spread of activities during the pandemic. In many cases our work took place remotely and whenever on site working was permitted it was carried out in adherence with the lockdown restrictions.

Our activity is supported by a range of research projects, including the Rapid Urbanisation Toolkit, which is now being tested on an exemplar project in Sierra Leone and serves as the basis for several new learning platforms. Our senior team has also contributed to the Commission on Creating Healthy Cities, a part of Kellogg College, University of Oxford's Global Centre on Healthcare and Urbanisation, and is developing a number of training platforms working with the University College of Estate Management focused on sustainable development.

Performance

During the financial year April 2020 to March 2021, key measures of success for the Foundation included expanding the breadth and reach of our education and skills training online in response to the pandemic, and maintaining, and where possible enhancing, the artistic and aesthetic qualities of the Dumfries House estate in preparation for re-opening once restrictions allow. Although we have been unable to welcome visitors into the House during the pandemic we have continued to provide open access to the estate, except for a brief period at the beginning of the first lockdown, to ensure ongoing access to this important heritage site.

The Foundation has met all of these objectives during the financial year 2020-2021.

The Foundation funds a proportion of its activities through the commercial operations undertaken by its trading subsidiaries but it is reliant upon philanthropic donations for a significant proportion of its income, particularly so during the pandemic. Philanthropic donations are sourced from private individuals or other legal persons such as trusts and, more rarely, companies, following due diligence checks and the recommendations of our Ethics Committee, as appropriate.

Sufficient funds were raised from philanthropic donations to fund the charity's planned activity for the year and we are grateful to our benefactors for their ongoing support during the pandemic. The charity has met its operational fundraising requirements during the year. Details of the development projects and, where applicable, information about the expected future benefits arising from them are covered within this report.

Financial Review

During the financial year April 2020 to March 2021, the Foundation had income of £20,636,241 an overall decrease of 8% from the previous year (2020: £22,361,603). Of this, £16,419,224 was general funds, £4,062,633 restricted funds and £154,384 endowment funds. The general funds included donations, grants and gifts in kind of £13,830,127 (2020: £8,354,200) and income generated from the Foundation's Dumfries House trading operations of £302,359 (2020: £3,036,946). The restricted funds include £1,357,937 of capital donations (2020: £3,269,934). The charity had a strong year financially, recording an operating surplus at year end and a positive free group reserves position (see Reserves Statement for more information). This has been achieved through careful management of the charity's cash flow, including the realisation of investments, a focus on cost management during the COVID-19 pandemic and a substantial (£5m) unrestricted donation to the Foundation which supported the charity's reserves.

Donations and legacies increased year-on-year by 18% largely as a result of a continued focus on fundraising and a significant unrestricted donation of £5m during the year. Expenditure on raising funds decreased by £377k due to COVID-19 restrictions impacting on the charity's ability to travel and hold fundraising events.

Expenditure on charitable activities decreased by 19% during the year, as a result of the limitations of operations due to COVID-19 restrictions.

On average, 279 people were employed during the financial year (2020: 322). No redundancies were made as result of the COVID-19 pandemic and no government furlough funding was applied for to support payments to employees.

Report of the trustees for the year ended 31 March 2021 (continued)

Reserves Statement

During the financial year April 2020 to March 2021, the Foundation has moved from a negative free group reserves position (£274,112) to a positive free group reserves position of £8,053,194. This has primarily been achieved through utilising a significant unrestricted donation of £5m received in April 2020 to support the charity's reserves during the initial lockdown in response to the COVID-19 pandemic.

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

Total Foundation net assets are £126,408,281 as of year end (2020: £119,523,060).

Carbon Audit

From financial years beginning on or after 1 April 2019, 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 2021 The Prince's Foundation contracted the services of Anthesis (UK) Limited to conduct a carbon audit of the The Prince's Foundation group in line with the ESOS guidelines. The results of the audit for the current and prior year are shown below.

	1 April 2020 - 31 March 2021	1 April 2019 - 31 March 2020
Current reporting year		
Location	UK	UK
Emissions from the combustion of fuel and operation of facilities (Scope 1) (tCO ₂ e)	361	487
Emissions from purchase of electricity (tCO ₂ e) (Scope 2)	342	455
Emissions from business travel in rental cars or employee-owned vehicles where company is responsible for purchasing the fuel (tCO ₂ e) (Scope 3)	6	3
Total gross emissions based on the above (tCO ₂ e)	707	944
Energy consumption used to calculate Scope 1 emissions (kWh)	1,606,539	2,227,888
Energy consumption used to calculate Scope 2 emissions (kWh)	1,465,863	1,800,485
Energy consumption used to calculate Scope 3 emissions (kWh)	22,536	13,356
Total energy consumption based on above (kWh)	3,094,938	4,041,729
Intensity ratio: tCO ₂ e (gross Scope 1, 2 + 3) per full-time employee	3.77	4.52

Methodology

Anthesis has calculated the above greenhouse gas emissions estimates 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.

This estimate covers all of The Prince's Foundation's operations that are consolidated in the financial statement, which includes the sites operated from in the UK and UK business travel. Raw data in the form of invoices and spreadsheets were collected from The Prince's Foundation. Energy was converted to greenhouse gas estimates using the UK Government's GHG Conversion Factors for Company Reporting 2019.

Energy Efficiency Action

During the year to 31 March 2021 the Foundation's carbon emissions decreased as a result of the COVID-19 pandemic closing temporarily our operations in response to government lockdowns and restrictions. Looking ahead, as we re-open our operations our focus is on ensuring that we minimise our environmental impact.

Report of the trustees for the year ended 31 March 2021 (continued)

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 the principles of Harmony (our President's initiative) and sustainability 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 financial year the Trustees commissioned a Board governance review and are in the process of implementing its recommendations.

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.

Plans for Future Periods

The Trustees are mindful of the ongoing impact of the COVID-19 pandemic on the charity. The conservation of cash and managing the charity's liquidity position is fundamental, along with the cultivation of philanthropic donations to support ongoing operations and to offset the drop in trading revenues from our commercial operations. Protecting the health and wellbeing of our staff, volunteers and other charity stakeholders is of the utmost importance.

The full impact and duration of the COVID-19 outbreak is still uncertain, with the threat of new variants an ever-present risk. However, through ongoing careful financial management, we are confident of being able to continue to deliver on our charitable objectives.

Our overall objective is to ensure the Foundation delivers on its charitable objects and the vision and mission of our President. We will shortly embark upon an expansion of our charitable activity to the Highgrove Estate in Gloucestershire. This includes the management and preservation of the Highgrove gardens for the benefit of the public and an expansion of our education activity at the Highgrove estate. We will be purchasing and investing in buildings on the estate from which to deliver our education programmes.

Structure, Governance and Management

The Prince's Foundation is a company limited by guarantee incorporated in 2007, charity number SC038770 and company registration number SC331738. The Foundation has a number of subsidiary entities as of 31 March 2021, as follows:

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

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

Dumfries Farming and Land Limited (incorporated October 2007, registration number 06391121) owns land that is 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 2021 (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 the historical and architectural education by offering opportunities for access to into buildings or monuments and the preservation and education of the public of Aberdeen Angus Cattle and North Country Cheviot Sheep. The Trust's articles were changed on 1 January 2019 which added the object of the preservation in perpetuity for the public benefit of the Castle of Mey, its contents, its grounds and land.

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.

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

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

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

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

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

Our Staff

At the beginning of April 2020, the Foundation employed 288 staff. By the end of March 2021, the Foundation employed a total of 269 staff. For details of the senior management team see page 19.

Finance, Investment and Audit Committee (FIAC)

During the year 2020-2021 the members of FIAC were:

- Mr Douglas Connell (Chair from 23 March 2021) (Resigned 15 September 2021)
- Dame Jayne-Anne Gadhia (Chair until 23 March 2021) (Resigned 23 March 2021)
- Dame Susan Bruce (Appointed 23 March 2021) (Chair from 15 September 2021)
- Mr Ashe Windham (Appointed 23 March 2021)

FIAC also undertakes the activity of the Remuneration Committee (RemCo), to oversee senior management remuneration. Post year end the activities of FIAC will be taken forward by a new committee, the Policy and Resources Committee (PARC). The members of PARC are the same as FIAC, with the addition of Dr Ann Limb (Appointed 17 September 2021). The first meeting of PARC was held on 27 July 2021. A separate Audit and Risk Committee will be established following the completion of this year's audit.

The Board of Trustees

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

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

Report of the trustees for the year ended 31 March 2021 (continued)

The Board of Trustees (continued)

Mrs Heather Dunk, OBE, February 2014 - 23 March 2021

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

Mr Rufus Bird, October 2014 - 10 October 2020

Rufus Bird was appointed by Her Majesty The Queen to the post of Surveyor of The Queen's Works of Art. He assumed the post on 1 January 2018 and relinquished the post in April 2021. From 2010 to 2017 he was Deputy Surveyor of The Queen's Works of Art. The Surveyor is the senior curator of Decorative Arts at Royal Collection Trust, one of the five departments of the Royal Household. Previously he was a Director of Christie's, London, from 1997 to 2010 where he was responsible for sales of English Furniture, including cataloguing for sale the furniture at Dumfries House. He is a Trustee of Royal Yacht Britannia Trust and Thirlestane Castle Trust.

Dame Jayne-Anne Gadhia (Chair until 23 March 2021), December 2015 - 23 March 2021

Dame Jayne-Anne is the Founder and Executive Chair of Snoop. From 2007 to 2018 she was the CEO of Virgin Money. A Chartered Accountant, she spent six years at Norwich Union (now Aviva) before becoming one of the founders of Virgin Direct in 1995. Three years later, she set up the Virgin One account, which was acquired by the Royal Bank of Scotland in 2001. She subsequently spent five years at RBS before returning to Virgin as CEO of Virgin Money. From 2016 to 2021 she was the UK Government's Women in Finance Champion and continues to support and promote the Women in Finance Charter as an advisor. In 2018 she was named Leader of the Year at the Lloyds Bank National Business Awards. She is a Trustee of the Tate and sits on the Mayor of London's Business Advisory Board, the Financial Inclusion Policy Forum and Lloyds Culture Advisory Group. She was awarded a CBE in the 2014 New Year's Honours list and made a Dame in the 2019 Honours list.

Mr Douglas Connell (Chair from 23 March 2021 to 15 September 2021), October 2016 - 15 September 2021

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

Mr Ian Marcus, OBE, 1 April 2018 - 23 March 2021

Ian Marcus graduated from the University of Cambridge in 1981 with a degree in Land Economy. Ian was in the banking industry for over 32 years having previously worked for Bank of America, UBS, NatWest and Bankers Trust/Deutsche, always focusing on the real estate industry. Ian joined Credit Suisse First Boston in 1999 to establish the Real Estate Group, and became Managing Director and Chairman of the European Real Estate Investment Banking.

Report of the trustees for the year ended 31 March 2021 (continued)

The Board of Trustees (continued)

Mr Ian Marcus, OBE, 1 April 2018 - 23 March 2021 (continued)

Ian is a member of Redevco's Advisory Board, the Senior Independent Director for both Secure Income REIT and Shurgard Self Storage, a Non-Executive Director for Town Centre Securities Plc and a Senior Adviser to The Anschutz Corporation. He was appointed as a Senior Consultant to Eastdil Secured in 2013. He is President of the Cambridge University Land Society, a member of Wharton's European Real Estate Advisory Board and a Senior Advisor to two new businesses, Work Life and Elysian Residences. Ian is a former Crown Estate Commissioner, a past President of the British Property Federation, past Chairman of the Investment Property Forum and for 10 years chaired the Bank of England Commercial Property Forum.

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

Dame Sue Bruce is an Independent non-executive director with SSE PLC; Chair of Royal Scottish National Orchestra (RSNO); 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 served in Local Government for almost forty years. Latterly she was Chief Executive of the City of Edinburgh Council and she previously served as Chief Executive at Aberdeen City Council and Chief Executive at East Dunbartonshire Council. Ms. Bruce's extensive career in the public sector enhances the diversity of the Board.

Mr George Richards, 15 September 2018 - present

George Richards is the Director of Community Jameel, an international organisation supporting evidence, science, data and technology to tackle global challenges. George previously led the cultural heritage division of Art Jameel, and 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 Society of Antiquaries of Scotland.

Mr James Hooper, 15 September 2018 - 12 October 2021

James Hooper founded the UK office of the Global Heritage Fund in 2007 and served as UK Director until 2021. The Global Heritage Fund is an international heritage conservancy with headquarters in California, USA. James founded Historic Productions in 2019, a specialist marketing and resources consultancy for the heritage sector. He is a qualified solicitor.

Mr Ashe Windham, CVO, 1 January 2019 - present

Ashe Windham was the Chairman of The Queen Elizabeth Castle of Mey Trust for 22 years, a position he held until 1st January 2019. When The Prince's Foundation became the sole Trustee for The Queen Elizabeth Castle of Mey Trust Mr Windham was appointed as a Trustee to the board of the Foundation. As well as serving as a Trustee of The Prince's Foundation since January 2019, Ashe is a non-executive Director of EFG Asset Management (UK) Ltd, and a non-executive Director of Miton UK MicroCap Trust Plc. Ashe chairs The Kyle of Sutherland District Salmon Fisheries Board and its associated charitable trust, whilst he also sits on four other charity boards, two of which he chairs. Ashe has served as an Extra Equerry to HRH The Prince of Wales since 2003. Ashe's career began as an officer in the British Army. After eleven years in the Irish Guards he joined Barclays de Zoete Wedd ("BZW") in 1987, and was appointed a Director of BZW's Equities Division in 1991. He joined Credit Suisse First Boston in 1997 when they acquired BZW's equities business. In 2004 he joined Man Investments as Head of Internal Communications and in 2007 became Man Group's Global Head of Internal Communications. In June 2009 he resigned from Man Group plc to set up a private family office.

Report of the trustees for the year ended 31 March 2021 (continued)

The Board of Trustees (continued)

Post Year End changes to the Board of Trustees

As of 21 June 2021 the following Trustees were appointed to the Board of The Prince's Foundation:

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 and key subsidiary St James's Place UK plc; at Vitality Life and Health where she chairs the Risk Committee; and at Willis Ltd where she chairs the Audit Committee. She is on the MBA Advisory Board of Bayes (formerly known as Cass) Business School. Previous NED roles include the Pension Protection Fund where she chaired the Audit and Risk Committee 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 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 on the board of the Ministry of Housing, Communities and Local Government. He chairs Duchy Originals, the UK's largest organic food brand which was established by HRH The Prince of Wales. He also chairs 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.

Dr Ann Limb, CBE DL, 21 June 2021 - present

Ann 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. She is currently Chair of the Innovation Corridor, UK's globally significant life sciences cluster. Ann also holds several national charity positions as Chair of City & Guilds and founder of the Helena Kennedy Foundation. Ann was Chair of the Scouts UK until September 2021. A linguist by background, feminist through experience, and Quaker by conviction. 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 a butcher's shop in 1950's Moss Side to the commissions of Deputy Lieutenant and High Sheriff of Buckinghamshire in nomination 2023-4.

Report of the trustees for the year ended 31 March 2021 (continued)

The Board of Trustees (continued)

Post Year End changes to the Board of Trustees (continued)

Ms Carol Lake, 21 June 2021 - 12 October 2021

Over the past 30 years Carol has held senior positions with a number of major global corporations including British Telecom, McDonnell Douglas, Cable & Wireless and J.P. Morgan where she has spent the last 21 years. Over the course of her career, Carol has had extensive geographic responsibilities including extended on the ground assignments in Australia and the Caribbean.

While at J.P. Morgan, Carol has held a number of positions including the Head of Diversity and Inclusion for the Europe, Middle East and Africa Region. Having focussed her energies around emerging corporate responsibility activities, Carol has been instrumental in building the firm's philanthropic practice globally, overseeing ongoing grant-making, skills-based volunteering and disaster response in 38 countries around the world. Today she is co-head of Global Philanthropy for J.P. Morgan Chase which provides financial support of around \$500mm annually.

Carol has served on a number of boards and advisory committees for Government, non-profits and academic institutions including: The Children's Plan Expert Panel, The Equalities Review, The Race Disparity Advisory Committee, The Culture Recovery Board (all for the UK Government). She has also been a trustee of the Council of University College London and advisory council member for the Sutton Trust, the Education Endowment Foundation and IntoUniversity.

She is a passionate supporter of the arts and has served on the boards of Sadler's Wells, The Young Vic theatre, The Almeida theatre, Theatre Royal Stratford East and the Battersea Arts Centre. She is currently on the boards of The Clore Leadership Programme and The Booker Prize Foundation. She joined the board of The Prince's Foundation in June 2021.

Carol has been recognised twice in the PowerList (black leaders) and in the Top 100 BAME leaders in business (UK). In 2016 she was named as Financial Services Leader of the Year at the Black British Business Awards.

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 Marchetti 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 back 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 Marchetti was recognized by the President of the Italian Republic who knighted him as a Cavaliere. In 2019 Marchetti was honoured with the amfAR Award of Courage, recognizing "his profound commitment to important issues".

Marchetti is Chair of His Royal Highness's Sustainable Markets Initiative Task Force on Fashion, a Professor at Bocconi University and a Board Member of Giorgio Armani, GEDI and A.G. Carrick Ltd.

Report of the trustees for the year ended 31 March 2021 (continued)

The Board of Trustees (continued)

Post Year End changes to the Board of Trustees (continued)

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, Chair of the Advisory Board of Wallbrook (a strategic intelligence firm) and Junior Warden of the City of London Solicitors' Company. She also continues to advise Slaughter and May on certain regulatory matters as a Special Advisor.

Report of the trustees for the year ended 31 March 2021 (continued)

Disclosure of information to the auditor

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

Reference and Administrative Information

Charity name	The Prince's Foundation
Charity registration number	SC038770
Company registration number	SC331738
Registered offices	Dumfries House Cumnock Ayrshire KA18 2NJ
President	His Royal Highness the Prince Charles KG, KT, Duke of Rothesay, Earl of Carrick, Baron of Renfrewshire, Lord of the Isles and Prince and Great Steward of Scotland
Vice President	The Rt Hon The Earl of Snowdon
Trustees	Dame Susan Bruce (Chair from 15 September 2021) Mr Douglas Connell (Chair from 23 March 2021 to 15 September 2021) (Resigned 15 September 2021) Dame Jayne-Anne Gadhia (Chair until 23 March 2021) (Resigned 23 March 2021) Mr Rufus Bird (Resigned 10 October 2020) Mrs Heather Dunk (Resigned 23 March 2021) Mr Ian Marcus (Resigned 23 March 2021) Mr James Hooper (Resigned 12 October 2021) Mr George Richards Mr Ashe Windham Mrs Rosemary Hilary (Appointed 21 June 2021) Mr Michael Jary (Appointed 21 June 2021) Ms Carol Lake (Appointed 21 June 2021 - Resigned 12 October 2021) Dr Ann Limb (Appointed 21 June 2021) Cavaliere Federico Marchetti (Appointed 21 June 2021) Ms Sarah de Gay (Appointed 12 October 2021)

Report of the trustees for the year ended 31 March 2021 (continued)

Reference and Administrative Information (continued)

Senior Management Team Mr Michael Fawcett, Chief Executive Officer (Temporarily stood aside 4 September 2021; Resigned 9 November 2021)
Mrs Emily Cherrington, Acting Chief Executive Officer (Appointed 4 September 2021), previously Chief Operating Officer
Mr Kieran Ferguson, CFA, Chief Financial Officer
Mr Gordon Neil, Executive Director (Estates)
Mr Simon Sadinsky, Executive Director (Education)
Mr Chris Martin, Executive Director (Development) (Temporarily stood aside 13 September 2021)
Mr Kim Hitch, Deputy Executive Director (Architecture & Heritage)
Mr Khaled Azzam, Deputy Executive Director (School of Traditional Arts)
Mrs Lucy Campbell, CA, Director of Finance
Ms Jacqueline Farrell, Education Director
Miss Shirley Farquhar, Administrator of The Queen Elizabeth Castle of Mey Trust

Bankers Coutts & Co
440, The Strand
London
WC2R 0QS

Auditors Saffery Champness LLP
133 Fountainbridge
Edinburgh
EH3 9BA

Solicitors McCarthy Denning Limited
Minster House
42 Mincing Lane
London
EC3R 7AE

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... 09/12/2021

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 2021 which comprise the Group Statement of Financial Activities, the Group Balance Sheet, the Foundation Balance Sheet, the Group Cash Flow Statement, the Foundation Cash Flow Statement, and notes to the financial statements, including 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 2021, and of the group's and parent charitable company's incoming resources and application of resources including the group's and parent charitable company's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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.

Emphasis of matter – Post balance sheet 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 28 to the financial statements concerning significant post balance sheet events and contingent liabilities arising from press reports into fundraising practices at The Prince's Foundation in relation to certain donations historically received by the Foundation and The Queen Elizabeth Castle of Mey Trust. Following these press reports the Office of the Scottish Charity Regulator (OSCR) has opened an investigation into the Foundation and its governance. The Trustees commissioned an independent investigation 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 this 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 of the Independent Auditors to the Trustees of The Prince's Foundation (continued)

Opinion on other matters prescribed by the Companies Act 2006

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

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

Responsibilities of Trustees

As explained more fully in the Statement of Trustees Responsibilities (set out on page 21), the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Our 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 Charities Accounts (Scotland) Regulations 2006 (as amended) and guidance issued by the Office of the Scottish Charity Regulator.

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

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. 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 LLP
Chartered Accountants
Registered Auditor
133 Fountainbridge
Edinburgh
EH3 9BA

Date: 14 DECEMBER 2021

Saffery Champness Audit Services 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 2021

	Notes	General Funds £	Restricted Funds £	Endowment Funds £	Total 2021 £	Total 2020 £
Income and endowments from:						
Donations and legacies						
Donations	2	13,817,627	3,824,066	-	17,641,693	14,473,662
Grants and gift in kind	3	12,500	238,567	-	251,067	681,389
Other trading activities						
Rental income		58,704	-	-	58,704	66,004
Consultancy income		464,484	-	-	464,484	814,728
Dumfries House Trust Trading Limited		302,359	-	-	302,359	3,036,946
Dumfries House Home Farm Limited		393,213	-	-	393,213	249,302
Dumfries Farming & Land Limited		-	-	-	-	-
Community Capital Limited		413,845	-	-	413,845	1,112,418
Castle & Gardens of Mey Limited		57,981	-	-	57,981	461,764
Education income		423,263	-	-	423,263	584,397
The Queen Elizabeth Castle of Mey Trust		248,613	-	-	248,613	466,725
Investment income	16	11,296	-	154,384	165,680	219,691
Other income	4	215,339	-	-	215,339	194,577
Total		16,419,224	4,062,633	154,384	20,636,241	22,361,603
Expenditure on:						
Raising funds						
Building costs	5	(163,700)	-	-	(163,700)	(172,225)
Portfolio management costs	5	(13,652)	-	(33,483)	(47,135)	(76,959)
Dumfries House Trust Trading Limited	5	(1,773,794)	-	-	(1,773,794)	(3,035,107)
Dumfries House Home Farm Limited	5	(400,474)	-	-	(400,474)	(310,032)
Dumfries Farming & Land Limited	5	(100,271)	-	-	(100,271)	(8,672)
Community Capital Limited	5	(343,804)	-	-	(343,804)	(417,310)
Castle & Gardens of Mey Limited	5	(217,781)	-	-	(217,781)	(148,858)
Fundraising costs	5	(142,140)	-	-	(142,140)	(519,082)
	5	(3,155,616)	-	(33,483)	(3,189,099)	(4,688,245)
Charitable activities						
Wages & salaries	6, 10	(3,614,280)	(1,194,116)	-	(4,808,396)	(5,839,963)
Administration costs	6	(42,762)	(2,267)	-	(45,029)	(54,554)
Exhibition & promotion costs	6	(238,659)	-	-	(238,659)	(450,587)
Preservation of contents	6	(453,486)	(10,635)	-	(464,121)	(515,700)
Restoration of buildings	6	(1,197,323)	(420,795)	(37,965)	(1,656,083)	(1,648,152)
Maintenance of the estate	6	(599,743)	(313,990)	-	(913,733)	(1,188,472)
Education	6	(332,035)	(329,720)	-	(661,755)	(1,021,302)
Community events	6	-	(40,571)	-	(40,571)	(108,678)
Patronage & heritage costs	6	(24,826)	(52,911)	-	(77,737)	(174,380)
Donations made	6, 8	(216,474)	(403,036)	-	(619,510)	(673,462)
The Queen Elizabeth Castle of Mey Trust	6	(567,668)	(10,982)	-	(578,650)	(730,031)
		(7,287,256)	(2,779,023)	(37,965)	(10,104,244)	(12,405,281)
Other resources expended						
Gains/(losses) on fixed asset disposal		(962,158)	-	-	(962,158)	(126,117)
		(962,158)	-	-	(962,158)	(126,117)
Governance costs						
	7	(652,414)	-	-	(652,414)	(1,033,455)
Total expenses		(12,057,444)	(2,779,023)	(71,448)	(14,907,915)	(18,253,098)
Net gains/(losses) on investments		175,109	-	22,253	197,362	143,743
Change in market value of investments		78,074	-	881,459	959,533	(652,174)
Net income/(expenditure) for the year before taxation and transfers		4,614,963	1,283,610	986,648	6,885,221	3,600,074

Consolidated statement of financial activities
(incorporating an income and expenditure account) (continued)
for the year ended 31 March 2021

	Notes	General Funds	Restricted Funds	Endowment Funds	Total 2021	Total 2020
		£	£	£	£	£
Net income/(expenditure) for the year before transfers		4,614,963	1,283,610	986,648	6,885,221	3,600,074
Gross transfers between funds		2,043,599	(2,040,815)	(2,784)	-	-
Transfer - Allocation of total return		156,000	-	(156,000)	-	-
Total transfers between funds	27	<u>2,199,599</u>	<u>(2,040,815)</u>	<u>(158,784)</u>	-	-
 Net movements in funds		<u>6,814,562</u>	<u>(757,205)</u>	<u>827,864</u>	<u>6,885,221</u>	<u>3,600,074</u>
 Reconciliation of funds:						
Fund balances at 1 April 2020	20, 21	35,040,471	14,596,272	69,886,317	119,523,060	115,922,986
Net movements in funds		6,814,562	(757,205)	827,864	6,885,221	3,600,074
 Fund balances at 31 March 2021	20	<u>41,855,033</u>	<u>13,839,067</u>	<u>70,714,181</u>	<u>126,408,281</u>	<u>119,523,060</u>

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

The net income for the period for Companies Act purposes comprises net incoming / outgoing resources before other recognised gains and losses and totals £6,885,221 (2020: net income £3,600,074).

The notes on pages 31 to 63 form part of these financial statements.

Consolidated balance sheet
at 31 March 2021

	Notes	General Funds	Restricted Funds	Endowment Funds	Total 2021	Total 2020
		£	£	£	£	£
Fixed assets						
Intangible assets	13	1,549	-	50,500	52,049	52,249
Heritage assets	14	1,000,000	-	60,751,527	61,751,527	61,751,527
Other tangible assets	15	31,889,895	7,157,284	3,656,757	42,703,936	44,280,196
Investments	16	910,395	-	6,264,009	7,174,404	6,703,416
		<u>33,801,839</u>	<u>7,157,284</u>	<u>70,722,793</u>	<u>111,681,916</u>	<u>112,787,388</u>
Current assets						
Stock	17	1,270,558	-	-	1,270,558	1,368,154
Debtors	18	728,348	10,000	-	738,348	824,411
Cash at bank and in hand		8,220,740	6,681,783	-	14,902,523	8,528,673
		<u>10,219,646</u>	<u>6,691,783</u>	<u>-</u>	<u>16,911,429</u>	<u>10,721,238</u>
Creditors: amounts falling due within one year	19	<u>(2,150,149)</u>	<u>(10,000)</u>	<u>(8,612)</u>	<u>(2,168,761)</u>	<u>(3,950,551)</u>
Net current (liabilities)/ assets		8,069,497	6,681,783	(8,612)	14,742,668	6,770,688
Total assets less current (liabilities) / assets		41,871,336	13,839,067	70,714,181	126,424,584	119,558,076
Creditors: amounts falling due after more than one year	19	<u>(16,303)</u>	<u>-</u>	<u>-</u>	<u>(16,303)</u>	<u>(35,016)</u>
Net assets		<u>41,855,033</u>	<u>13,839,067</u>	<u>70,714,181</u>	<u>126,408,281</u>	<u>119,523,060</u>
Funds						
General	20				41,855,033	35,040,471
Restricted	20				13,839,067	14,596,272
Endowment	20				70,714,181	69,886,317
					<u>126,408,281</u>	<u>119,523,060</u>

The notes on pages 31 to 63 form part of these financial statements.

These financial statements were approved by the Trustees on 09/12/2021 and were signed on their behalf by:



Dame Susan Bruce
Chair

Foundation balance sheet
at 31 March 2021

	Notes	General Funds	Restricted Funds	Endowment Funds	Total 2021	Total 2020
		£	£	£	£	£
Fixed Assets						
Intangible assets	13	-	-	50,500	50,500	50,500
Heritage assets	14	-	-	60,751,527	60,751,527	60,751,527
Other tangible assets	15	20,654,027	7,157,284	3,656,757	31,468,068	33,647,284
Investments	16	5	-	6,264,009	6,264,014	1,696,985
		<u>20,654,032</u>	<u>7,157,284</u>	<u>70,722,793</u>	<u>98,534,109</u>	<u>96,146,296</u>
Current assets						
Debtors: amounts falling due within one year	18	4,301,894	10,000	-	4,311,894	2,154,000
Cash at bank		7,043,063	6,403,221	-	13,446,284	7,621,751
		<u>11,344,957</u>	<u>6,413,221</u>	<u>-</u>	<u>17,758,178</u>	<u>9,775,751</u>
Creditors: amounts falling due within one year	19	(1,673,772)	(10,000)	(8,612)	(1,692,384)	(3,357,244)
Net current (liabilities)/ assets		9,671,185	6,403,221	(8,612)	16,065,794	6,418,507
Total assets less current (liabilities) / assets		30,325,217	13,560,505	70,714,181	114,599,903	102,564,804
Creditors: amounts falling due after more than one year	19	(2,678)	-	-	(2,678)	(9,106)
Net assets		<u>30,322,539</u>	<u>13,560,505</u>	<u>70,714,181</u>	<u>114,597,225</u>	<u>102,555,698</u>
Funds						
General	20				30,322,539	21,824,508
Restricted	20				13,560,505	14,540,982
Endowment	20				70,714,181	66,190,208
					<u>114,597,225</u>	<u>102,555,698</u>

The notes on pages 31 to 63 form part of these financial statements.

These financial statements were approved by the Trustees on 09/13/2021 and were signed on their behalf by:


Dame Susan Bruce
Chair

**Consolidated cash flow statement
for the year ended 31 March 2021**

Cash flow statement	Notes	2021 £	2020 £
Cash flows from operating activities	i	8,377,162	5,329,669
Interest paid		(11,419)	(162,535)
Interest element of hire purchase and finance lease rental		(2,208)	(3,291)
Net cash provided by (used in) operating activities		8,363,535	5,163,843
Cashflows from investing activities			
Purchase of tangible fixed assets	15	(1,551,448)	(1,978,912)
Proceeds on disposal of tangible fixed assets	15	-	23,931
Transfers and reclassification of tangible fixed assets		-	-
Purchase of fixed asset investments	16	(1,638,728)	(1,530,661)
Proceeds on disposal of fixed asset investments	16	2,191,360	3,564,418
Net cash movement in investments	16	133,278	154,525
Purchase of tangible assets on acquisition of subsidiary		-	-
Purchase of intangible assets on acquisition of subsidiary		-	-
Purchase of investments on acquisition of subsidiary		-	-
Introduction of funds on acquisition of subsidiaries		-	-
Investment income		165,680	219,691
Net cash provided by (used in) investing activities		(699,858)	452,992
Cash flow from financing activities			
New hire purchase contracts		146,621	153,324
Repayment of capital element of hire purchase contracts		(162,686)	(145,121)
Net cash flow from financing activities		(16,065)	8,203
Change in cash and cash equivalents in the reporting period		7,647,612	5,625,039
Cash and cash equivalents at the beginning of the period		7,254,911	1,629,872
Cash and cash equivalents at the end of the period	ii 22	14,902,523	7,254,911
 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)		6,885,221	3,600,074
Adjustments for:			
Depreciation, amortisation and impairment charges	13,15	2,157,449	2,145,208
Interest paid		11,419	162,535
Interest element of hire purchase and finance lease rental		2,208	3,291
Loss on disposal of fixed asset		970,453	126,116
Losses/(gains) on investments		(1,156,895)	508,431
Investment income		(165,680)	(219,691)
(Increase)/decrease in stock	17	97,598	(81,716)
(Increase)/decrease in debtors	18	86,064	1,302,548
(Decrease)/increase in creditors excluding overdraft & hire purchase	19	(510,675)	(2,217,127)
Net cash provided by (used in) operating activities		8,377,162	5,329,669
 Note ii Reconciliation of net cash flow			
Increase/(Decrease) in cash in the period		7,647,612	5,625,039
Net cash at start of the year		7,254,911	1,629,872
Movement in net funds in the period	22	7,647,612	5,625,039
Net cash at the end of the year	22	14,902,523	7,254,911

**Foundation cash flow statement
for the year ended 31 March 2021**

Cash flow statement	Notes	2021 £	2020 £
Cash flows from operating activities	i	7,605,743	6,105,301
Interest paid		(10,118)	(160,039)
Interest element of hire purchase and finance lease rental		(569)	(1,490)
Net cash provided by (used in) operating activities		7,595,056	5,943,772
Cashflows from investing activities			
Purchase of tangible fixed assets	15	(589,087)	(403,484)
Proceeds on disposal of tangible fixed assets	15	-	5,649
Purchase of fixed asset investments	16	(694,472)	(447,965)
Proceeds on disposal of fixed asset investments	16	742,165	525,728
Net cash movement in investments	16	(23,777)	(58,416)
Investment income		71,245	42,799
Net cash provided by (used in) investing activities		(493,926)	(335,689)
Cash flow from financing activities			
New hire purchase contracts		146,621	153,324
Repayment of capital element of hire purchase contracts		(149,456)	(129,688)
Net cash flow from financing activities		(2,835)	23,636
Change in cash and cash equivalents in the reporting period		7,098,295	5,631,719
Cash and cash equivalents at the beginning of the period		6,347,989	716,270
Cash and cash equivalents at the end of the period	ii 22	13,446,284	6,347,989
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)		12,016,522	8,623,415
Adjustments for:			
Depreciation, amortisation and impairment charges	13,15	1,806,164	1,787,970
Interest paid		10,118	160,039
Interest element of hire purchase and finance lease rental		569	1,490
Loss/(gain) on disposal of fixed asset		962,153	126,697
Losses on investments	16	(334,181)	112,781
Investment income		(71,245)	(42,799)
Exceptional income		(4,256,765)	(4,639,110)
Decrease/(increase) in debtors	18	(2,132,898)	1,965,502
(Decrease)/increase in creditors excluding overdraft & hire purchase	19	(394,694)	(1,990,684)
Net cash provided by (used in) operating activities		7,605,743	6,105,301
Note ii Reconciliation of net cash flow			
Increase/(Decrease) in cash in the period		7,098,295	5,631,719
Net cash at start of the year		6,347,989	716,270
Movement in net funds in the period	22	7,098,295	5,631,719
Net cash at the end of the year	22	13,446,284	6,347,989

Notes
(forming part of the financial statements)

1 Accounting policies

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

Basis of preparation

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

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 Foundation'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 the extent of significant post balance sheet events and the risks to the Foundation as reported in Note 28.

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 September 2021 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 charity is actively monitoring the COVID-19 outbreak and the associated impact on the charity. The main risks faced include reduced trading income, volatility in the value of investment portfolios and the stability of our fundraising base. It is not possible to reliably estimate the length or severity of the pandemic however the Trustees have reviewed the current and future financial position of the charity at the date of signing and consider that it is appropriate to prepare the financial statements on the going concern basis.

The 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 pages 14 to 18. The country of incorporation and registration numbers are detailed in the Trustees report on page 19. 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.

Notes (continued)

1 Accounting policies (continued)

Basis of consolidation

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

The financial statements of its subsidiary entities':

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

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

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

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

Funds

The Foundation maintains three types of fund: -

- General funds
- Endowment funds
- Restricted funds

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

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

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

Income

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

The following policies are applied to particular categories of income:

Income and endowments from:

Donations and donated services

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

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

Notes (continued)

1 Accounting policies (continued)

Income (continued)

Grants and gifts in kind

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

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

Other trading activities

Income from commercial trading operations represents income from Dumfries House Trust Trading Limited, which 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 and House tours within Dumfries House Estate. Income from other commercial activities is recognised in the period in which it is received.

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

Income from Farming & Land represents income from Dumfries Farming & Land Limited.

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

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

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

Investment income

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

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

In 2021, £58,580 of gift aid was received from subsidiaries (2020: £665,140).

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 Gift Aided profits from Dumfries House Trust Trading Limited, where relevant, and asset disposals. Please see investment income for further details.

Notes (continued)

1 Accounting policies (continued)

Expenditure (continued)

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

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

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

Heritage assets

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

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

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

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

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

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

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

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

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

Heritage assets are accounted for in note 14.

Notes (continued)

1 Accounting policies (continued)

Trademarks

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

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

Tangible fixed assets (excluding heritage assets) and depreciation

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

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

Castle furnishings at The Queen Elizabeth Castle of Mey Trust were revalued by the Trustees on 31 December 2004 which is 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 the market value.

Other tangible fixed assets are stated at historic cost.

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

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

No depreciation is provided on freehold land.

Change in accounting estimate

As of 1 April 2020, The Queen Elizabeth Castle of Mey Trust aligned its depreciation rates with its parent entity, The Prince's Foundation.

The revisions were accounted for prospectively as a change in accounting estimates and as a result, the depreciation charges of the The Queen Elizabeth Castle of Mey Trust for the current financial year end have been amended as follows:

The Visitors Centre is now depreciated over 50 years straight line previously over 25 years (4%) straight line. If the prior policy had been applied the charge would have been £16,661. The charge for this year is £7,248 resulting in an increase in net book value of £9,413.

The Farm buildings are now depreciated over 50 years straight line previously over 20 years (5%) straight line. If the prior policy had been applied the charge would have been £3,028. The charge for this year is £870 resulting in an increase in net book value of £2,158.

Furniture, equipment etc is now depreciated over 2-5 years straight line previously either on a 15-25% reducing balance or 20% straight line. If the prior policy had been applied the charge for fixtures and fittings would have been £144,871. The charge for this year is £148,102 resulting in a decrease in net book value of £3,231. If the prior policy had been applied the charge for equipment would have been £24,043. The charge for this year is £19,701 resulting in an increase in net book value of £4,342.

Notes (continued)

1 Accounting policies (continued)

Listed investments

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

Stocks

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

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

Land within stock is stated at its revalued amount.

Debtors

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

Cash at bank and in hand

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

Creditors

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

Leases

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

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

Pensions

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

Notes (continued)

1 Accounting policies (continued)

Taxation

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

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

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

Foreign exchange

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

Financial Instruments

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

Key judgements and sources of estimation uncertainty

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

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

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

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

Valuation of fixed assets and heritage assets

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

Notes (continued)

2 Donations and legacies

	General Fund £	Restricted Fund £	Total 2021 £	Total 2020 £
Donations received	<u>13,817,627</u>	<u>3,824,066</u>	<u>17,641,693</u>	<u>14,473,662</u>

3 Grants and gifts in kind

	General Fund £	Restricted Fund £	Total 2021 £	Total 2020 £
Grants received				
Charitable organisations	-	133,000	133,000	189,500
Corporate bodies	-	40,000	40,000	20,000
Trusts	2,500	58,000	60,500	424,889
Other	<u>10,000</u>	<u>7,567</u>	<u>17,567</u>	<u>47,000</u>
	<u>12,500</u>	<u>238,567</u>	<u>251,067</u>	<u>681,389</u>

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

4 Other income

	General Fund £	Restricted Fund £	Total 2021 £	Total 2020 £
Health Initiative Income	1,538	-	1,538	6,352
Other Income	<u>213,801</u>	<u>-</u>	<u>213,801</u>	<u>188,225</u>
	<u>215,339</u>	<u>-</u>	<u>215,339</u>	<u>194,577</u>

Notes (continued)

5 Raising funds

	General Fund £	Restricted Fund £	Endowment Fund £	Total 2021 £	Total 2020 £
Building costs	(163,700)	-	-	(163,700)	(172,225)
Portfolio management	(13,652)	-	(33,483)	(47,135)	(76,959)
<u>Commercial trading costs</u>					
Trading cost of sales	(1,530,281)	-	-	(1,530,281)	(2,662,313)
Admin costs	(243,513)	-	-	(243,513)	(372,794)
	<u>(1,773,794)</u>	<u>-</u>	<u>-</u>	<u>(1,773,794)</u>	<u>(3,035,107)</u>
<u>Farming costs</u>					
Farm cost of sales	(206,308)	-	-	(206,308)	(119,356)
Admin costs	(194,166)	-	-	(194,166)	(190,676)
	<u>(400,474)</u>	<u>-</u>	<u>-</u>	<u>(400,474)</u>	<u>(310,032)</u>
<u>Farming & land costs</u>					
Admin costs	(10,272)	-	-	(10,272)	(8,672)
Stock provision	(89,999)	-	-	(89,999)	-
	<u>(100,271)</u>	<u>-</u>	<u>-</u>	<u>(100,271)</u>	<u>(8,672)</u>
<u>Community capital costs</u>					
Cost of sales	(275,229)	-	-	(275,229)	(377,301)
Admin costs	(68,575)	-	-	(68,575)	(40,009)
	<u>(343,804)</u>	<u>-</u>	<u>-</u>	<u>(343,804)</u>	<u>(417,310)</u>
<u>Castle & Gardens of Mey costs</u>					
Cost of sales	(11,504)	-	-	(11,504)	(123,650)
Admin costs *	(206,277)	-	-	(206,277)	(25,113)
Taxation	-	-	-	-	(95)
	<u>(217,781)</u>	<u>-</u>	<u>-</u>	<u>(217,781)</u>	<u>(148,858)</u>
<u>Fundraising costs</u>					
Admin costs	(69,794)	-	-	(69,794)	(136,923)
Costs of raising funds	(72,346)	-	-	(72,346)	(382,159)
	<u>(142,140)</u>	<u>-</u>	<u>-</u>	<u>(142,140)</u>	<u>(519,082)</u>
	<u>(3,155,616)</u>	<u>-</u>	<u>(33,483)</u>	<u>(3,189,099)</u>	<u>(4,688,245)</u>

* £191,064 of admin costs attributable to the Castle and Gardens of Mey Limited have been recharged by The Queen Elizabeth Castle of Mey Trust during the year. In the previous year the costs were allocated to the charitable Trust and a management charge of £274,000 was raised in lieu of a recharge. The management charge is eliminated on consolidation hence is not shown above. This change has been made to better reflect the results of both public enterprise and the commercial trading operations activities in the group accounts, allowing the Trustees to better track performance in future periods.

Notes (continued)

6 Charitable activities

	Direct costs £	Support Costs £	Total 2021 £	Total 2020 £
General fund				
Wages & salaries	-	(3,614,280)	(3,614,280)	(4,115,849)
Administration costs	-	(42,762)	(42,762)	(54,554)
Exhibition & promotions costs	-	(238,659)	(238,659)	(450,587)
Preservation of contents	(360,266)	(93,220)	(453,486)	(503,416)
Restoration of buildings	-	(1,197,323)	(1,197,323)	(1,228,384)
Maintenance of the estate	(542,893)	(56,850)	(599,743)	(975,666)
Education department	(332,035)	-	(332,035)	(380,525)
Patronage and heritage costs	(24,826)	-	(24,826)	-
Donations made	(216,474)	-	(216,474)	(24,067)
The Queen Elizabeth Castle of Mey Trust	(249,429)	(318,239)	(567,668)	(678,008)
	<u>(1,725,923)</u>	<u>(5,561,333)</u>	<u>(7,287,256)</u>	<u>(8,411,055)</u>
Restricted fund				
Wages & salaries	-	(1,194,116)	(1,194,116)	(1,724,114)
Administration costs	-	(2,267)	(2,267)	-
Preservation of contents	(10,635)	-	(10,635)	(12,284)
Restoration of buildings	-	(420,795)	(420,795)	(353,988)
Maintenance of estate	(313,990)	-	(313,990)	(212,806)
Education department	(329,720)	-	(329,720)	(640,777)
Community events	(40,571)	-	(40,571)	(108,678)
Patronage and heritage costs	(52,911)	-	(52,911)	(174,380)
Donations made	(403,036)	-	(403,036)	(649,395)
The Queen Elizabeth Castle of Mey Trust	(10,982)	-	(10,982)	(52,023)
	<u>(1,161,845)</u>	<u>(1,617,178)</u>	<u>(2,779,023)</u>	<u>(3,928,445)</u>
Endowment fund				
Restoration of buildings	-	(37,965)	(37,965)	(65,780)
	<u>-</u>	<u>(37,965)</u>	<u>(37,965)</u>	<u>(65,780)</u>
Total	<u>(2,887,768)</u>	<u>(7,216,476)</u>	<u>(10,104,244)</u>	<u>(12,405,281)</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.

Notes (continued)

7 Support and other costs

	General Fund £	Restricted Fund £	Endowment Funds £	Total 2021 £	Total 2020 £
Support costs					
Staff costs	(3,614,280)	(1,194,116)	-	(4,808,396)	(5,839,963)
Marketing, communication and exhibition costs	(238,659)	-	-	(238,659)	(450,587)
Depreciation and amortisation	(1,665,632)	(420,795)	(37,965)	(2,124,392)	(2,119,719)
Administration costs	(42,762)	(2,267)	-	(45,029)	(53,372)
	<u>(5,561,333)</u>	<u>(1,617,178)</u>	<u>(37,965)</u>	<u>(7,216,476)</u>	<u>(8,463,641)</u>
Governance costs					
Legal	(87,972)	-	-	(87,972)	(110,833)
Auditor's remuneration	(38,100)	-	-	(38,100)	(36,050)
Bank interest and charges	(110,390)	-	-	(110,390)	(169,362)
Irrecoverable VAT expense	(176,593)	-	-	(176,593)	(179,410)
Consulting & professional fees	(239,359)	-	-	(239,359)	(537,800)
	<u>(652,414)</u>	<u>-</u>	<u>-</u>	<u>(652,414)</u>	<u>(1,033,455)</u>

8 Donations made

	2021 £	2020 £
Architecture & Heritage projects donations	291,988	423,673
Donations to Education institutions including bursaries and student support	317,512	194,108
Community events and initiatives donations	10,010	55,681
	<u>619,510</u>	<u>673,462</u>

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

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

	2021 £	2020 £
Auditor's remuneration:		
Audit of Foundation financial statements	21,500	19,750
Non-audit services provided to the Foundation	1,400	1,500
Audit of subsidiary financial statements	27,600	21,250
Non-audit services provided to subsidiaries	6,045	4,400
	<u>56,545</u>	<u>46,900</u>
Depreciation and amortisation	<u>2,157,448</u>	<u>2,145,208</u>

Notes (continued)

10 Staff Costs

	The Prince's Foundation £	Dumfries House Trust Trading Limited £	Dumfries House Home Farm Limited £	Dumfries Farming and Land Limited £	The Queen Elizabeth Castle Of Mey Trust £
Wages and salaries	4,095,760	1,236,009	95,684	267,818	168,595
Social security costs	355,272	66,177	9,066	27,011	13,740
Other pension costs	156,945	27,925	2,726	6,468	18,084
	<u>4,607,977</u>	<u>1,330,111</u>	<u>107,476</u>	<u>301,297</u>	<u>200,419</u>

	Castle and Gardens Of Mey Limited £	Community Capital Limited £	2021 £	2020 £
Wages and salaries	144,838	218,144	6,226,847	7,331,782
Social security costs	7,175	23,314	501,756	542,173
Other pension costs	6,453	8,340	226,941	231,426
	<u>158,466</u>	<u>249,798</u>	<u>6,955,544</u>	<u>8,105,381</u>

Staff costs as a result of the charitable activities total £4,808,396 (2020: £5,839,963). This amount comprises the wages, salaries and relating staff costs of The Prince's Foundation and The Queen Elizabeth Castle of Mey Trust. The year on year decrease in cost is due to the impact of the COVID-19 pandemic and a decrease in seasonal staff numbers.

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 and Castle and Gardens of Mey Limited have no employee costs.

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

	2021	2020
From -		
£60,001 to £70,000	6	6
£70,001 to £80,000	1	-
£80,001 to £90,000	4	4
£90,001 to £120,000	-	-
£120,001 to £130,000	1	1
£130,001 to £180,000	-	-
£180,001 to £190,000	1	1
	<u>1</u>	<u>1</u>

All of the employees above received pension contributions.

	2021 £	2020 £
Employer pension contributions for the employees above	<u>42,854</u>	<u>41,866</u>

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

	2021 Number	2020 Number
The Prince's Foundation	132	135
Dumfries House Trust Trading Limited	110	122
Dumfries House Home Farm Limited	3	3
Dumfries Farming and Land Limited	8	9
The Queen Elizabeth Castle of Mey Trust	10	23
Castle and Gardens of Mey Limited	11	24
Community Capital Limited	5	6
	<u>279</u>	<u>322</u>

111 (2020: 135) 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 19 and 20. The total employee benefits of the key management personnel of the Foundation were £980,702 (2020: £999,125).

Notes (continued)

11 2020 Comparatives for the Consolidated Statement of Financial Activities

	General funds £	Restricted funds £	Endowment funds £	Total funds £
Income and endowments from:				
Donations and legacies				
Donations	8,351,700	6,121,962	-	14,473,662
Grants & gifts in kind	2,500	678,889	-	681,389
Other trading activities				
Rental income	66,004	-	-	66,004
Consultancy income	814,728	-	-	814,728
Commercial trading operations	3,036,946	-	-	3,036,946
Home Farm	249,302	-	-	249,302
Farming & Land	-	-	-	-
Community Capital	1,112,418	-	-	1,112,418
Castle & Gardens of Mey	461,764	-	-	461,764
Education income	584,397	-	-	584,397
The Queen Elizabeth Castle of Mey Trust	466,725	-	-	466,725
Investments	39,578	-	180,113	219,691
Other income	194,577	-	-	194,577
Total	15,380,639	6,800,851	180,113	22,361,603
Expenditure				
Raising funds				
Building costs	(172,225)	-	-	(172,225)
Portfolio management	(36,412)	-	(40,547)	(76,959)
Commercial trading costs	(3,035,107)	-	-	(3,035,107)
Farming costs	(310,032)	-	-	(310,032)
Farming & land costs	(8,672)	-	-	(8,672)
Community capital costs	(417,310)	-	-	(417,310)
Castle & Gardens of Mey costs	(148,858)	-	-	(148,858)
Fundraising costs	(448,960)	(70,122)	-	(519,082)
	<u>(4,577,576)</u>	<u>(70,122)</u>	<u>(40,547)</u>	<u>(4,688,245)</u>
Charitable activities				
Wages & salaries	(4,115,849)	(1,724,114)	-	(5,839,963)
Administration costs	(54,554)	-	-	(54,554)
Exhibition & promotions costs	(450,587)	-	-	(450,587)
Preservation of contents	(503,416)	(12,284)	-	(515,700)
Restoration of buildings	(1,228,384)	(353,988)	(65,780)	(1,648,152)
Maintenance of estate	(975,666)	(212,806)	-	(1,188,472)
Education	(380,525)	(640,777)	-	(1,021,302)
Community events	-	(108,678)	-	(108,678)
Patronage & heritage costs	-	(174,380)	-	(174,380)
The Queen Elizabeth Castle of Mey Trust	(24,067)	(649,395)	-	(673,462)
Donations made	(678,008)	(52,023)	-	(730,031)
	<u>(8,411,056)</u>	<u>(3,928,445)</u>	<u>(65,780)</u>	<u>(12,405,281)</u>
Other resources expended				
Gains/(losses) on fixed asset disposal	4,614	-	(130,731)	(126,117)
	4,614	-	(130,731)	(126,117)
Governance costs				
	<u>(1,033,455)</u>	-	-	<u>(1,033,455)</u>
Total expenses	(14,017,472)	(3,998,567)	(237,058)	(18,253,098)
Net gains/(losses) on investments	183,151	-	(39,408)	143,743
Change in market value of investments	(185,951)	-	(466,224)	(652,174)
Net income/(expenditure) for the year for the year before taxation and transfers	1,360,368	2,802,284	(562,577)	3,600,074

Notes (continued)

11 2020 Comparatives for the Consolidated Statement of Financial Activities (continued)

	General funds £	Restricted funds £	Endowment funds £	Total funds £
Net income/(expenditure) for the year before transfers	1,360,368	2,802,284	(562,577)	3,600,074
Gross transfers between funds	79,445	(72,997)	(6,448)	-
Transfer- Allocation of total return	276,000	-	(276,000)	-
Total transfers between funds	<u>355,445</u>	<u>(72,997)</u>	<u>(282,448)</u>	<u>-</u>
 Net movements in funds	 <u>1,715,812</u>	 <u>2,729,287</u>	 <u>(845,025)</u>	 <u>3,600,074</u>
 Reconciliation of funds:				
Fund balances at 1 April 2019 (restated)	33,324,659	11,866,985	70,731,342	115,922,986
Net movements in funds	1,715,812	2,729,287	(845,025)	3,600,074
	<u>35,040,471</u>	<u>14,596,272</u>	<u>69,886,317</u>	<u>119,523,060</u>
Fund balances at 31 March 2020	<u>35,040,471</u>	<u>14,596,272</u>	<u>69,886,317</u>	<u>119,523,060</u>

Notes (continued)

12 2021 Statement of financial activities - Foundation only

Foundation statement of financial activities
(incorporating an income and expenditure account)
for the year ended 31 March 2021

	General Funds	Restricted Funds	Endowment Funds	Total 2021	Total 2020
	£	£	£	£	£
Income and endowments from:					
<i>Donations and legacies</i>					
Donations	13,772,843	3,804,066	-	17,576,909	13,834,154
Grants and gift in kind	-	238,567	-	238,567	678,889
Other trading activities	523,188	-	-	523,188	880,733
Gift aid from subsidiaries	58,580	-	-	58,580	665,140
Investment income	-	-	71,245	71,245	42,799
Other income	693,244	-	4,251,806	4,945,050	5,651,641
Total	15,047,855	4,042,633	4,323,051	23,413,539	21,753,356
Expenditure on:					
<i>Raising funds</i>					
Building costs	(163,700)	-	-	(163,700)	(172,225)
Portfolio management	-	-	(19,012)	(19,012)	(15,280)
Fundraising costs	(142,139)	-	-	(142,139)	(519,083)
	<u>(305,839)</u>	<u>-</u>	<u>(19,012)</u>	<u>(324,851)</u>	<u>(706,588)</u>
<i>Charitable activities</i>					
Wages & salaries	(3,413,861)	(1,194,116)	-	(4,607,977)	(5,304,911)
Administration costs	(7,632)	-	-	(7,632)	(8,904)
Exhibition & promotion costs	(238,659)	-	-	(238,659)	(450,587)
Preservation of contents	(453,486)	(10,635)	-	(464,121)	(515,700)
Restoration of buildings	(1,197,323)	(420,795)	(37,963)	(1,656,081)	(1,637,930)
Maintenance of the estate	(599,743)	(313,990)	-	(913,733)	(1,188,472)
Education	(332,035)	(329,720)	-	(661,755)	(1,021,302)
Community events	-	(40,571)	-	(40,571)	(108,678)
Patronage and heritage costs	(24,826)	(52,911)	-	(77,737)	(174,380)
Donations made	(180,082)	(974,429)	-	(1,154,511)	(806,278)
	<u>(6,447,647)</u>	<u>(3,337,167)</u>	<u>(37,963)</u>	<u>(9,822,777)</u>	<u>(11,217,143)</u>
<i>Other resources expended</i>					
Gains/(losses) on fixed asset disposal	(962,153)	-	-	(962,153)	(126,696)
Governance costs	(596,412)	-	-	(596,412)	(966,732)
Total expenses	(8,312,051)	(3,337,167)	(56,975)	(11,706,193)	(13,017,158)
Net gains/(losses) on investments	-	-	11,736	11,736	(48,187)
Change in market value of investments	-	-	322,445	322,445	(64,595)
Net income/(expenditure) for the year before taxation and transfers	6,735,804	705,466	4,600,257	12,041,527	8,623,415
Taxation	-	-	-	-	-
Net income/(expenditure) for the year before transfers	6,735,804	705,466	4,600,257	12,041,527	8,623,415
Gross transfers between funds	1,688,727	(1,685,943)	(2,784)	-	-
Transfer - Allocation of Total Return	73,500	-	(73,500)	-	-
Total transfers between funds	1,762,227	(1,685,943)	(76,284)	-	-
Net movements in funds	8,498,031	(980,477)	4,523,973	12,041,527	8,623,415
Reconciliation of funds:					
Fund balances at 1 April 2020	21,824,508	14,540,982	66,190,208	102,555,698	93,932,283
Fund balances at 31 March 2021	30,322,539	13,560,505	70,714,181	114,597,225	102,555,698

Notes (continued)

12 2020 Comparative Statement of financial activities - Foundation only

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

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

Notes (continued)

13 Intangible assets

Group	Trademarks £	Sporting rights £	Total
Cost or valuation			
At 1 April 2020	6,280	50,500	56,780
Additions	-	-	-
Disposals	-	-	-
At 31 March 2021	<u>6,280</u>	<u>50,500</u>	<u>56,780</u>
Amortisation			
At 1 April 2020	4,531	-	4,531
Charge for the period	200	-	200
At 31 March 2021	<u>4,731</u>	<u>-</u>	<u>4,731</u>
Net book value			
At 31 March 2021	<u>1,549</u>	<u>50,500</u>	<u>52,049</u>
At 31 March 2020	<u>1,749</u>	<u>50,500</u>	<u>52,249</u>

Foundation	Sporting rights £	Total
Cost or valuation		
At 1 April 2020	50,500	50,500
Additions	-	-
Disposals	-	-
At 31 March 2021	<u>50,500</u>	<u>50,500</u>
Net book value		
At 31 March 2021	<u>50,500</u>	<u>50,500</u>
At 31 March 2020	<u>50,500</u>	<u>50,500</u>

Cost or valuation at 31 March 2021 is represented by:

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

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

	2021 £	2020 £
Cost of sporting rights	<u>65,000</u>	<u>65,000</u>

14 Heritage Assets

Group	Heritage assets £
Cost or valuation	
At 1 April 2020	61,751,527
Additions	-
Disposals	-
At 31 March 2021	<u>61,751,527</u>
Net book value	
At 31 March 2021	<u>61,751,527</u>
At 31 March 2020	<u>61,751,527</u>

Cost or valuation at 31 March 2021 is represented by:

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

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

	2021 £	2020 £
Cost of heritage assets	<u>39,783,476</u>	<u>39,783,476</u>

Notes (continued)

14 Heritage Assets (continued)

Foundation	Heritage assets
	£
Cost or valuation	
At 1 April 2020	60,751,527
Additions	-
Disposals	-
At 31 March 2021	<u>60,751,527</u>
Net book value	
At 31 March 2021	<u>60,751,527</u>
At 31 March 2020	<u>60,751,527</u>

Cost or valuation at 31 March 2021 is represented by:

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

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

	2021	2020
	£	£
Cost of heritage assets	<u>38,783,476</u>	<u>38,783,476</u>
	<u>38,783,476</u>	<u>38,783,476</u>

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

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

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

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

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

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

The heritage assets also relate to The Castle of Mey which was gifted by the late Her Majesty Queen Elizabeth The Queen Mother to the Queen Elizabeth Castle of Mey Trust on its inception in 1996. There is no intention to either acquire or dispose of heritage assets. The Castle was revalued by the Trustees on 31 December 2010 at £1,000,000 in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard 102 (effective 1 January 2019). The Trustees consider this to be a reasonable value at 31 March 2021.

Summary analysis of Heritage Asset transactions

	2021	2020	2019	2018	2017
	£	£	£	£	£
Purchases and additions	-	-	1,000,000	-	-
Revaluation	-	-	-	-	21,968,051
	<u>-</u>	<u>-</u>	<u>1,000,000</u>	<u>-</u>	<u>21,968,051</u>
Disposals	-	-	-	-	-

Notes (continued)

15 Tangible fixed assets

Group	Land & Buildings £	Plant & Machinery £	Fixtures & Fittings £	Motor vehicles £
Cost or valuation				
At 1 April 2020	49,115,221	272,778	4,311,429	148,946
Additions	42,955	89,207	92,449	44,831
Disposals	(288,359)	(15,327)	(39,692)	-
Transfers	40,739	-	33,463	-
At 31 March 2021	<u>48,910,556</u>	<u>346,658</u>	<u>4,397,649</u>	<u>193,777</u>
Depreciation				
At 1 April 2020	8,560,155	171,027	2,803,005	111,578
Charge for period	1,740,590	55,022	287,847	13,130
Disposals	(67,182)	(13,845)	(40,308)	-
Transfers	27,215	-	(10,746)	-
At 31 March 2021	<u>10,260,778</u>	<u>212,204</u>	<u>3,039,798</u>	<u>124,708</u>
Net book value				
At 31 March 2021	<u>38,649,778</u>	<u>134,454</u>	<u>1,357,851</u>	<u>69,069</u>
At 31 March 2020	<u>40,555,066</u>	<u>101,751</u>	<u>1,508,424</u>	<u>37,368</u>
	Improvements to Property £	Website Costs £	Assets under Construction £	Total 2021 £
Cost or valuation				
At 1 April 2020	1,520,137	3,564	1,471,675	56,843,750
Additions	406	-	1,281,600	1,551,448
Disposals	(9,210)	-	(740,618)	(1,093,206)
Transfers	-	-	(74,202)	-
At 31 March 2021	<u>1,511,333</u>	<u>3,564</u>	<u>1,938,455</u>	<u>57,301,992</u>
Depreciation				
At 1 April 2020	914,224	3,564	-	12,563,554
Charge for period	60,659	-	-	2,157,248
Disposals	(1,411)	-	-	(122,746)
Transfers	(16,469)	-	-	-
At 31 March 2021	<u>957,003</u>	<u>3,564</u>	<u>-</u>	<u>14,598,056</u>
Net book value				
At 31 March 2021	<u>554,330</u>	<u>-</u>	<u>1,938,455</u>	<u>42,703,936</u>
At 31 March 2020	<u>605,913</u>	<u>-</u>	<u>1,471,675</u>	<u>44,280,196</u>

Notes (continued)

15 Tangible fixed assets (continued)

Cost or valuation at 31 March 2021 is represented by:

	Land & Buildings	Plant & Machinery	Fixtures & Fittings	Motor vehicles	Improvements to Property
	£	£	£	£	£
Cost	56,718,685	346,658	4,397,649	193,777	-
Valuation in 2017	(7,808,129)	-	-	-	-
	<u>48,910,556</u>	<u>346,658</u>	<u>4,397,649</u>	<u>193,777</u>	<u>-</u>

	Website Costs	Assets under Construction	Total 2021
	£	£	£
Cost	3,564	2,174,407	65,346,073
Valuation in 2017	-	(235,952)	(8,044,081)
	<u>3,564</u>	<u>1,938,455</u>	<u>57,301,992</u>

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

	2021		2020				
	£	£	£	£			
Cost of freehold land & buildings	57,159,680	57,159,302					
Assets under construction	2,174,407	1,707,627					
Foundation							
	Land & Buildings	Plant & Machinery	Fixtures & Fittings	Motor vehicles	Website costs	Assets under Construction	Total 2021
	£	£	£	£	£	£	£
Cost or valuation							
At 1 April 2020	40,480,544	153,284	2,478,651	123,946	3,564	1,129,184	44,369,173
Additions	-	78,582	81,290	16,829	-	1,281,600	1,458,301
Disposals	(288,359)	(13,792)	(39,692)	-	-	(740,617)	(1,082,460)
Transfers	40,739	-	33,463	-	-	(943,418)	(869,216)
At 31 March 2021	<u>40,232,924</u>	<u>218,074</u>	<u>2,553,713</u>	<u>140,775</u>	<u>3,564</u>	<u>726,749</u>	<u>43,875,799</u>
Depreciation							
At 1 April 2020	8,237,037	126,281	2,258,761	96,246	3,564	-	10,721,889
Charge for period	1,656,075	22,675	119,935	7,462	-	-	1,806,147
Disposals	(67,183)	(12,814)	(40,309)	-	-	-	(120,306)
Transfers	10,746	-	(10,746)	-	-	-	-
At 31 March 2021	<u>9,836,675</u>	<u>136,142</u>	<u>2,327,641</u>	<u>103,708</u>	<u>3,564</u>	<u>-</u>	<u>12,407,730</u>
Net book value							
At 31 March 2021	<u>30,396,249</u>	<u>81,932</u>	<u>226,072</u>	<u>37,067</u>	<u>-</u>	<u>726,749</u>	<u>31,468,068</u>
At 31 March 2020	<u>32,243,507</u>	<u>27,003</u>	<u>219,890</u>	<u>27,700</u>	<u>-</u>	<u>1,129,184</u>	<u>33,647,284</u>

Cost or valuation at 31 March 2021 is represented by:

	Land & Buildings	Plant & Machinery	Fixtures & Fittings	Motor vehicles	Website costs	Assets under Construction	Total 2021
	£	£	£	£	£	£	£
Cost	50,071,609	218,074	2,553,713	140,775	3,564	962,701	53,950,436
Valuation in 2017	(9,838,685)	-	-	-	-	(235,952)	(10,074,637)
	<u>40,232,924</u>	<u>218,074</u>	<u>2,553,713</u>	<u>140,775</u>	<u>3,564</u>	<u>726,749</u>	<u>43,875,799</u>

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

	2021	2020
	£	£
Cost of freehold land & buildings	50,071,609	50,555,182
Assets under construction	962,701	1,365,136

Notes (continued)

16 Investments

Group	2021 £	2020 £
Investments	<u>7,174,404</u>	<u>6,703,416</u>
	<u>7,174,404</u>	<u>6,703,416</u>
Parent charity	2021 £	2020 £
Investments in subsidiary undertakings	5	5
Investments	<u>6,264,009</u>	<u>1,696,980</u>
	<u>6,264,014</u>	<u>1,696,985</u>

During the year the The Prince's School of Traditional Arts transferred its endowment investment portfolio to The Prince's Foundation. At the date of transfer the portfolio was valued at £ 4,256,765.

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

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

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

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

The Prince's Foundation is the controlling party of the following charities as of 31 March 2021:

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

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

The Prince's Foundation indirectly owns the following subsidiaries as of 31 March 2021:

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 Redwood, 19 Culduthel Road, Inverness, IV2 4AA.

The Prince's Regeneration Trust (Company number 04342518, Charity number 1089932), an educational charity registered in England and Wales is indirectly controlled by the Foundation, via its control of The Prince's Foundation for Building Community, which is the sole member of this charity. The registered address of this entity is 19-22 Charlotte Road, Shoreditch, London, EC21 3SG.

The summarised financial results of all of these subsidiaries for the period ended 31 March 2021 are disclosed in note 29 to these accounts.

Notes (continued)

16 Investments (continued)

Investments - Group

	2021 £	2020 £
Market value at 31 March 2020	6,703,416	9,400,129
Additions at cost	1,638,729	1,530,661
Disposals at carrying value	(2,191,360)	(3,564,419)
Revaluations	1,156,895	(508,430)
Investment cash movement	(133,276)	(154,525)
Transfer on acquisition of subsidiary	-	-
Market value at 31 March 2021	<u>7,174,404</u>	<u>6,703,416</u>

Analysis of market value of investments:

UK equities	2,612,136	1,902,470
International equities	1,729,492	1,285,220
UK bonds	1,213,368	1,411,639
International bonds	151,549	190,018
Portfolio funds	128,452	303,012
Alternatives	1,082,145	1,255,115
Cash	257,262	355,942
	<u>7,174,404</u>	<u>6,703,416</u>

Analysis of investment income for the period:

UK equities	53,027	82,085
International equities	31,692	37,160
UK bonds	37,732	47,164
International bonds	919	3,433
Multi-Asset Funds	745	3,993
Alternatives	39,142	40,251
Cash	2,423	5,604
	<u>165,680</u>	<u>219,691</u>

There were two investment held at 31 March 2021 with a value of greater than 5% of the portfolio valuation.

Investment	£
Charity Equity Income Fund UCITS Fund	604,760
Schroder Sterling Corporate Bond Fund	420,696

Notes (continued)

16 Investments (continued)

Investments - Parent charity

	2021	2020
	£	£
Market value at 31 March 2020	1,696,980	1,829,108
Additions at cost	694,473	447,965
Disposals at carrying value	(742,166)	(525,728)
Revaluations	334,181	(112,781)
Investment cash movement	23,776	58,416
Transfer on acquisition of subsidiary	4,256,765	-
Market value at 31 March 2021	<u>6,264,009</u>	<u>1,696,980</u>

Analysis of market value of investments:

UK equities	2,066,171	889,375
International equities	1,413,781	189,101
UK bonds	1,213,368	244,801
International bonds	151,549	-
Multi-Asset Funds	128,452	-
Alternatives	1,082,144	272,307
Cash	208,544	101,396
	<u>6,264,009</u>	<u>1,696,980</u>

Analysis of investment income for the period:

UK equities	20,861	14,956
International equities	15,648	5,184
UK bonds	14,324	10,865
International bonds	-	-
Multi-Asset Funds	-	-
Alternatives	19,605	9,927
Cash	807	1,867
	<u>71,245</u>	<u>42,799</u>

There were three held at 31 March 2021 with a value of 5% of the portfolio valuation, (2020 - None).

Investment	£
Charity Equity Income Fund UCITS Fund	604,760
Schroder Sterling Corporate Bond Fund	420,696
Charities Property Fund	395,436

17 Stock

	Group	Foundation	Group	Foundation
	2021	2021	2020	2020
	£	£	£	£
Farming livestock & consumables	545,857	-	550,398	-
Goods for resale - Dumfries House Visitor Centre	28,155	-	28,346	-
Goods for resale - Ballater Highgrove shop	4,820	-	5,679	-
Goods for resale - Castle and Gardens of Mey	54,387	-	57,337	-
Food & beverage stock - Dumfries House	17,060	-	22,016	-
Food & beverage stock - Ballater Bistro	2,435	-	4,378	-
Dumfries Farming and Land Ltd:				
Development land at Knockroon	610,000	-	700,000	-
WIP	7,844	-	-	-
	<u>1,270,558</u>	<u>-</u>	<u>1,368,154</u>	<u>-</u>

Notes (continued)

18 Debtors

	Group 2021 £	Foundation 2021 £	Group 2020 £	Foundation 2020 £
<i>Amounts falling due within one year</i>				
Trade debtors	455,307	155,797	390,188	195,732
Other debtors	18,413	3,051	71,470	18,000
Other taxation recoverable	49,483	-	87,041	-
Amounts due from subsidiary	-	3,973,313	-	1,720,895
Prepayments and accrued income	215,145	179,733	261,211	204,873
	<u>738,348</u>	<u>4,311,894</u>	<u>809,911</u>	<u>2,139,500</u>
<i>Amounts falling due after more than one year</i>				
Other debtors	-	-	14,500	14,500
Aggregate amounts	<u>738,348</u>	<u>4,311,894</u>	<u>824,411</u>	<u>2,154,000</u>

19 Creditors

	Group 2021 £	Foundation 2021 £	Group 2020 £	Foundation 2020 £
<i>Amounts falling due within one year</i>				
Bank overdrafts	-	-	1,273,762	1,273,762
Trade creditors	273,653	165,707	653,978	567,320
Other creditors	125,861	39,442	69,380	25,926
Hire purchase	113,124	100,839	110,477	97,247
Other taxation payable	382,509	298,468	415,856	329,646
Corporation tax	95	-	95	-
Accruals and deferred income	1,273,519	1,087,928	1,427,004	1,063,344
	<u>2,168,761</u>	<u>1,692,384</u>	<u>3,950,551</u>	<u>3,357,244</u>
<i>Amounts falling due after more than one year</i>				
Hire purchase due in 2-5 years	16,303	2,678	35,016	9,106
	<u>16,303</u>	<u>2,678</u>	<u>35,016</u>	<u>9,106</u>

Notes (continued)

20 Fund movements

Group	Note	Balance 1 April 2020	Incoming resources	Resources expended	Gains or losses	Transfers between funds	Balance 31 March 2021
		£	£	£	£	£	£
Endowment fund	20.1	69,886,317	154,384	(71,448)	903,712	(158,784)	70,714,181
Restricted funds	20.2	14,596,272	4,062,633	(2,779,023)	-	(2,040,815)	13,839,067
General funds	20.3	35,040,471	16,419,224	(12,057,444)	253,183	2,199,599	41,855,033
Total funds		119,523,060	20,636,241	(14,907,915)	1,156,895	-	126,408,281

Foundation	Note	Balance 1 April 2020	Incoming resources	Resources expended	Gains or losses	Transfers between funds	Balance 31 March 2021
		£	£	£	£	£	£
Endowment fund	20.1	66,190,208	4,323,051	(56,975)	334,181	(76,284)	70,714,181
Restricted funds	20.2	14,540,982	4,042,633	(3,337,167)	-	(1,685,943)	13,560,505
General funds	20.3	21,824,508	15,047,855	(8,312,051)	-	1,762,227	30,322,539
Total funds		102,555,698	23,413,539	(11,706,193)	334,181	-	114,597,225

20.1 Endowment fund

Group	Balance 1 April 2020	Incoming resources	Resources expended	Gains or losses	Transfers between funds	Balance 31 March 2021
	£	£	£	£	£	£
The Prince's Foundation - Endowment assets	64,496,748	-	(37,965)	-	-	64,458,783
The Traditional and Islamic Arts Education Fund	1,693,460	41,837	(13,975)	307,640	(48,307)	1,980,655
Abdul Latif Jameel Centre for Traditional Arts and Crafts	3,696,109	112,547	(19,508)	596,072	(110,477)	4,274,743
	<u>69,886,317</u>	<u>154,384</u>	<u>(71,448)</u>	<u>903,712</u>	<u>(158,784)</u>	<u>70,714,181</u>

Foundation	Balance 1 April 2020	Incoming resources	Resources expended	Gains or losses	Transfers between funds	Balance 31 March 2021
	£	£	£	£	£	£
The Prince's Foundation - Endowment assets	64,496,748	-	(37,963)	-	-	64,458,785
The Traditional and Islamic Arts Education Fund	1,693,460	41,837	(13,975)	307,640	(48,307)	1,980,655
Abdul Latif Jameel Centre for Traditional Arts and Crafts	-	4,281,214	(5,037)	26,541	(27,977)	4,274,741
	<u>66,190,208</u>	<u>4,323,051</u>	<u>(56,975)</u>	<u>334,181</u>	<u>(76,284)</u>	<u>70,714,181</u>

The Prince's Foundation - Endowment assets - Included in endowment funds are heritage assets of £60,751,527, freehold land & buildings of £3,656,758 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 2020 £	Incoming resources £	Resources expended £	Gains or losses £	Transfers between funds £	Balance 31 March 2021 £
Group restricted - Various Funds	8,846,669	3,562,633	(2,416,677)	-	(1,171,599)	8,821,026
Glenside Build	2,445,109	-	(218,436)	-	(151,108)	2,075,565
Prince's School of Traditional Arts - Property fund	2,202,000	-	(30,667)	-	-	2,171,333
Glenside printmaking studio	478,356	-	(25,827)	-	151,108	603,637
Coachford cottage development	624,138	500,000	(87,417)	-	(869,216)	167,505
	<u>14,596,272</u>	<u>4,062,633</u>	<u>(2,779,023)</u>	<u>-</u>	<u>(2,040,815)</u>	<u>13,839,067</u>
Foundation	Balance 1 April 2020 £	Incoming resources £	Resources expended £	Gains or losses £	Transfers between funds £	Balance 31 March 2021 £
The Prince's Foundation - Various Funds	8,791,379	3,542,633	(2,974,821)	-	(816,727)	8,542,464
Glenside Build	2,445,109	-	(218,436)	-	(151,108)	2,075,565
Prince's School of Traditional Arts - Property fund	2,202,000	-	(30,667)	-	-	2,171,333
Glenside printmaking studio	478,356	-	(25,827)	-	151,108	603,637
Coachford cottage development	624,138	500,000	(87,417)	-	(869,216)	167,505
	<u>14,540,982</u>	<u>4,042,633</u>	<u>(3,337,167)</u>	<u>-</u>	<u>(1,685,943)</u>	<u>13,560,505</u>

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

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

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.

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

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

20.3 Unrestricted funds

Group	Balance 1 April 2020 £	Incoming resources £	Resources expended £	Gains or losses £	Transfers between funds £	Balance 31 March 2021 £
General funds	26,014,193	16,419,224	(12,057,444)	253,183	2,868,394	33,497,550
Queen Elizabeth Castle of Mey Trust - Fixed asset fund	9,026,278	-	-	-	(668,795)	8,357,483
	<u>35,040,471</u>	<u>16,419,224</u>	<u>(12,057,444)</u>	<u>253,183</u>	<u>2,199,599</u>	<u>41,855,033</u>
Foundation	Balance 1 April 2020 £	Incoming resources £	Resources expended £	Gains or losses £	Transfers between funds £	Balance 31 March 2021 £
General funds	21,824,508	15,047,855	(8,312,051)	-	1,762,227	30,322,539

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	Note	Balance 1 April 2019 (Restated) £	Incoming resources £	Resources expended £	Gains or losses £	Transfers between funds £	Balance 31 March 2020 £
Endowment fund	20.5	70,731,342	180,113	(237,058)	(505,632)	(282,448)	69,886,317
Restricted funds	20.6	11,866,985	6,800,851	(3,998,567)	-	(72,997)	14,596,272
General funds	20.7	33,324,659	15,380,639	(14,017,472)	(2,800)	355,445	35,040,471
Total funds		115,922,986	22,361,603	(18,253,097)	(508,432)	-	119,523,060

Foundation	Note	Balance 1 April 2019 £	Incoming resources £	Resources expended £	Gains or losses (Restated) £	Transfers between funds £	Balance 31 March 2020 £
Endowment fund	20.5	66,524,430	42,799	(211,791)	(112,782)	(52,448)	66,190,208
Restricted funds	20.6	9,560,370	8,437,471	(4,069,139)	-	612,280	14,540,982
General funds	20.7	17,847,483	13,273,086	(8,736,229)	-	(559,832)	21,824,508
Total funds		93,932,283	21,753,356	(13,017,159)	(112,782)	-	102,555,698

20.5 Endowment fund

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

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

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

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

Notes (continued)

20 Fund movements (continued)

20.6 Restricted funds

Group	Balance 1 April 2019 £	Incoming resources £	Resources expended £	Gains or losses £	Transfers between funds £	Balance 31 March 2020 £
Group restricted - Various Funds	7,913,764	4,752,050	(3,914,112)	-	94,967	8,846,669
Glenside Build	2,516,839	-	(6,521)	-	(65,209)	2,445,109
The Prince's Foundation - Capital Projects	(996,874)	771,036	(13,100)	-	238,938	-
Prince's School of Traditional Arts - Property fund	2,232,665	-	(30,665)	-	-	2,202,000
Glenside printmaking studio	200,591	277,765	-	-	-	478,356
Coachford cottage development	-	1,000,000	(34,169)	-	(341,693)	624,138
	<u>11,866,985</u>	<u>6,800,851</u>	<u>(3,998,567)</u>	<u>-</u>	<u>(72,997)</u>	<u>14,596,272</u>

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

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

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

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

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

20.7 Unrestricted funds

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

Foundation	Balance 1 April 2019 (Restated) £	Incoming resources £	Resources expended £	Gains or losses £	Transfers between funds £	Balance 31 March 2020 £
General funds	17,847,483	13,273,086	(8,736,229)	-	(559,832)	21,824,508

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

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

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

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

Notes (continued)

21 Analysis of net assets between funds

Group	General Funds	Restricted Funds	Endowment Funds	Total 2021	Total 2020
	£	£	£	£	£
Tangible fixed assets	33,801,839	7,157,284	70,722,793	111,681,916	112,787,388
Current assets	10,219,646	6,691,783	-	16,911,429	10,721,238
Current liabilities	(2,150,149)	(10,000)	(8,612)	(2,168,761)	(3,950,551)
Non current liabilities	(16,303)	-	-	(16,303)	(35,016)
Total net assets	41,855,033	13,839,067	70,714,181	126,408,281	119,523,060

Foundation	General Funds	Restricted Funds	Endowment Funds	Total 2021	Total 2020
	£	£	£	£	£
Tangible fixed assets	20,654,032	7,157,284	70,722,793	98,534,109	96,146,296
Current assets	11,344,957	6,413,221	-	17,758,178	9,775,751
Current liabilities	(1,673,772)	(10,000)	(8,612)	(1,692,384)	(3,357,244)
Non current liabilities	(2,678)	-	-	(2,678)	(9,106)
Total net assets	30,322,539	13,560,505	70,714,181	114,597,225	102,555,698

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

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

Notes (continued)

21 Analysis of net assets between funds (continued)

Reserve analysis between funds

Group	General Funds	Restricted Funds	Endowment Funds	Total 2021	Total 2020
	£	£	£	£	£
At the beginning of period	35,040,471	14,596,272	69,886,317	119,523,060	115,922,986
Profit/(loss) for the period before revaluation	4,536,889	1,283,610	105,189	5,925,688	4,252,248
Gross transfers between funds	2,199,599	(2,040,815)	(158,784)	-	-
Gains/(losses) on revaluation of investments	78,074	-	881,459	959,533	(652,174)
Gains/(losses) on revaluation of heritage assets	-	-	-	-	-
	<u>41,855,033</u>	<u>13,839,067</u>	<u>70,714,181</u>	<u>126,408,281</u>	<u>119,523,060</u>

Foundation	General Funds	Restricted Funds	Endowment Funds	Total 2021	Total 2020
	£	£	£	£	£
At the beginning of the period	21,824,508	14,540,982	66,190,208	102,555,698	93,932,283
Profit/(loss) for the period before revaluation	6,735,804	705,466	4,277,812	11,719,082	8,688,009
Gross transfers between funds	1,762,227	(1,685,943)	(76,284)	-	-
Gains/(losses) on revaluation of investments	-	-	322,445	322,445	(64,595)
	<u>30,322,539</u>	<u>13,560,505</u>	<u>70,714,181</u>	<u>114,597,225</u>	<u>102,555,698</u>

2020 Comparatives

Group	General Funds	Restricted Funds	Endowment Funds	Total 2020	Total 2019 (Restated)
	£	£	£	£	£
At the beginning of period	33,324,659	11,866,985	70,731,342	115,922,986	93,317,873
Profit/(loss) for the period before revaluation	1,546,317	2,802,284	(96,353)	4,252,248	(13,900)
Gross transfers between funds	355,445	(72,997)	(282,448)	-	-
Gains/(losses) on revaluation of investments	(185,951)	-	(466,224)	(652,174)	(110,693)
Introduction of Funds on acquisitions	-	-	-	-	22,729,706
	<u>35,040,471</u>	<u>14,596,272</u>	<u>69,886,317</u>	<u>119,523,060</u>	<u>115,922,986</u>

Foundation	General Funds	Restricted Funds	Endowment Funds	Total 2020	Total 2019 (Restated)
	£	£	£	£	£
At the beginning of the period	17,847,483	9,560,370	66,524,430	93,932,283	90,037,806
Profit/(loss) for the period before revaluation	4,536,858	4,368,332	(217,180)	8,688,010	4,026,516
Gross transfers between funds	(559,832)	612,280	(52,448)	-	-
Gains/(losses) on revaluation of investments	-	-	(64,595)	(64,595)	(132,039)
	<u>21,824,509</u>	<u>14,540,982</u>	<u>66,190,208</u>	<u>102,555,698</u>	<u>93,932,283</u>

Notes (continued)

22 Analysis of changes in net cash

Group	1 April 2020	Cash flow	Other non cash changes	31 March 2021
	£	£	£	£
Cash :				
At bank overdraft	(1,273,762)	1,273,762	-	-
At bank and in hand	8,528,673	6,373,850	-	14,902,523
Total	7,254,911	7,647,612	-	14,902,523

Foundation	1 April 2020	Cash flow	Other non cash changes	31 March 2021
	£	£	£	£
Cash :				
At bank overdraft	(1,273,762)	1,273,762	-	-
At bank and in hand	7,621,751	5,824,533	-	13,446,284
Total	6,347,989	7,098,295	-	13,446,284

23 Transactions with Trustees

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

	2021	2020
	£	£
Expenses paid on behalf of Trustees	-	5,455

Trustees were reimbursed for the following expenditure -

Reimbursement type	No. of trustees reimbursed	Total £
Travel costs	-	-
Total		-

Donations

During 2021, the Trustees of the charitable company donated £nil (2020: £nil) to The Prince's Foundation.

24 Defined contribution pension scheme

	2021	2020
	£	£
Charge to statement of financial activities	226,941	231,426

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

25 Financial instruments

	Group 2021	Foundation 2021	Group 2020	Foundation 2020
	£	£	£	£
Carrying amount of financial assets				
Debt instruments measured at amortised cost	688,865	4,311,894	722,869	2,139,500
Investments measured at fair value through profit or loss	7,174,404	6,264,009	6,703,416	1,696,980
Carrying amount of financial liabilities				
Measured at amortised cost	2,168,761	1,695,062	2,676,790	2,092,588

Notes (continued)

26 Related party transactions

In the prior year, to 31 March 2020, one transaction took place with Town Centre Securities PLC, a company for which a Trustee of the Foundation, Mr Ian Marcus, is a director. A donation was paid from Town Centre Securities PLC with the value of £ 10,000. There were no transactions with Town Centre Securities PLC in the year to 31 March 2021.

In the prior year, to 31 March 2020, sales totaling £2,104 were made from the Foundation to Premier Mode Limited, a company for which Mr Michael Fawcett is a director in the year to 31 March 2020. No sales were made in the year to 31 March 2021. No amounts were outstanding at the year end. No other transactions occurred during the financial year.

27 Transfer between funds

	General Funds £	Restricted Funds £	Endowment Funds £
Consolidated statement of financial activities			
Transfers within projects	2,043,599	(2,040,815)	(2,784)
Allocation of Total return	156,000	-	(156,000)
Total transfers between funds	<u>2,199,599</u>	<u>(2,040,815)</u>	<u>(158,784)</u>

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

28 Post balance sheet events and contingent liabilities

Press reports

Subsequent to the year end the Foundation was the subject of a number of press reports into fundraising practices at The Prince's Foundation in relation to certain donations historically received by the charity. These reports included 'cash for honours' questions, whereby certain donations 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. At the date of approval of the financial statements this investigation is ongoing.

As a consequence of these post balance sheet events and allegations, the Chief Executive of the Foundation and a senior fundraising executive temporarily stood aside from their roles. In addition the Chair of the Board of Trustees resigned and, subsequent to his temporary standing aside, the Chief Executive of the Foundation has since resigned.

Following these events, the Board has elected a new Chair to the Board of Trustees and has appointed a new Acting Chief Executive.

The Trustees commissioned an independent investigation into press reports about the Foundation. As at the date of approval, the Trustees and OSCR had received the findings arising from that investigation and the Trustees had commissioned and reviewed legal advice on the findings of the report.

The findings of the report and the attendant legal advice highlighted a number of areas of risk to the Foundation. The risks identified 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 both legal and regulatory liability outcomes. The timing and amount of any economic outflows are uncertain at this time.

Notwithstanding the risks identified and considered probable and possible, the Trustees and the Trustees legal advisers 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 specific disclosure within the Foundations financial statements.

In arriving at this view the Trustees are mindful of the reputational risk of such developments and the Trustees in conjunction with the senior executive team are taking forward an action plan to address the matters raised in the report.

OSCR

The Office of the Scottish Charity Regulator (OSCR), in addition to reviewing the Trustee response and EY findings in relation to the press allegations made against the Foundation, also enquired into certain historical property transactions. 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. These additional OSCR enquiries remain open at the date of approval of the financial statements.

Notes (continued)

28 Post balance sheet events and contingent liabilities (continued)

COVID – ongoing assessment on operations

Following the year-ended 31 March 2021, COVID-19 restrictions began to lift across the United Kingdom in a phased approach.

The Prince's Foundation began re-opening its sites across the UK in response to the easing of restrictions, at all times adhering to the latest government guidelines. The cafes and other trading operations at Dumfries House, Ballater and at the Castle of Mey have re-opened for business and remain open but management remain vigilant to ongoing government best practice guidelines at the date of approval of the financial statements.

Highgrove Gardens and the acquisition of AG Carrick

Since year-end the offerings of The Prince's Foundation have been expanded to new premises at the Highgrove estate, Gloucestershire. This expansion of the Foundation's education base provides access to training and development in craft skills and other artisanal endeavours in the South West of England. In addition the Foundation has taken on responsibility for the opening of the Highgrove Gardens to the public, which generates an annual income for charity, and the running of the Highgrove trading company AG Carrick Limited. All the shares of AG Carrick Limited were transferred to the Foundation on 1 July 2021.

29 Summarised financial results

The summarised financial results of the charity and its subsidiaries for the year ended 31 March 2021 are as follows:

	The Prince's Foundation £	Dumfries House Trust Trading Ltd £	Dumfries House Home Farm Ltd £	Dumfries Farming & Land Ltd £	The Prince's Foundation for Building Community £
Income	23,413,539	639,287	393,217	830,428	-
Expenditure	(11,706,193)	(1,773,793)	(400,476)	(930,699)	-
Net income / (expenditure)	11,707,346	(1,134,506)	(7,259)	(100,271)	-
Distributions to parent	-	-	-	-	-
Taxation	-	-	-	-	-
Other recognised gains/(losses)	334,181	-	-	-	-
Net movement in funds	12,041,527	(1,134,506)	(7,259)	(100,271)	-
Funds brought forward	102,555,698	(149,905)	3,143,508	169,755	-
Funds carried forward at 31 March 2021	114,597,225	(1,284,411)	3,136,249	69,484	-

	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 £
Income	413,846	86,617	83,138	591,810	77,488
Expenditure	(355,266)	(125,252)	(4,349,678)	(895,791)	(236,037)
Net income / (expenditure)	58,580	(38,635)	(4,266,540)	(303,981)	(158,549)
Distributions to parent	(58,580)	-	-	-	-
Taxation	-	-	-	-	494
Other recognised gains/(losses)	-	-	569,531	253,183	-
Net movement in funds	-	(38,635)	(3,697,009)	(50,798)	(158,055)
Funds brought forward	367,014	43,003	3,697,009	9,712,465	14,740
Funds carried forward at 31 March 2021	367,014	4,368	-	9,661,667	(143,315)