

The Prince's Trust

Annual Report

For the year ended 31 March 2011

Incorporated by Royal Charter

Charity Registration Number 1079675 and SC041198



Prince's Trust

## THE PRINCE'S TRUST

### CHAIRMAN'S REPORT FOR THE YEAR ENDED 31 MARCH 2011

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The economic downturn has hit young people the hardest. In early 2011, youth unemployment hit a record high of 974,000. As I write, there are signs that the situation may be slowly improving, but it is far too soon to be complacent. Almost one in five young people who want to work can't find a job; many of them have been unemployed for six months, a year or longer. Hundreds of thousands more are 'economically inactive' – not in work and, for whatever reason, not even seeking a job.


This has had a significant economic impact. In *The Cost of Exclusion*, a report by the London School of Economics for The Prince's Trust, youth unemployment was calculated to cost up to £155 million per week in terms of benefits and lost productivity. But the human cost is equally worrying. Our research has shown that unemployed young people are less happy with all aspects of their lives. A startling proportion of young people tell us that unemployment has led to problems including self harm, insomnia, self loathing and panic attacks. More than 40% of those not in work, education or training say they have felt suicidal. Sadly, it seems that many young people have given up all hope for the future.

At The Prince's Trust, this kind of data inspires and motivates us to do even more to help. We know, with the right support, even the most disadvantaged young people can overcome their barriers and achieve a positive outcome. That's why we've redoubled our commitment to reaching as many young people as we can – they deserve nothing less.

I am, therefore, delighted to report that The Trust has had its most successful year to date. We supported a record 46,119 young people – 31,587 new clients and 14,532 more received ongoing support. Most importantly, 80% achieved a positive outcome – moving into education, employment, training or volunteering. Given the difficult jobs market, we've had a real focus on improving employment outcomes and this has delivered results. The proportion of young people entering employment or self-employment has risen from 31% to 38% which is a fantastic achievement.

Earlier this year, The Trust announced it would unite with Fairbridge – a charity which offers personalised support to disadvantaged young people through 15 centres, based around the UK. On April 1st 2011 Fairbridge became part of The Prince's Trust and we are now in the process of fully integrating our activities. Our aim is to provide a more comprehensive and joined-up service to young people whilst operating as efficiently and effectively as possible. We want to support as many young people we can with the funds we can raise. This, I believe, will be an effective way of maintaining and growing the impact of the Fairbridge programme whilst extending The Trust's overall reach to 50,000 young people in the year ahead.

Of course, none of this could be achieved without the ongoing support and commitment of our partners and supporters – too numerous to name – across both the public and private sectors. Your support makes our work possible and delivers a tangible and lasting difference to young people, their families and the wider community. We very much look forward to working with you in the year ahead.



**Charles Dunstone, Chairman**

# THE PRINCE'S TRUST

## LEGAL AND ADMINISTRATIVE INFORMATION FOR THE YEAR ENDED 31 MARCH 2011

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### Principal Address

18 Park Square East, London NW1 4LH

Telephone: 020 7543 1234

Fax: 020 7543 1200

Charity Registration Number: England & Wales 1079675 Scotland SC041198

### Governing Document

The Prince's Trust is a registered charity, incorporated by Royal Charter, in England and Wales (1079675) and Scotland (SC041198).

### President

His Royal Highness The Prince of Wales KG KT GCB AK QSO ADC

### Chairman of The Prince's Trust Council

Charles Dunstone

### Members of The Prince's Trust Council

Ajaz Ahmed	(retired July 2010)
Peter Cruddas	(retired June 2011)
Lloyd Dorfman CBE	
William Eccles	from April 2011
Simon Fuller	(retired July 2010)
Sir Nigel Hamilton KCB	(retired July 2010)
Heather Hancock	
Diane Louise Jordan	(retired July 2010)
Sir Kenneth Knight CBE QFSM DL	(retired July 2010)
Michael Marks CBE	
Patrick Passley	
Martin Pilgrim	(retired July 2010)
Steve Thomas CBE	(retired July 2010)

### Management

Martina Milburn	Chief Executive
Julian Barrell	Director, Fundraising
Nicola Brentnall	Secretary
Paul Brown	Director, Marketing and Communications
Ginny Lunn	Director, Policy and Development
Michael Mercieca	Director, Finance and Operations
Steve Wiggins	Director, Human Resources
Rosemary Watt-Wyness	Director, England (Interim)
Geraldine Gammell	Director, Scotland (Until May 2011)
Ian Jeffers	Director, Northern Ireland
Rick Libbey	Director, Wales

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FOR THE YEAR ENDED 31 MARCH 2011

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**Auditors**

PricewaterhouseCoopers LLP  
7 More London, Riverside, London SE1 2RT

**Principal Solicitors**

Linklaters  
1 Silk Street, London EC2Y 8HQ

Farrer & Co  
66, Lincolns Inn Fields, London, WC2A 3LH

**Bankers**

National Westminster Bank plc  
3<sup>rd</sup> Floor, 2 Waterhouse Square, 138-142 Holborn, London, EC1N 2TH

Coutts & Co.  
Villiers Branch, 440 Strand, London, WC2R 0QS

**Investment Advisers**

Cambridge Associates Ltd  
105 Wigmore Street, London, W1U 1QY

# THE PRINCE'S TRUST

## TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2011

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### **Objectives and activities for the public benefit**

Our vision is that every young person should have the chance to succeed. Our mission is to help disadvantaged young people in the UK to change their lives and get into employment, education or training.

The objects of The Prince's Trust ("The Trust"), as defined by its Royal Charter, are:

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

In accordance with Charity Commission guidance on public benefit (section 4 of Charities Act 2006) the Trustees achieve this by:

- Helping young people aged 13 to 30 who have struggled at school, have been in care, are long term unemployed or have been in trouble with the law.
- Bringing young people together from different backgrounds, cultures and faiths, so that they can make a positive difference in their communities.
- Providing practical support, enabling them to overcome their problems and get their lives on track.
- Delivering proven, high quality programmes and basic financial support, which help young people to develop confidence and skills they need to get a job or start a business.

### **Our Programmes**

The Enterprise Programme assists young people aged between 18 and 30 to start their own business through the provision of financial and mentoring support. The programme helps young people who are interested in self employment to explore and test their ideas, write plans and start their own businesses or achieve alternative outcomes in employment, education, training or voluntary work. The focus of the programme is on supporting young people to choose and achieve the outcome which is best for them. It also helps those who believe they are ready to start a business to plan and test their ideas thoroughly, improving the quality of their propositions and therefore increasing their chances of success.

Team is a unique 12 week full time programme of personal development training designed to increase confidence, motivation and self-esteem through teamwork. The programme leads to an accredited qualification in "Personal Development and Contributing to the Community". Team aims to bring together unemployed and employed young people aged 16 to 25 to work together and, in so doing, broaden their horizons. The programme includes a residential week, specific projects to help the local community and individual work experience. Throughout the 12 weeks participants are supported in the further development of their basic literacy and numeracy skills and wider key skills.

xl is an accredited personal development programme, run primarily in schools, and designed to address the needs of disadvantaged and underachieving pupils during their last two years of their compulsory education. The programme offers young people the opportunity to work towards Bronze, Silver and Gold Awards as well as developing wider key skills. It aims to increase motivation, improve attitudes and attendance, raise self esteem and enable achievement, through an informal approach to education. As The Trust targets its support on young offenders and ex offenders as well as educational underachievers, the programme is being made increasingly available to young people outside the mainstream school setting; 28% of young people who joined an xl club in 2010/11 were from non-mainstream centres such as Pupil Referral Units and Youth Offending Institutions. From April 2011, the xl programme will be made available to 13 year olds i.e. Year 9 pupils.

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Development Awards are cash grants of between £50 and £500 that are available to assist young people aged 14 to 25 to access education, training or employment. Awards have funded young people to buy essential equipment for college courses or childcare enabling young mothers to access training.

Community Cash Awards are cash grants of up to £5,000 that are available to assist groups of young people aged 14 to 25 to plan and deliver their own community project. Projects range widely and include, for example, young people setting up support groups for lone parents, regenerating disused pieces of land in the community and projects that tackle knife crime.

The Get into programme provides unemployed young people aged 16 to 25 with the opportunity to develop relevant vocational skills and experience to enable them to move into sustainable employment in a specific sector of work. For example, recent programmes have supported young people into jobs in construction, hospitality, trades, retail, and social care. Programmes vary in length depending on the sector and, wherever possible, all or part of the programme content is accredited.

The Get Started programme is a short, motivating programme which engages young people using sport or the arts, and uses these activities as a vehicle for personal development.

In addition to its core programmes, The Trust also runs a number of local and pilot programmes across most regions and countries. These programmes enable The Trust to work with young people in a range of different ways, from offering projects to help community integration to pre-release courses involving mentoring for young people leaving prison.

#### **Strategic Aims**

The Trust has four strategic aims for 2009-2012 that contribute to the achievement of the objects and the mission:

1. To ensure the best possible outcomes for the young people we help;
2. To create an environment where staff and volunteers perform at their best;
3. To strengthen our reach and influence with all stakeholders;
4. To maximise our income and make the best use of our resources to sustain the future of the organisation.

#### **Aim 1: To ensure the best possible outcomes for the young people we help.**

2010/11 Objective: Implement recognised accreditation for our programmes.

Where possible, we want young people who complete our programmes to have the opportunity to gain a formal qualification. During 2010/11 The Trust was recognised by the qualification's regulator in England, Wales and Northern Ireland to develop, offer and award qualifications. The Trust awards qualifications for young people on the xl programme and will do so for young people on the Team programme from September 2011. During 2011/12 The Trust will continue to develop qualifications for all core programmes and continue to make use of sector specific accreditation wherever appropriate on the Get into programme.

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2010/11 Objective: Improve the support we provide to young people by implementing progression support on all core programmes, emotional well being support on Team and capacity to provide mentoring.

In 2010/11 we rolled out progression mentoring to a broad range of programmes across the UK and produced best practice guidelines and minimum standards to enhance the quality of our continued support to young people.

In addition, we placed 103 student social workers on Team programmes as 'wellbeing support workers' with the aim of helping young people cope with barriers to work and education related to mental health issues. Students provide young people with someone to talk to one to one and refer them to further support where needed. These placements help the social workers gain skills as part of their professional training and free up Team Leaders to concentrate on running the programme. This initiative is being evaluated by Salford University and early indicators are that it works for all concerned, adding quality to the programme and increasing retention. It is supported by the Zurich Community Trust who are monitoring its progress closely.

2010/11 Objective: Support 44,246 young people on our programmes and enable 80% of them to be in employment, education, training or volunteering three months after completing the programme.

The number of young people attending our programmes was as follows:

	2009/10 Actual	2010/11 Plan	2010/11 Actual
<b>New Clients</b>			
Enterprise	3,110	6,333	5,676
Team	9,452	8,827	9,560
xl	6,217	6,470	5,543
Development Awards	3,597	3,426	4,428
Community Cash Awards	817	733	1,379
Get Into	1,891	1,869	2,113
Get Started	1,114	1,239	1,458
Local & pilot programmes	1,939	1,517	1,430
<b>Total New Clients</b>	<b>28,137</b>	<b>30,414</b>	<b>31,587</b>
<b>On-going Clients</b>			
Enterprise	5,249	6,524	7,188
xl	6,647	5,893	6,009
Community Cash Awards	1,451	574	605
Local & pilot programmes	772	835	730
<b>Total On-going Clients</b>	<b>14,119</b>	<b>13,826</b>	<b>14,532</b>
<b>Total</b>	<b>42,256</b>	<b>44,240</b>	<b>46,119</b>

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We measure the outcomes of young people three and six months after they have completed their programme except for the Enterprise Programme where we measure the outcome one year after the young person has started their business. The outcomes after three months of young people after they have attended our programmes were as follows:

	2009/10 Actual	2010/11 Actual
In employment or self-employment	31%	38%
In education or training	50%	44%
In voluntary work	8%	7%
<b>Total positive outcomes*</b>	<b>81%</b>	<b>80%</b>

\*The three categories of positive outcome are not mutually exclusive therefore the total positive outcome is less than the sum of the three types of outcome.

Despite the difficult work environment for young people during 2010/11, the proportion of young people entering employment or self employment increased from 31% to 38% reflecting the focus that we have placed on improving the employment outcomes for young people who attend our programmes. However there was a compensating decrease in young people entering education, training or voluntary work which meant that overall positive outcomes decreased slightly to 80%.

To ensure the effectiveness of our programmes we also ask young people to tell us how the programmes have helped them. 86% of young people reported that their skills such as reading, writing, speaking and problem solving had improved and 89% reported that their personal development such as confidence, motivation and tolerance had improved. 96% of young people would recommend The Trust to others.

### **Aim 2: To create an environment where staff and volunteers perform at their best.**

**2010/11 Objective: Implement Equality and Diversity strategy and design approach for volunteers.**

During 2010/11 we appointed a Diversity Manager to help implement external benchmarking and the roll out of comprehensive training to over 100 employees. We also commenced the development of the Equality and Diversity strategy for volunteers, collecting data on the diversity of our volunteers through a national survey and trialling a range of alternative volunteer recruitment methods in different locations.

**2010/11 Objective: Operate with an optimum number of volunteers based on young people ratios and all volunteer teams compliant with new volunteer minimum standards.**

The Prince's Trust simply could not function without the support of its volunteer network throughout the UK. In 2010/11, we had a total of over 5,000 individual volunteers, working in roles including business mentors, awards assessors, leaving care mentors, office support and fundraising volunteers. We attract these volunteers from both the general public and from employee participation agreements between The Trust and key companies. By giving their time and experience to The Trust, our volunteers provide essential support in delivering our programmes and fundraising goals.

During 2010/11 we broadened the range of roles undertaken by volunteers. In addition we have created a range of tools to help The Trust manage volunteer resources. We monitor the compliance of volunteer teams against the new volunteer minimum standards and the majority are meeting the standard whilst for the remaining teams areas for further development in 2011/12 have been identified.

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#### **Aim 3: To strengthen our reach and influence with all stakeholders.**

**2010/11 Objective: Deliver a public affairs influencing plan, making the case for support to decision makers at national, regional and local level.**

Our aim is to build a strong network of relationships at the heart of Government and at senior levels in opposition parties. During 2010/11 we hosted visits from all three party leaders and already had good relationships with key figures in the Coalition Government when it was formed. We took part in specific policy groups such as the Home Office Taskforce on Reducing Youth Violence. This led to us being asked by the Home Office to distribute the Ben Kinsella Fund through Community Cash Awards to community groups who are working to address the issue of youth violence.

We secured some notable policy outcomes, for example participants on our Team programme are now able to retain benefits, we initiated the Jobcentre Plus co-location project and we secured the establishment of the Youth Action Group. This Group, which we will co-chair with the Education Minister, will bring together Ministers from across government departments and key voluntary sector organisations to focus on solutions for the most disadvantaged young people.

**2010/11 Objective: Develop deeper understanding of young people's issues in order to influence policy and inform innovation as we move out of recession.**

During 2010/11 we established a 'Feedback from the Frontline' survey and focus groups to ensure young people's views directly feed into The Trust's policy positions. Consulting with over two hundred young people and some fifty members of frontline staff on key issues has helped shape our relationship with Government on some of their policies, for example Raising the Participation Age of staying in education until 18, of which young people are largely in favour. We held debates in partnership with Starbucks between young people and high level politicians and Ministers on key policy issues. We took part in research running focus groups with young people on the issues that contribute to dropping out of education.

We also continually use the information young people share with us to respond to Government policy. This information ranges from the benefits that are being claimed to the challenges that they face in life. Putting young people's voices at the heart of analysing Government policy helps position ourselves as relevant and central to Government youth policy.

**2010/11 Objective: Maximise impact and cost effectiveness of all communication tools, both digital and print.**

During 2010/11 we significantly extended our online presence growing traffic to our website through more effective use of social networks. In particular, The Trust outperformed other charities of similar size in terms of its reach through Twitter and YouTube. There was an ongoing emphasis on delivering value for money through all marketing activity and we continued to benefit from significant support from a number of pro-bono suppliers.

**2010/11 Objective: Support delivery of The Trust's business plans through a series of integrated marketing and communications plans.**

Each quarter, we deliver a communications campaign linked to a relevant theme or issue. During 2010/11, this continued to be a successful strategy for delivering extensive media coverage across print, broadcast and digital channels. Highlights of the year included a campaign to celebrate the 20<sup>th</sup> anniversary of the Team programme, the release of an updated report The Cost of Exclusion and the third annual Youth Index. These campaigns enable us to extend our reach and influence amongst all our key stakeholder groups, including young people, volunteers, partners and supporters in both the public and private sectors.

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#### **Aim 4: To maximise our income and make the best use of all resources to sustain the future of the organisation.**

2010/11 Objective: Grow voluntary income and profits from activities for generating funds, maximising the percentage that is unrestricted to give us the greatest flexibility.

Despite the recent difficult economic climate voluntary income grew from £18.3m the previous year to £19.8m in 2010/11 similarly the profits from activities for generating funds grew from £1.3m to £3.0m. This represents growth of 8% and 131% respectively. This increase in income has allowed us to continue to support increasing numbers of young people despite decreasing income from public sector sources.

54% of our income was unrestricted compared to 47% the previous year thereby increasing our flexibility in how we spend our funds and allows us to respond faster and more easily to demand from young people for our programmes.

2010/11 Objective: Maximise public sector income to fund core programme delivery.

Securing funding from public sector sources continued to be challenging in 2010/11. As a result income from public sector contracts for operational programmes decreased from £13.0m the previous year to £12.2m.

2010/11 Objective: Reduce carbon emissions from travel and energy by 8% from the 2008/09 baseline and make all international fundraising events carbon neutral.

During the year we measured our carbon emissions in 2009/10 against the 2008/09 baseline. In total our carbon emissions reduced by 5% compared to the target of 8%. The reduction was largely a result of a reduction in employee travel in cars, offset by an increase in rail travel. We have also put in place an option that will take effect in 2011/12, for participants on international fundraising events to offset the carbon emissions from their journeys.

#### **The Prince's Trust Scotland**

We are required by the Office of the Scottish Charity Regulator to report separately upon the activities that The Prince's Trust has undertaken in Scotland. The income and expenditure relating to activities in Scotland are analysed in Note 29 to these financial statements.

We increased our level of support to young people in Scotland during 2010/11 with 3,979 young people supported (2009/10: 3,747) The Team and xl programmes remained the largest programmes in Scotland in terms of participation, supporting 891 and 2,079 young people respectively. A 13% increase in the Get Into programme saw 271 young people supported (2009/10: 240) and an 89% increase in Development Awards saw 550 supported (2009/10: 291). We achieved positive outcomes of 80% in Scotland.

We successfully piloted The Enterprise Programme in partnership with Prince's Scottish Youth Business Trust, supporting 47 young people. Working in collaboration with three other charities, we developed the Personal Development Programme, offering a one-stop shop to young people in Glasgow, Edinburgh and Dundee.

The demand for and importance of our work with young people in Scotland has never been greater and in 2011/12, The Trust in Scotland plans to support 4,315 young people, whilst securing a breakeven position financially.

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### Future Plans

With effect from 1 April 2011 The Prince's Trust and Fairbridge are uniting to form a single organisation. During 2011/12 we will be planning and implementing the integration process while continuing to deliver a high quality service to all our young people. At the same time, we will be developing a new set of strategic aims which will guide our work over the next three years from 2012 to 2015.

Both The Prince's Trust and Fairbridge have detailed plans to deliver 'business as usual' throughout the coming year. We have developed a set of complimentary priorities to ensure young people will continue to benefit from all our programmes. We have also agreed a united set of priorities for our people, our reach and influence and our resources.

- ➔ The Prince's Trust: Our young people
  - Deliver on our promises to young people:
    - Support 45,837 young people of whom 32,395 will be new clients and 13,442 will be on-going clients.
    - Deliver 80% positive outcomes three months after completing the programme.
    - Ensure 96% would recommend The Trust to friends.
- ➔ Fairbridge: Our young people
  - Achieve our KPIs:
    - Support 3,645 young people of which 2,767 are new clients
    - 80% of new clients complete Access and 50% achieve a positive outcome within twelve months of completing Access.
    - 40% of Access completers achieve more than 100 hours of support.
- ➔ Our People
  - Further implement the equality and diversity strategy for staff and volunteers.
  - Increase the level of activity for existing volunteers.
  - Improve the provision of support and guidance for all volunteers.
- ➔ Our reach and influence
  - Gather in-depth evidence from the frontline to ensure we are a credible voice advocating the best solutions for young people.
  - Use public affairs to ensure the voice of young people is heard and influences government, politicians and policy-makers at country, regional and local level.
  - Review the effectiveness of our graphical identity and refresh our communication materials.
  - Support delivery of our business plans through a series of quarterly communications campaigns.
- ➔ Our resources
  - Grow voluntary income and profits from activities for generating funds, maximising the percentage that is unrestricted to give us the greatest flexibility.
  - Maximise public sector income to fund core programme delivery.
  - Promote carbon off-setting on all international challenge events and agree new carbon reduction targets following the merger with Fairbridge.

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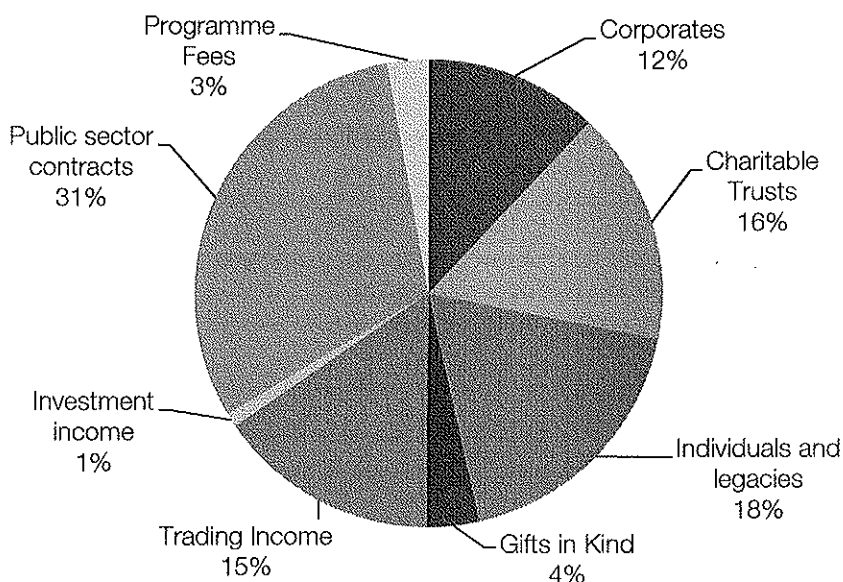
### Financial Review

The results of The Trust for the year are set out in the Consolidated Statement of Financial Activities (SOFA) on page 19.

Net incoming resources were £0.5m (2009/10: outgoing £1.9m). After gains on investment assets of £0.9m (2009/10: £3.1m) the net increase in funds was £1.4m (2009/10: £1.2m).

Total incoming resources increased to £39.6m in 2010/11 (2009/10: £36.4m). Increases in income from corporate, individual and trust and foundation donors resulted in our highest ever voluntary income of £19.8m (2009/10: £18.3m). Income from activities for generating funds also increased to £6.1m (2009/10: ££3.7m) as a result of an increase in activities and events run by Prince's Trust Trading Ltd. These increases were partially offset by decreases in investment income and income from charitable activities.

### Where our funds of £39.6m came from



The largest changes in the source of our funds were corporate funders which increased from 9% last year to 13% in 2010/11 and public sector contracts which decreased from 36% to 33%.

Total resources expended increased to £39.1m in 2009/10 (2009/10: £38.3m). The cost of generating voluntary income increased by £0.1m due to an increase in direct fundraising costs reflecting the increase in voluntary income. Costs of fundraising through trading increased by £0.7m as a result of the increase in activity compared to 2009/10. The total cost of charitable activities remained static at £30.0m however the breakdown of the total cost has changed compared to the previous year. Support costs have decreased by £1.0m and the costs of the Enterprise programme have decreased reflecting the cost effectiveness of the changes implemented to the programme last year.

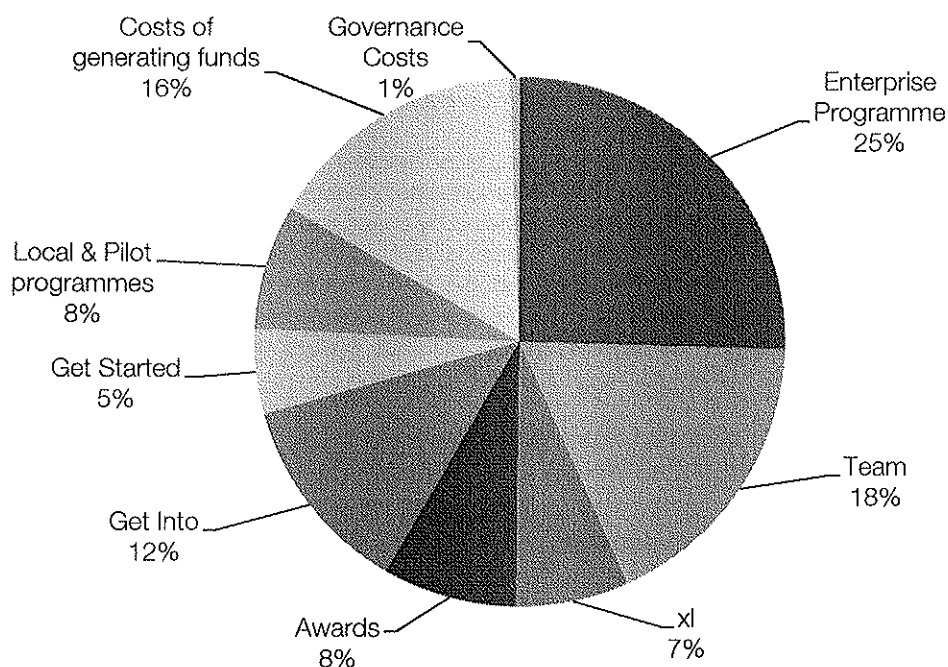
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Total incoming resources	£39.6m
Less trading costs	(£3.1m)
Net income available	£36.5m
Surplus on unrestricted funds transferred to reserves	(£0.5m)
Total expenditure to meet our objectives	£36.0m

### How our net expenditure of £36.0m was used to meet our objectives



Both Team and xl programmes are delivered in partnership with various delivery partner organisations, therefore the costs incurred by our partners in delivering these programmes are not included in The Trust's financial statements. Notes 6, 7 and 8 to the financial statements provide a detailed analysis of expenditure by The Trust.

### Investment Policy and Performance

The Prince's Trust Council is empowered through its Royal Charter to invest funds not immediately required for operational purposes as it thinks fit. The mix of investments is maintained to ensure that there are sufficient liquid funds to cover working capital needs, any future cash calls and to provide capital growth within an agreed risk profile. The investments of The Trust are held in a diversified portfolio for the medium to longer term. The Trust has appointed Cambridge Associates as investment advisers to work with The Trust to enable the maximisation of total return within a given level of risk.

The investment portfolio stood at a value of £14.4m as at 31 March 2011 (£14.3m as at 31 March 2010) excluding cash held for investment purposes. The Trust's portfolio produced a performance return of 6.1% (2009/10 28.6%) during the year compared to a policy benchmark of 7.5% (2009/10 32.1%). Since the implementation of the

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current investment strategy three years ago until 31 December 2010 the average annual compound return has been 3.6% compared to WM Total Charity Fund benchmark of 0.8% and the standard deviation (the measure of volatility of the returns) was 12.0% compared to WM Total Charity Fund Benchmark of 14.7%. Therefore in the last three years The Trust's investment performance compared to the benchmark has been higher returns with less volatility.

The value and composition of investments are summarised in note 15 to the financial statements.

#### **Reserves Policy**

The unrestricted funds of The Prince's Trust Group currently stand at £29.9m (2009/10: £28.4m). After deducting tangible fixed assets (£0.9m) and the unrestricted investment in loans to beneficiaries on our Enterprise Programme (£4.3m), the unrestricted reserves of The Prince's Trust Group stand at £24.7m (2009/10 £22.2m).

The Trustees have identified a level of reserves that would be required to sustain The Trust's operations and support services in the event of a significant downturn in fundraising, investments or an increase in loan defaults on our Enterprise Programme. The level of reserves is determined by assessing the risks to The Trust's future income streams and the levels of expenditure commitments, including our longer-term commitment to young people on our Enterprise and xl programmes. Other than these longer-term commitments The Trust does not commit resources to a programme until related funding has been secured. To enable prompt and appropriate responses to change, The Trust has implemented management processes that ensure regular review of its finances and operations.

At this time, we consider that The Trust carries appropriate reserves to secure the continuation of its core activities, and will continue to review the reserves policy annually.

#### **Structure, Governance and Management**

The Trust is a charity incorporated by Royal Charter. The Royal Charter forms the governing document and, together with the Bye-laws and The Handbook (a document that sets out The Trust's internal governance structure), these are the documents that govern The Trust's administration.

#### **Trustee Recruitment, Appointment and Training**

Trustees are appointed in accordance with the Bye-laws and are collectively known as the council. On joining the organisation, new trustees receive an induction which covers the values and purpose of The Trust and includes strategy, finance, fundraising, programmes, operations and governance. During induction, trustees meet young people and members of The Trust's Senior Management Team. In addition, they are invited to attend Trust programmes to see them in action and are invited to take an interest in a particular area of The Trust's work, to be ready to advise The Prince's Trust Council as required.

#### **Organisational Structure**

During 2010/11, following a review of the role and structure of The Prince's Trust Council, it was decided to focus the role of the Council on management oversight and increase frequency of meetings to ten per year. A separate Advisory Board was also formed. This Board will meet twice a year with the Council and contribute ideas to help inform strategy and organisational development. Members of the Advisory Board have an advisory role only and would have no legal obligations. The members of the Advisory Board during 2010/11 were:

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- Ajaz Ahmed, Damon Buffini, Gerard Eadie, Sir Nigel Hamilton KCB, Richard Holway, Martin Pilgrim, Steve Thomas CBE

The Prince's Trust Council is accountable for the work of The Trust. It appoints advisory Councils in England, Wales, Scotland and Northern Ireland, along with English Regional Councils, composed of senior volunteers. The matters reserved for The Prince's Trust Council include the approval of strategy, the budget and business plan and the Annual Report and Financial Statements. The Prince's Trust Council also retains oversight of management controls and corporate governance, along with the appointment of trustees, the Chief Executive and senior volunteers.

The Prince's Trust Council has appointed four sub-committees to help with the execution of its responsibilities. Members are appointed by The Prince's Trust Council. The sub-committees meet regularly and members during 2010/11 were:

- Audit: Heather Hancock (Chairman), Leslie Ferrar, David Ladipo (retired March 2011), Sandra Natrass, Peter Hickman (appointed April 2011), Peter Weiss (appointed April 2011)
- Investment: Michael Marks CBE (Chairman), Stephen Hall, Peter Mimpriss and Sandra Robertson.
- Development: Lloyd Dorfman CBE (Chairman), Michael Marks CBE, Charles Dunstone, Richard Holway, Steve Sealey, Louis Elson, Mike Peasland, Jeff Banks, Michelle Feeney, Richard Jackson, Fiona Timothy, Peter Matson, Fru Hazlitt, Simon Patterson, David Pollack, John Wall, Debbie Atkins, Ian Griffiths, Steve Hampson, Tim Maxted, David Taylor.
- Trading: Richard Huntingford (Chairman), Martina Milburn, Rona Martin, Michael Mercieca and Julian Barrell.

The Prince's Trust Council has delegated authority to the Chief Executive and a Senior Management Team for the day to day management of the organisation. The Head Office is based at Park Square East in London.

The Senior Management Team comprises the Chief Executive, the Director for Finance and Operations (who is also responsible for Scotland, Wales and Northern Ireland) and the Directors for England, Human Resources, Marketing and Communications, Fundraising, Policy and Development, and the Secretary.

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

#### **Subsidiaries**

The Trust's main subsidiary company is Prince's Trust Trading Ltd which is its trading company. Wholly owned, it covenants all of its taxable profits to The Trust. The payment under Deed of Covenant from Prince's Trust Trading Ltd to The Trust in 2010/11 was £3.0m (2009/10: £1.3m).

Futures Charitable Trust is a charitable company in which The Trust is the sole shareholder. Futures Charitable Trust's only activity is grant-making. Futures Charitable Trust made a grant of £0.3m (2009/10: £0.3m) to the London region of The Trust. Through Futures Charitable Trust, the Trust also has a 49% shareholding in Careers Enterprise (Futures) Ltd, a company which provides careers advice and guidance to young people. During 2009/10 the value of this shareholding was reduced to nil to reflect the net assets of the company. Since 31 March 2011, Futures Charitable Trust has agreed to dispose of its 49% shareholding for nil value to the majority shareholder and to wind up its activities. These financial statements have been prepared with Futures Charitable Trust on a break up basis.

The financial results for 2010/11 of both subsidiaries are summarised in note 16 to the Financial Statements.

# THE PRINCE'S TRUST

## TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2011

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### **Risk Management**

The Trust's Council recognises the inherent risks in working with disadvantaged young people and in raising the funds to pay for its work. The span of these risks is wide, including health and safety, client safeguarding, programme development, event management and large-scale fundraising. The Trust works to mitigate the risks that it takes and aims to deliver safe and effective opportunities for young people. The Council keeps risk management under review, and receives regular reports on The Trust's Risk Register from the Audit Sub-Committee. Day to day, the Senior Management Team ensures The Trust manages its risk effectively via four functions:

1. **Risk Management:** Risk management is co-ordinated through the Risk Management Group, which is chaired by the Director, Finance and Operations and members include the Deputy Director of Risk and Assurance, the Senior Head of Health and Safety and the Head of Risk and Audit. The Risk Management Group reports to the Senior Management Team on a quarterly basis and as required.
2. **Internal Audit:** This function is responsible for the audit of operations and finance, including process improvement, value for money, systems development, risk assessment, projects and major contracts. Attention is prioritised in the areas considered most risky, in response to The Trust's changing risk profile and an audit plan is agreed by the Audit Committee annually.
3. **Health and Safety:** The Trust operates a centrally managed Health and Safety Practitioners team which reports into the Risk Management Group. The team provides advice and support to countries and regions and is responsible for providing assurance on The Trust's framework of health and safety control. The Trust is continuing to work towards attaining BS OHSAS 18001 Occupational Health and Safety Management System Standard.
4. **Programme Quality Assurance:** A central quality team ensures that minimum standards are complied with through regular quality assurance reviews. The Quality Assurance System incorporates the Business Excellence Model and the Matrix Information, Advice and Guidance external quality mark.

The Prince's Trust Council considers that The Trust is operating a reasonable system of risk management and internal control that identifies and addresses the major risks facing The Trust in compliance with the requirements of Charity SORP 2005. The major risks to which the charity is exposed, as identified by the Trustees, have been reviewed and systems or procedures have been established to manage those risks.

### **Statement of trustees' responsibilities**

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

The law applicable to charities in England, Wales and Scotland requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;

# THE PRINCE'S TRUST

## TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2011

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- state whether applicable accounting standards have been followed, subject to any
- material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 1993, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

### **Auditors**

PricewaterhouseCoopers LLP have indicated their willingness to continue in office, and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

### **By order of the Council**



**Charles Dunstone**

**Chairman**

**19 July 2011**

## THE PRINCE'S TRUST

### INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE PRINCE'S TRUST FOR THE YEAR ENDED 31 MARCH 2011

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We have audited the financial statements of the Prince's Trust for the year ended 31 March 2011 which comprise the Consolidated and Charity Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

#### **Respective responsibilities of trustees and auditors**

As explained more fully in the Statement of Trustees' Responsibilities set out on page 15, the trustees are responsible for the preparation of financial statements which give a true and fair view.

We have been appointed as auditors under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under section 43 of the Charities Act 1993 and report in accordance with regulations made under those Acts. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the charity's trustees as a body in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and Regulation 30 of The Charities (Accounts and Reports) Regulations 2008 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and parent charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non financial information in the Trustee's report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on Financial Statements**

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charity's affairs as at 31 March 2011 and of the group's and parent charity's incoming resources and application of resources and cash flows, 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 Charities Act 1993, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

#### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or

THE PRINCE'S TRUST

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE PRINCE'S TRUST  
FOR THE YEAR ENDED 31 MARCH 2011

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

*PricewaterhouseCoopers LLP*

**PricewaterhouseCoopers LLP**

Chartered Accountants and Statutory Auditors

London

*26 July 2011*

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

THE PRINCE'S TRUST

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31 MARCH 2011

	Note	Unrestricted Funds £'000	Restricted Funds £'000	Total 2011 £'000	Total 2010 £'000
<b>Incoming Resources</b>					
From Generated Funds					
Voluntary Income	2	13,863	5,976	19,839	18,339
Activities for Generating Funds	3	6,068	-	6,068	3,732
Investment Income	4	367	13	380	440
From Charitable Activities	5	1,140	12,172	13,312	13,884
<b>Total Incoming Resources</b>		<b>21,438</b>	<b>18,161</b>	<b>39,599</b>	<b>36,395</b>
<b>Resources Expended</b>					
Cost of Generating Funds					
For Voluntary Income	6	5,660	-	5,660	5,469
For Fundraising through trading	6	3,145	-	3,145	2,471
Investment Management costs	6	30	-	30	34
Charitable Activities	7	11,831	18,225	30,056	30,017
Governance Costs	8	225	-	225	298
<b>Total Resources Expended</b>		<b>20,891</b>	<b>18,225</b>	<b>39,116</b>	<b>38,289</b>
<b>Net Incoming/(Outgoing) Resources</b>		<b>547</b>	<b>(64)</b>	<b>483</b>	<b>(1,894)</b>
Gain on investment assets	15	906	-	906	3,051
<b>Net Movement in Funds</b>		<b>1,453</b>	<b>(64)</b>	<b>1,389</b>	<b>1,157</b>
Funds attributable to the Group brought forward at 1 April		28,422	5,036	33,458	32,301
<b>Funds Attributable to the Group carried forward at 31 March</b>		<b>29,875</b>	<b>4,972</b>	<b>34,847</b>	<b>33,458</b>

Note 1 on page 24 gives details of the basis of reporting for the financial statements.  
All the operations of the Group are continuing.

The notes on pages 24 to 47 form part of these financial statements and are notes for the group.

THE PRINCE'S TRUST

STATEMENT OF FINANCIAL ACTIVITIES FOR THE CHARITY  
FOR THE YEAR ENDED 31 MARCH 2011

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2011 £'000	Total 2010 £'000
<b>Incoming Resources</b>				
From Generated Funds				
Voluntary Income	13,863	6,276	20,139	18,640
Fundraising through Trading	2,968	-	2,968	1,330
Investment Income	362	-	362	429
From Charitable Activities	1,146	12,171	13,317	13,884
<b>Total Incoming Resources</b>	<b>18,339</b>	<b>18,447</b>	<b>36,786</b>	<b>34,283</b>
<b>Resources Expended</b>				
Cost of Generating Funds				
For Voluntary Income	5,660	-	5,660	5,479
Investment Management costs	30	-	30	34
Charitable Activities	11,888	18,213	30,101	30,072
Governance Costs	220	-	220	293
<b>Total Resources Expended</b>	<b>17,798</b>	<b>18,213</b>	<b>36,011</b>	<b>35,878</b>
<b>Net Incoming/(Outgoing) Resources</b>	<b>541</b>	<b>234</b>	<b>775</b>	<b>(1,595)</b>
Gain on investment assets	906	(298)	608	3,191
<b>Net Movement in Funds</b>	<b>1,447</b>	<b>(64)</b>	<b>1,383</b>	<b>1,596</b>
Funds attributable to the charity brought forward at 1 April	29,336	4,118	33,454	31,858
<b>Funds Attributable to the charity carried forward at 31 March</b>	<b>30,783</b>	<b>4,054</b>	<b>34,837</b>	<b>33,454</b>

Note 1 on page 24 gives details of the basis of reporting for the financial statements. The notes on pages 24 to 47 form part of these financial statements.

All the operations of the Charity are continuing.

No statement of recognised gains/(losses) has been prepared as all gains/(losses) on reserves are included in the statement of financial activities for the group and the charity.

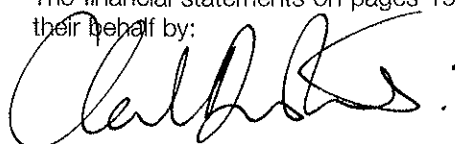
THE PRINCE'S TRUST

CONSOLIDATED AND CHARITY BALANCE SHEETS  
AT 31 MARCH 2011

	Notes	Group 2011 £'000	Group 2010 £'000	Charity 2011 £'000	Charity 2010 £'000
<b>Fixed assets</b>					
Tangible assets	14	899	945	899	945
Investments	15	14,399	14,339	14,808	15,048
Programme related investments - loans to supported businesses (net of provisions):					
Amounts recoverable within one year	17	2,036	2,301	2,036	2,301
Amounts recoverable in more than one year	17	3,099	3,820	3,099	3,820
		<u>20,433</u>	<u>21,405</u>	<u>20,842</u>	<u>22,114</u>
<b>Current assets</b>					
Stocks	18	14	22	-	-
Debtors	19	7,047	8,358	10,308	9,109
Cash held for investment purposes	20	8,909	4,004	8,909	4,004
Cash at bank and in hand	20	4,982	5,300	1,009	3,444
Total current assets		<u>20,952</u>	<u>17,684</u>	<u>20,226</u>	<u>16,557</u>
Creditors: amounts falling due within one year	21	(5,823)	(5,375)	(5,516)	(4,961)
Provisions for liabilities and charges		(715)	(256)	(715)	(256)
Net current assets		<u>14,414</u>	<u>12,053</u>	<u>13,995</u>	<u>11,340</u>
Total assets less current liabilities		<u>34,847</u>	<u>33,458</u>	<u>34,837</u>	<u>33,454</u>
Net assets		<u>34,847</u>	<u>33,458</u>	<u>34,837</u>	<u>33,454</u>
<b>Funds</b>					
Restricted funds	24	4,972	5,036	4,054	4,118
Unrestricted funds:					
Other charitable funds		<u>29,875</u>	<u>28,422</u>	<u>30,783</u>	<u>29,336</u>
Funds attributable to the Group/Charity	26	<u>34,847</u>	<u>33,458</u>	<u>34,837</u>	<u>33,454</u>

The notes on pages 24 to 47 form part of the financial statements.

The financial statements on pages 19 to 47 were approved by the Trustees on 19 July 2011 and were signed on their behalf by:



**Charles Dunstone**  
Chairman

THE PRINCE'S TRUST

CONSOLIDATED CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2011

	Notes to the Cash Flow Statement	2011 £'000	2010 £'000
Net cash inflow/(outflow) from operating activities	1	4,016	(2,350)
Returns on investments and servicing of finance:			
Bank interest received		107	41
Investment income		43	143
Net cash inflow from returns on investments and servicing of finance		<u>150</u>	<u>184</u>
Capital expenditure and financial investment:			
Purchase of tangible fixed assets		(425)	(470)
Purchase of investments		(2,165)	(3,477)
Sale of investments		3,011	3,836
Net cash inflow/(outflow) from capital expenditure and financial investment		<u>421</u>	<u>(111)</u>
Increase/(decrease) in cash in the year		<u>4,587</u>	<u>(2,277)</u>
Reconciliation of net cash flow to movements In net funds			
		2011 £'000	2010 £'000
Increase/(decrease) in cash in the year		4,587	(2,277)
Opening net funds		9,304	11,581
Closing net funds		<u>13,891</u>	<u>9,304</u>

# THE PRINCE'S TRUST

## NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2011

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Note 1 Reconciliation of net incoming resources to net cash inflow from operating activities

	2011 £'000	2010 £'000
Net incoming/(outgoing) resources	483	(1,894)
Investment income received	(43)	(143)
Interest on loans to supported businesses	(230)	(256)
Bank interest receivable	(107)	(41)
Depreciation charge	471	518
Provisions for and write off of loans	430	936
	<u>1,004</u>	<u>(880)</u>
Movement in:		
Stocks	8	2
Debtors	1,312	(851)
Creditors and Provisions	906	(690)
	<u>2,226</u>	<u>(1,539)</u>
Increase in programme investments	786	69
Net cash inflow/(outflow) from operating activities	<u>4,016</u>	<u>(2,350)</u>

# THE PRINCE'S TRUST

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

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### 1. Principal Accounting Policies

#### Basis of Accounting

The consolidated financial statements have been prepared in accordance with:

- applicable accounting standards in the United Kingdom.
- the Statement of Recommended Practice for charities (SORP), 2005.
- The Charities Act 1993, amended in 2006 and the Royal Charter.
- the historical cost convention, with the exception of investments which are included at market value.

#### Basis of Consolidation

In the year ended 31 March 2011, the results, assets and liabilities of the following subsidiaries have been included in the financial statements: Prince's Trust Trading Limited and Futures Charitable Trust. Amounts were consolidated on a line by line basis.

#### Incoming Resources

Grants receivable and legacies are included in the Statement of Financial Activities when The Trust is entitled to receipt and the amount can be measured with reasonable certainty. Other donations are accounted for in the period of receipt. Grants from government and similar institutions have been recorded as income from charitable activities. All income, including trading income, is shown gross of related expenditure. Tax credits receivable from gift aid donations are recognised at the time of the donation.

Income is deferred where the donor has specified that the income is to be expended in a future period or where contractual conditions for entitlement will be met in a future period.

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

Trading income is recognised on an accruals basis.

#### Resources Expended

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

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

Grants payable are recognised in the Statement of Financial Activities when awarded and the recipient has a valid expectation of receipt.

# THE PRINCE'S TRUST

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

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### 1. Principal Accounting Policies (continued)

#### Resources Expended (continued)

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

Governance costs, in compliance with constitutional and statutory requirements, include audit costs, internal audit costs, relevant legal expenses and the costs of staff whose function is the administrative support of the Trustees.

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

Irrecoverable VAT is included with the item of expense to which it relates.

#### Tangible fixed assets

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

Fixtures and fittings	5 years
Motor vehicles	4 years
Computer equipment, including software	4 years
Leasehold improvements	over the lease term

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

An impairment review of fixed assets is carried out on an annual basis.

#### Fixed asset investments

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

Futures Charitable Trust owns 49% of the share capital of Careers Enterprise (Futures) Limited. In these financial statements the company is treated as an investment as it is controlled by its majority shareholders and, in the opinion of the Trustees, the Group does not exercise significant influence over its operations.

# THE PRINCE'S TRUST

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

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### 1 Principal Accounting Policies (continued)

#### Programme related investments

Loans are made to individuals, to start up businesses, repayable over periods up to five years. Young people are eligible to apply for a loan if they are unemployed or working less than 16 hours a week with limited access to other funding. Applicants must present a business plan to a panel that make a recommendation to the Trust for each applicant regarding the suitability of the young person to run a business and the likelihood of the business's survival. A senior staff member with delegated authority makes the final decision on the loan application.

Loans awarded in the year include loans issued and outstanding loan commitments. Outstanding loan commitments are those successful loan applications where a loan is not yet issued however a constructive obligation exists between The Prince's Trust and the young person.

Repayments are normally collected by direct debits or standing orders from the bank accounts of the businesses on a monthly basis. A specific provision is made against the aggregate value of loans issued, based on past experience and on management's current expectations. Loans are only written off when there is no realistic prospect of recovering any further repayments. Interest is charged at 3% of the total loan amount for each year of the agreed term and represents a management fee.

#### Stock

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

#### Pensions

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

#### Foreign Currencies

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

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

#### Operating Leases

Rentals payable under operating leases are charged to the Statement of Financial Activities on an accruals basis.

#### Funds

The funds of The Trust have been segregated as follows:

# THE PRINCE'S TRUST

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

### 1 Principal Accounting Policies (continued)

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

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

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

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

### 2. Voluntary Income

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2011 £'000	Total 2010 £'000
Corporate donations	2,397	2,371	4,768	3,362
Grant from Queen's Silver Jubilee Trust	1,200	-	1,200	1,200
Charitable Trusts	2,897	2,289	5,186	4,671
Individual donations	5,760	1,167	6,927	6,373
Legacies	178	144	322	801
Donations in kind	1,431	5	1,436	1,932
	<u>13,863</u>	<u>5,976</u>	<u>19,839</u>	<u>18,339</u>

Donations in kind represent the estimated cost of services donated to the group, had they been purchased. These amounts are included as costs in the appropriate expenditure category and consist of:

	2011 £'000	2010 £'000
Advertising and publicity	283	756
Charitable programme facilities	79	138
Seconded staff	518	359
Office and occupation costs	219	201
Audit fees	120	155
Other professional fees	212	292
Other	5	31
	<u>1,436</u>	<u>1,932</u>

# THE PRINCE'S TRUST

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

### 3. Activities for Generating Funds

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2011 £'000	Total 2010 £'000
Income from fundraising events	3,243	-	3,243	2,034
Sponsorship	1,280	-	1,280	683
Sale of goods	832	-	832	385
Income from activity centre	597	-	597	519
Other	116	-	116	111
	<u>6,068</u>	<u>-</u>	<u>6,068</u>	<u>3,732</u>

This income is generated by the subsidiary Prince's Trust Trading Ltd, the results of which are shown in note 16. The difference of £45,000 (2009/10: £65,000) is due to intercompany income for services provided by the Pembroke activity centre to The Prince's Trust Cymru eliminated on consolidation.

### 4. Investment income

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2011 £'000	Total 2010 £'000
Income from fixed asset investments	43	-	43	143
Interest received on programme related investments	230	-	230	256
Bank interest receivable	94	13	107	41
	<u>367</u>	<u>13</u>	<u>380</u>	<u>440</u>

### 5. Incoming Resources from Charitable Activities

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2011 £'000	Total 2010 £'000
<b>Public sector contracts for operational programmes</b>				
Income from local and national Government	-	5,824	5,824	6,321
Other public sector sources	-	1,943	1,943	2,797
European Union income	-	3,685	3,685	3,184
Big Lottery Fund	-	720	720	673
	<u>-</u>	<u>12,172</u>	<u>12,172</u>	<u>12,975</u>
<b>Fees from programme attendance</b>				
xl fees	340	-	340	71
Employer's Fees – Team programme	275	-	275	473
Training fees	131	-	131	-
Other income from charitable activities	394	-	394	365
	<u>1,140</u>	<u>-</u>	<u>1,140</u>	<u>909</u>
<b>Total income in furtherance of the charity's objects</b>	<u>1,140</u>	<u>12,172</u>	<u>13,312</u>	<u>13,884</u>

THE PRINCE'S TRUST

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2011

5. Incoming Resources from Charitable Activities (continued)

Employer's fees of £275,000 (2009/10: £473,000) is income from placement of employees on the Team programme paid by companies and other organisations.

6. Cost of Generating Funds

	Direct staff costs £'000	Other direct costs £'000	Allocated support costs £'000	Total 2011 £'000	Total 2010 £'000
Cost of generating voluntary income	2,746	759	2,155	5,660	5,469
Fundraising through trading	648	2,232	265	3,145	2,471
Investment management costs	-	30	-	30	34
	<u>3,394</u>	<u>3,021</u>	<u>2,420</u>	<u>8,835</u>	<u>7,974</u>

The costs of Fundraising through Trading are analysed further in note 16 showing the results of The Prince's Trust Trading Ltd company. Allocated support costs of Fundraising through trading include recharges of £195,000 for salary costs of Finance and Marketing and communications services (2009/10: £167,000).

7. Charitable Activities

	Grant funding ( see note 10 ) £'000	Direct staff costs £'000	Other direct costs £'000	Alloc'd support costs £'000	Total 2011 £'000	Total 2010 £'000
Enterprise programme	502	3,911	1,025	3,650	9,088	10,309
Team programme	-	2,462	1,607	2,283	6,352	5,959
Awards programmes	1,340	801	8	767	2,916	2,609
xl programme	68	1,314	126	1,239	2,747	3,078
Get Into programme	-	1,463	1,513	1,393	4,369	4,503
Get Started programme	-	641	541	677	1,859	-
Local programmes & pilots	-	1,201	453	1,071	2,725	3,559
<b>Total charitable activities</b>	<u>1,910</u>	<u>11,793</u>	<u>5,273</u>	<u>11,080</u>	<u>30,056</u>	<u>30,017</u>

8. Governance Costs

	2011 £'000	2010 £'000
Audit	120	155
Legal and professional fees	30	29
Direct staff costs including internal audit	75	114
	<u>225</u>	<u>298</u>

The auditors made no charge for the annual audit of the financial statements (2009/10: same). The charge of £120,000 (2009/10: £155,000) is an estimate of the value of their services.

THE PRINCE'S TRUST

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2011

9. Support costs

	Cost of generating funds £'000	Charitable expenditure £'000	Total 2011 £'000	Total 2010 £'000
Staff costs				
Managerial staff	341	1,563	1,904	2,176
Communications and marketing	115	526	641	468
Finance, IT, HR, H&S & administration	524	2,398	2,922	3,900
Recruitment, secondment & other costs	216	990	1,206	1,098
Other expenditure				
Office rents, maintenance & consumables	698	3,195	3,893	3,918
Staff travel and vehicle costs	180	821	1,001	855
Sundry other fees and costs	346	1,587	1,933	1,959
	<u>2,420</u>	<u>11,080</u>	<u>13,500</u>	<u>14,374</u>

Sundry other fees and costs includes £283,000 (2009/10: £756,000) of Gift In Kind marketing costs.

10. Grants payable

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

	2011 £'000	2011 number of awards	2010 £'000	2010 number of awards
<b>Grants to individual beneficiaries:</b>				
Enterprise programme grants	502	448	407	537
Development awards	788	4,428	544	3,597
Community Cash Awards	552	1,379	256	817
<b>Total grants to individuals</b>	<u>1,842</u>	<u>6,255</u>	<u>1,207</u>	<u>4,951</u>
<b>Grants to clubs and other institutions:</b>				
Grants to xl clubs	68		30	
	<u>1,910</u>		<u>1,237</u>	

## THE PRINCE'S TRUST

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

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#### 10. Grants payable (continued)

##### Grants to individual beneficiaries

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

##### Grants to clubs

During the year 2010/11, there were 1,084 xl clubs (2009/10: 1,054) running at 570 (2009/10: 596) schools, Pupil Referral Units, Young Offender institutes or other centres across the UK. Grants to these clubs were normally between £1,000 and £5,000.

##### Payments to delivery partners

A number of payments were made during the year 2010/11 to institutions which help to deliver the Trust's charitable programmes, particularly its local and pilot programmes. These partners include local authorities, other charities and public sector organisations, football clubs and other corporate partners.

#### 11. Employee Information and trustees' emoluments

Staff members	2011 No.	2010 No.
Average number of employees (full time equivalent) analysed by function:		
Charitable purposes and support staff	543	555
Fundraising	85	87
Governance	1	2
	<u>629</u>	<u>644</u>
Staff costs		
	2011	2010
Staff costs for the above employees were:	£'000	£'000
Wages and salaries	18,161	18,424
Social security costs	1,833	1,858
Pensions and post retirement benefits	735	754
	<u>20,729</u>	<u>21,036</u>

The Trust also received donations in kind of the services of seconded staff valued at £518,000 (2009/10: £359,000).

## THE PRINCE'S TRUST

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

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#### 11. Employee Information and trustees' emoluments (continued)

##### Employee numbers

The numbers of employees with emoluments in excess of £60,000 (excluding pension contributions) were:

	2011 No.	2010 No.
£60,001 - £70,000	9	9
£70,001 - £80,000	2	2
£80,001 - £90,000	3	3
£90,001 - £100,000	-	1
£110,001 - £120,000	1	2
£120,001 - £130,000	1	-

The Prince's Trust paid £76,648 (2009/10: £75,468) into defined contribution schemes for 13 (2009/10: 13) higher paid employees.

##### Trustee emoluments

No Trustee received salaries, fees or other benefits during the year (2009/10: None). No Trustees received reimbursement of travel expenses in the year (2009/10: nil). Details of related party transactions are disclosed in note 28.

#### 12. Taxation

The Prince's Trust is a registered charity and accordingly is exempt from taxation on its charitable activities which fall within the scope of section 505(1) of the Taxes Act 1988 and section 256 of the Taxation of Chargeable Gains Act 1992. No tax liability, current or deferred, arose in respect of any subsidiary undertaking.

THE PRINCE'S TRUST

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2011

13. Net incoming/(outgoing) resources are stated after charging		
	2011	2010
	£'000	£'000
Depreciation of tangible fixed assets	471	518
Operating lease rentals:		
- Land and buildings	1,127	1,192
- Other	154	112
Auditors remuneration:		
- For audit only – group	120	155
- For audit only – charity	115	150
- Other	161	29

The auditors made no charge for the annual audit of the financial statements (2009/10: same). An estimated charge of £120,000 for the value of their services (2009/10: £155,000) is included in Governance Costs (see note 8). Other auditors remuneration of £161,000 (2009/10: £29,000) included £89,000 relating to Tax and VAT advice and £72,000 (2009/10: nil) for due diligence on the merger with Fairbridge.

14. Tangible Fixed Assets

Group and Charity	Computer Equipment Fixtures & Fittings £'000	Motor Vehicles £'000	Leasehold Improve- ments £'000	Total £'000
Cost				
At 1 April 2010	1,963	63	42	2,068
Additions	425	-	-	425
Disposals	(3)	(7)	-	(10)
At 31 March 2011	2,385	56	42	2,483
Accumulated Depreciation				
At 1 April 2010	1,054	47	22	1,123
Charge for year	458	9	4	471
Disposals	(3)	(7)	-	(10)
At 31 March 2011	1,509	49	26	1,584
Net book value				
At 31 March 2011	876	7	16	899
At 31 March 2010	909	16	20	945

THE PRINCE'S TRUST

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2011

15. Investments

	Group 2011 £'000	Group 2010 £'000	Charity 2011 £'000	Charity 2010 £'000
Listed investments at Market Value:				
Open Ended Investment Companies	6,820	6,378	6,818	6,378
Common Investment Funds	2,110	5,478	2,110	5,478
Unit Trusts	1,643	1,551	1,643	1,551
Other Managed Funds	2,620	928	2,617	928
UK equities	4	4	4	4
Other UK Fixed Deposits	1,202	-	1,205	-
	<u>14,399</u>	<u>14,339</u>	<u>14,397</u>	<u>14,339</u>
Investment in Futures Charitable Trust	-	-	411	709
Investment in Careers Enterprise (Futures) Limited	-	-	-	-
Investment in Prince's Trust Trading	-	-	-	-
<b>Total Fixed Asset Investments</b>	<u>14,399</u>	<u>14,339</u>	<u>14,808</u>	<u>15,048</u>
Investment assets in the UK	4,959	4,041	5,368	4,750
Investment assets outside the UK	9,440	10,298	9,440	10,298
<b>Total Fixed Asset Investments</b>	<u>14,399</u>	<u>14,339</u>	<u>14,808</u>	<u>15,048</u>
	Group 2011 £'000	Group 2010 £'000	Charity 2011 £'000	Charity 2010 £'000
Balance brought forward	14,339	11,647	15,048	12,216
Acquisitions at cost	2,165	3,477	2,163	3,477
Proceeds of disposals	(3,011)	(3,836)	(3,011)	(3,836)
Net gains/(losses) in value of investments	906	3,051	608	3,191
<b>Balance carried forward</b>	<u>14,399</u>	<u>14,339</u>	<u>14,808</u>	<u>15,048</u>

## THE PRINCE'S TRUST

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

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#### 16. Investment in subsidiaries

The Prince's Trust had one material trading subsidiary during the year, Prince's Trust Trading Ltd (company no. 3161821, registered in England). The Trust holds 100% of this company's shares (2 ordinary £1 shares – cost of holding £2). The results of this subsidiary before consolidation were:

#### Prince's Trust Trading Ltd

	Total 2011 £'000	Total 2010 £'000
Turnover	6,113	3,797
Cost of sales	<u>(2,237)</u>	<u>(1,568)</u>
Gross profit	3,876	2,229
Administration costs	(913)	(903)
Interest receivable	5	4
Deed of covenant to The Prince's Trust/others	<u>(2,968)</u>	<u>(1,330)</u>
Net profit/(loss)	-	-
Funds brought forward	-	-
Other recognised gains and losses	<u>-</u>	<u>-</u>
Funds carried forward	<u>-</u>	<u>-</u>
Assets	4,091	1,782
Liabilities	<u>(4,091)</u>	<u>(1,782)</u>
Net assets	<u>-</u>	<u>-</u>

## THE PRINCE'S TRUST

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

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#### 16. Investment in subsidiaries (continued)

During the year ended 31 March 2011, The Prince's Trust had a charitable subsidiary, the Futures Charitable Trust (Charity no. 1080195, company no. 03075475, registered in England) whose results were as below. Due to reasons of common control and common objectives the Futures Charitable Trust is included in the consolidated financial statements.

#### Futures Charitable Trust Ltd

	Total 2011 £'000	Total 2010 £'000
<b>Incoming Resources</b>		
Voluntary income	5	5
Investment income	13	8
Total Incoming Resources	<u>18</u>	<u>13</u>
<b>Resources Expended</b>		
Charitable activities	(305)	(306)
Governance costs	(5)	(5)
Other Fees	(6)	-
Total Resources Expended	<u>(316)</u>	<u>(311)</u>
Net Incoming/(Outgoing) Resources	(298)	(298)
Net loss of revaluation of investments	-	(350)
Net movement in funds	<u>(298)</u>	<u>(648)</u>
Funds brought forward	<u>709</u>	<u>1,357</u>
Funds carried forward	<u>411</u>	<u>709</u>
Assets	417	709
Liabilities	(6)	-
Net assets	<u>411</u>	<u>709</u>

THE PRINCE'S TRUST

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2011

17. Programme related investments: Loans to Supported Businesses

Charity and Group

	E Mids revolving loan fund £'000	W Mids revolving loan fund £'000	Other loan funds £'000	Total 2011 £'000	Total 2010 £'000
Loans outstanding	829	1,855	15,754	18,438	19,569
Provisions	(663)	(1,176)	(11,464)	(13,303)	(13,448)
Net loans outstanding	166	679	4,290	5,135	6,121
<b>Loan reconciliation</b>					
Net loan balance at 1 April	275	676	5,170	6,121	6,870
Prior year adjustment		(83)	83	-	-
Loans awarded in the year	51	546	1,435	2,032	3,026
Loans repaid in the year	(135)	(206)	(2,247)	(2,588)	(2,839)
Loans written off in the year	(16)	(2)	(557)	(575)	(2,272)
Movement in provision	(9)	(252)	406	145	1,336
Net loans at 31 March	166	679	4,290	5,135	6,121

The prior year adjustment of £83,000 (2009/10: nil) is a result of a reallocation of loans between available funding in the West Midlands region to maximise drawdown of funding available.

	Charity and Group 2010 £'000	Charity and Group 2010 £'000
Disclosed as:		
Amounts recoverable in less than one year	2,036	2,301
Amounts recoverable in more than one year	3,099	3,820
	5,135	6,121

The Trust provides loans to young people of up to £7,500 which are normally repayable over three years. Interest charged on loans represents a management fee. As at 31 March 2011, the amounts shown in these financial statements represents an average recovery of 63.8% of loans awarded (2009/10: 59.2%).

# THE PRINCE'S TRUST

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

### 18. Stocks

	Group 2011 £'000	Group 2010 £'000
Goods for resale	14	22

There is no significant difference between the figure stated above and the net current replacement cost.

### 19. Debtors

	Group 2011 £'000	Group 2010 £'000	Charity 2011 £'000	Charity 2010 £'000
<b>Amounts falling due within one year</b>				
Trade debtors	932	647	448	122
Investment sale for settlement	-	620	-	620
Covenant gifts and associated tax	415	273	415	273
Amounts due from group companies	-	-	3,783	1,367
Central Government & European grants receivable	5,115	6,044	5,115	6,044
Other debtors	79	69	78	69
Prepayments	467	634	443	575
Accrued income	39	71	26	39
	<u>7,047</u>	<u>8,358</u>	<u>10,308</u>	<u>9,109</u>

### 20. Cash at bank and in hand

	Group 2011 £'000	Group 2010 £'000	Charity 2011 £'000	Charity 2010 £'000
Cash held for investment purposes	8,909	4,004	8,909	4,004
Cash at bank and in hand	4,982	5,300	1,009	3,444
	<u>13,891</u>	<u>9,304</u>	<u>9,918</u>	<u>7,448</u>

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

Other cash represents cash held in current accounts within The Prince's Trust and its subsidiaries.

In 2009/10 The Trust acted as an intermediary agent for Silence the Violence, a coalition of organisations campaigning to end youth violence co-chaired by Martina Millburn, Chief Executive of the Trust. This arrangement has not continued in 2010/11 and at 31 March 2011 The Trust held nil funds (2009/10: £59,000) in cash on behalf of the coalition. In 2009/10 this cash amount was excluded from the above note and the financial statements.

# THE PRINCE'S TRUST

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

### 21. Creditors: amounts falling due within one year

	Group 2011 £'000	Group 2010 £'000	Charity 2011 £'000	Charity 2010 £'000
Trade creditors	421	912	401	886
Enterprise loans awarded but not yet paid	326	431	326	431
Other taxation and social security	617	550	617	550
Other creditors	189	198	188	191
Accruals	2,913	2,313	2,809	2,138
Deferred income	1,357	971	1,175	765
	<u>5,823</u>	<u>5,375</u>	<u>5,516</u>	<u>4,961</u>

### Reconciliation of Deferred Income

	Group £'000	Charity £'000
<b>Brought Forward at April 1 2010</b>		
Fees from Programme Attendance	32	32
Contract and Conditional Income	733	733
Income for Events	206	-
<b>Total Brought Forward at April 1 2010</b>	<u>971</u>	<u>765</u>
<b>Deferred Income Released during Year</b>		
Fees from Programme Attendance	(32)	(32)
Contract and Conditional Income	(733)	(733)
Income for Events	(206)	-
<b>Total Deferred Income Released during Year</b>	<u>(971)</u>	<u>(765)</u>
<b>Incoming Resources Deferred during Year</b>		
Fees from Programme Attendance	49	49
Contract and Conditional Income	1,126	1,126
Income for Events	182	-
<b>Total Incoming Resources Deferred during Year</b>	<u>1,357</u>	<u>1,175</u>
<b>Deferred Income Carried Forward at 31 March 2011</b>		
Fees from Programme Attendance	49	49
Contract and Conditional Income	1,126	1,126
Income for Events	182	-
<b>Total Carried Forward at 31 March 2011</b>	<u>1,357</u>	<u>1,175</u>

### 22. Pension Scheme

The Trust provides defined contribution pension schemes that are available to all eligible employees. These schemes are Group Personal Pension Plans, which are operated by Aviva and Zurich Assurance Ltd. The Trust contributes 7½% of gross salary of employees who decide to join the scheme and the employee at least 2½%. In addition, The Trust pays contributions for a small number of employees directly into their own personal plans. The assets of all of the schemes are not owned by The Trust. The pension cost of these schemes in the year was £735,000 (2009/10: £754,000). There were no contributions outstanding at 31 March 2011.

# THE PRINCE'S TRUST

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

### 23. Financial Commitments

At 31 March 2011 the group and charity had annual commitments under non-cancellable operating leases for land and buildings, vehicles and photocopiers as follows:

	Group 2011 £'000	Group 2010 £'000	Charity 2011 £'000	Charity 2010 £'000
<b>Land and Buildings</b>				
<b>Operating leases which expire:</b>				
Within one year	152	135	152	135
Between one and five years	788	357	788	357
Over five years	67	532	67	532
	<u>1,007</u>	<u>1,024</u>	<u>1,007</u>	<u>1,024</u>
<b>Vehicles – operating leases which expire:</b>				
Within one year	2	13	2	13
Between one and five years	28	6	28	6
	<u>30</u>	<u>19</u>	<u>30</u>	<u>19</u>
<b>Photocopiers – operating leases which expire:</b>				
Within one year	33	24	33	24
Between one and five years	66	37	66	37
Over five years	-	4	-	4
	<u>99</u>	<u>65</u>	<u>99</u>	<u>65</u>
	<u>1,136</u>	<u>1,108</u>	<u>1,136</u>	<u>1,108</u>

### 24. Restricted Funds

	Balance 1 April 2010 £'000	Income in year £'000	Expenditure in year £'000	Balance 31 March 2011 £'000
Enterprise Programme	2,508	6,301	(6,131)	2,678
Team	247	1,909	(1,935)	221
Awards	369	946	(1,084)	231
xl	155	1,080	(1,186)	49
Get Into	204	2,230	(2,122)	312
Get Started	18	421	(439)	-
Pilots and local programmes	267	921	(1,098)	90
Regional & other restrictions	559	4,335	(3,914)	980
Futures Charitable Trust	709	18	(316)	411
	<u>5,036</u>	<u>18,161</u>	<u>(18,225)</u>	<u>4,972</u>

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

THE PRINCE'S TRUST

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2011

24. Restricted Funds (continued)

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

	Balance 1 April 2010 £'000	Income in year £'000	Expenditure in year £'000	Balance 31 March 2011 £'000
<b>The Arts Council</b>				
Arts Council of England	-	31	(31)	-
Arts Council of Wales	-	25	(25)	-
<b>The Big Lottery Fund</b>				
Get into Work - Scotland	-	116	(116)	-
Wellbeing – East Lancashire	-	16	(16)	-
School Foods Trust	-	309	(309)	-
Catch22, Community Space Challenge	-	204	(204)	-
Burnley	-	19	(19)	-
Get Into the Past	-	56	(56)	-
<b>Heritage Lottery Fund</b>				
Get Into Heritage	-	81	(81)	-
Get Into Dry Stone Walling	-	16	(16)	-
<b>Welsh Assembly Government</b>				
Further Education contracts	-	2	(2)	-
Skillbuild	-	223	(223)	-
Staying with it	-	62	(62)	-
<b>Coleg Sir Gar</b>				
Skillbuild	-	103	(103)	-
Further Education contracts	-	22	(22)	-
<b>Cabinet Office</b>				
National Citizenship Service	-	50	(50)	-
<b>Communities and Local Government</b>				
Capital City Partnership - Get Into (Edinburgh)	-	33	(33)	-
Glasgow City Council - Get Into (Glasgow)	-	89	(89)	-
<b>London Councils</b>				
Team Action for a Safer London	-	34	(34)	-
Team (Service 80)	-	36	(36)	-
<b>European Social Fund</b>				
West Midlands Loan Fund	682	-	46	728
<b>ERDF/Advantage West Midlands</b>				
Small Business Loans and Mentoring	259	399	(137)	521
<b>The Wood Family Trust</b>				
Get Into Retail (Aberdeen)	-	34	(34)	-
Get Into (Scotland)	-	84	(84)	-
<b>Morgan Stanley</b>				
xlerate with xl – Glasgow	37	28	(31)	34

Grant aid of £78,000 was received in total from London Councils as shown above. Expenditure for the year on the Team Service 80 project was wholly on staff costs (£36,000). Expenditure in the year on the Team Action for a Safer London project related to staff costs (£21,000) and workshop costs (£13,000).

THE PRINCE'S TRUST

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2011

24. Restricted Funds (continued)

In 2009/10 £69,000 was received from Morgan Stanley for the xlerate with xl – Glasgow programme. This was not disclosed in the prior year accounts in error. The following information should have been disclosed.

	Balance 1 April 2009 £'000	Income in year £'000	Expenditure in year £'000	Balance 31 March 2010 £'000
<b>Morgan Stanley</b>				
xlerate with xl – Glasgow	-	69	(32)	37

During the year, the Trust also received the following amounts:

Funder	Project Name	Amount £'000
BBC Children in Need	XI programme	7
Birmingham City Council	Small Business Loans and Mentoring	45
Communities & Local Government	Community Leadership Fund	66
Department for Children, Schools and Families	Get Into Youth Work – Youth Steps	132
Department for Children, Schools and Families	Shine	6
Department for Children, Schools and Families	Youth of Today	96
Department of Health	Food Standards Agency, Healthy Eating	35
East Midlands Development Agency	Startup with The Prince's Trust	167
European Regional Development Agency	Business Link Outreach Support Project	593
Islamic Development Bank	Leadership opportunities for young Muslims	211
Newcastle City Council	Newcastle Sustainable Communities Fund	10
V	V Young Ambassadors	253
Welsh Assembly Government	Arson Awards	10
Welsh European Funding Office	The Prince's Trust Enterprise Programme – Competitiveness – 80374	137
Welsh European Funding Office	The Prince's Trust Enterprise Programme – Convergence 80373	405
Welsh European Funding Office	Engagement Gateway – EG/01/0399/057 Get Into Sports Leadership	6
Welsh European Funding Office	Engagement Gateway – EG/01/0399/093 Get Into Construction	3
Welsh European Funding Office	Engagement Gateway – EG/01/0051/031 Get Into Hospitality (Sodexo)	3
Welsh European Funding Office	Engagement Gateway - EG/01/0051/032 Get Into Retail (Cardiff)	2
Welsh European Funding Office	Engagement Gateway – EG/01/0399/0200 Get Started with Rugby	2

THE PRINCE'S TRUST

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25. Analysis of Net Assets between Funds

	Unrestricted Funds	Restricted Funds	Total Funds
Group	£'000	£'000	£'000
Fund balances at 31 March 2011 are represented by:			
Tangible fixed assets	899	-	899
Investments	18,689	845	19,534
Current assets	16,825	4,127	20,952
Current liabilities	(6,538)	-	(6,538)
Total Net Assets	29,875	4,972	34,847

	Unrestricted Funds	Restricted Funds	Total Funds
Charity	£'000	£'000	£'000
Fund balances at 31 March 2011 are represented by:			
Tangible fixed assets	899	-	899
Investments	18,686	1,257	19,943
Current assets	17,429	2,797	20,226
Current liabilities	(6,231)	-	(6,231)
Total Net Assets	30,783	4,054	34,837

26. Reconciliation of movement in funds

	Group 2011 £'000	Group 2010 £'000	Charity 2011 £'000	Charity 2010 £'000
Opening funds	33,458	32,301	33,454	31,858
Retained net outgoing/(incoming) resources for the period	483	(1,894)	775	(1,595)
Net gains in value of investments	906	3,051	608	3,191
Closing funds	34,847	33,458	34,837	33,454

27. Administration of other charities

During the year, the activities of The Queen's Silver Jubilee Trust, a registered charity number 272373, were administered alongside those of The Prince's Trust. The principal contact address for The Queen's Silver Jubilee Trust is 18 Park Square East, London NW1 4LH. Michael Marks sat on the Board of Trustees of The Queen's Silver Jubilee Trust and the Council of The Prince's Trust during the year. The Prince's Trust applies to The Queen's Silver Jubilee Trust for a grant each year. The grant received from this charity in the year was £1,200,000 (2009/10: £1,200,000).

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

#### 28. Related Party Transactions

The charity has taken advantage of the exemption provided by Financial Reporting Standard No. 8 on Related Party Transactions from disclosing transactions with entities, 100% of whose voting rights are controlled within the group, and where consolidated financial statements are publicly available. The items disclosed below were received from a related party in respect of commercial transactions.

Organisation	Connected Person	Relationship with The Prince's Trust Group	Description	2011 £'000	2010 £'000
Income received from related parties:					
The Peter Cruddas Foundation	Peter Cruddas	Trustee	Tickets to events	20	18
Ajaz Q K Ahmed	Ajaz Q K Ahmed	Trustee	Tickets to events	-	1
Michael Marks	Michael Marks	Trustee	Tickets to events	20	30
Michael Marks	Michael Marks	Trustee	Auction lot	2	-
Deloitte LLP	Heather Hancock	Trustee	Tickets to events	13	-
			Sponsorship	3	-

In addition to the commercial transactions disclosed above the following companies and individuals made donations to The Trust during the year:

Organisation	Connected Person	Relationship with The Prince's Trust	Description	2011 £'000	2010 £'000
Income received from related parties:					
The Peter Cruddas Foundation	Peter Cruddas	Trustee	Donations	351	439
The Charles Dunstone Charity	Charles Dunstone	Trustee	Donations	80	50
The Deloitte Foundation	Heather Hancock	Trustee	Donations	25	27
Ajaz Q K Ahmed	Ajaz Q K Ahmed	Trustee	Donation	-	21
Michael Marks	Michael Marks	Trustee	Donation	2	-
Travelex	Lloyd Dorfman	Trustee	Donation	4	-

#### 29. Income and Expenditure Account for Wales, Scotland and Northern Ireland

To meet the audit requirements of some funders the results of each of the countries are summarised below. The results are as presented in The Trust's management accounts and include the shared support costs of head office Fundraising, Finance, IT and HR. These costs are allocated based on full time equivalent employees for each country with the exception of head office fundraising costs which are allocated on the basis of portion of head office income received.

THE PRINCE'S TRUST

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2011

29. Income and Expenditure Account for Wales, Scotland and Northern Ireland (continued)

Activities undertaken in Wales.

	2011 £'000	2010 £'000
Incoming resources		
Private Sector	1,768	1,402
Public Sector	877	905
Other	303	264
	<u>2,948</u>	<u>2,571</u>
Resources Expended		
Direct Charitable	(701)	(562)
Fundraising	(620)	(540)
Staff costs	(1,311)	(1,274)
Other	(266)	(194)
	<u>(2,898)</u>	<u>(2,570)</u>
Surplus/ (deficit) for the year	<u>50</u>	<u>1</u>
Shared Support Costs	(468)	(426)
Deficit for the year including shared support costs	<u>(418)</u>	<u>(425)</u>

The Trust supported 3,189 young people in Wales during 2009/10 (2008/09: 2,664). Although we did not achieve target in Team, xl and in our Local Programme, Challenge Cymru, the Enterprise programme and Short programmes delivered ahead of target enabling a 20% year on year increase in Young People supported. Positive outcomes for Wales finished the year at 79% meaning that nearly 4 out of every 5 young people who participated on our programmes in Wales moved on to employment, further education, training or volunteering.

Public Sector income was boosted by successes in bids to the WCVA Engagement Gateway stream with the team securing approx £0.5m of ESF income to deliver short programmes in Wales until June 2012. So combined with the Welsh Assembly Government income to support the Team programme and additional ESF income via WEFO for the Enterprise Programme, £877k of Public Sector income was utilised in the year.

Private Sector fundraising exceeded target with nearly £1.1m of income received. Major Donors and Trust & Foundation income to support the Enterprise Programme made up 50% of the total Private Sector income while support from Corporate Partners more than doubled from the previous year with new initiatives such as the Wales Leadership Group complimenting existing schemes like Million Makers.

Looking forward The Trust aims to grow the support throughout Wales in 2011/12 and deliver our programmes to 3,396 Young People.

# THE PRINCE'S TRUST

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

### 29. Income and Expenditure Account for Wales, Scotland and Northern Ireland (continued)

#### Activities undertaken in Scotland.

	2011 £'000	2010 £'000
<b>Incoming resources</b>		
Private Sector	1,241	1,041
Public Sector	1,830	1,671
Other	223	18
	<u>3,294</u>	<u>2,730</u>
<b>Resources Expended</b>		
Direct Charitable	(1,210)	(698)
Fundraising	(133)	(99)
Staff costs	(1,518)	(1,530)
Other	(216)	(201)
	<u>(3,077)</u>	<u>(2,528)</u>
<b>Surplus for the year</b>	<u>217</u>	<u>202</u>
Shared Support Costs	(333)	(323)
<b>Deficit for the year including shared support costs</b>	<u>(116)</u>	<u>(121)</u>

Further commentary on the activities in Scotland is included within the Trustees report on page 9.

#### Activities undertaken in Northern Ireland.

	2011 £'000	2010 £'000
<b>Incoming resources</b>		
Private Sector	531	353
Public Sector	943	1,638
Other	29	36
	<u>1,503</u>	<u>2,027</u>
<b>Resources Expended</b>		
Direct Charitable	(367)	(777)
Fundraising	(71)	(57)
Staff costs	(955)	(1,045)
Other	(112)	(140)
	<u>(1,505)</u>	<u>(2,019)</u>
<b>(Deficit)/Surplus for the year</b>	<u>(2)</u>	<u>8</u>
Shared Support Costs	(194)	(223)
<b>Deficit for the year including shared support costs</b>	<u>(196)</u>	<u>(215)</u>

In Northern Ireland The Trust supported 2,827 young people. This was a reduction in the previous year and reflected the lack of funding to support young people on the Enterprise programme and the continued financial pressure within the education system forcing some schools to reduce the number of xl clubs they operated. As a

## THE PRINCE'S TRUST

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

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#### 29. Income and Expenditure Account for Wales, Scotland and Northern Ireland (continued)

result of funding ceasing from Invest Northern Ireland The Trust did make a number of staff redundant at the start of the year and while this was very unfortunate it did enable the organisation to live within its means and not incur a large deficit by the year end.

81% of the young people supported by The Trust during the year moved into education, training or employment reflecting a continued high standard of delivery and support by Trust staff and delivery partners. The main source of public sector funding during the year was from the Department of Employment & Learning and the European Social Fund. This was the final year of funding from this work stream and a further three year funding package has now been agreed to cover 2011 – 2014. The Department of Education continued to fund the xl programme and during the year they confirmed that this funding would transfer to The Northern Ireland Youth Council, a quango funded by DENI. In the absence of the implementation of the Education Skills Authority this is a positive step for future funding.

Private sector fund raising continued to be challenging although it should be noted the Northern Ireland Construction Leadership Group continued to support our work despite difficult times in their sector a new patron was secured. In addition the first Northern Ireland patron, Trefor Campbell CBE agreed to continue his annual support for The Trust for the foreseeable future. The Shoot, which in previous years was a major fund raising opportunity delivered a very small return on overall investment and the decision was taken to cease all such trading events until market conditions improved. The focus from the private sector team is on developing high net worth contacts and recruiting Million Maker teams. During the year 4 teams took up the Million Maker challenge and their support has created a good base for recruitment for the coming years.

Looking forward The Trust aims to support 3,000 young people in 2011/12 and with funding confirmed from DEL / ESF for the next three years and a memorandum of understanding agreed with PSNI (Police Service of Northern Ireland) for three years the foundations are there to be built on.