

The Prince's Trust
Annual Report
For the year ended 31 March 2013

Incorporated by Royal Charter

Charity Registration Number 1079675 and SC041198



Prince's Trust

THE PRINCE'S TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2013

During 2012/13 The Prince's Trust helped 55,801 young people – 39,437 who received support for the first time and 16,344 ongoing clients. This is our largest annual total since we were founded in 1976 and is an achievement we are sincerely proud of. Most importantly, this increase in volume has not affected the quality of our work. In fact our positive outcomes have increased to 76%; three in four young people on our programmes go into work, training, education or volunteering. The most promising statistic is that 40% go into jobs or self-employment, up from 38% the year before.

This comes against the backdrop of an ongoing period of economic stagnation which was always going to be challenging for most charities, not least The Prince's Trust.

Youth unemployment remained a major issue, with the UK total staying doggedly close to the one million mark for the whole of the year. Around one in five young people who want to work, can't find a job and our youth unemployment rate is more than twice that of Germany and Austria. However, compared to the youth unemployment crisis in troubled European economies such as Spain and Greece, the UK is in a privileged position.

At The Prince's Trust we believe that every young person should have the chance to succeed. Our mission is to help disadvantaged young people to change their lives and get into work, education or training.

Following our successful integration with Fairbridge, we now have Prince's Trust Centres in cities across the UK. Plans are in place to extend this network and during the year we made good progress in Stoke, Burnley and London. A new Belfast Centre opened in April 2013 and our Cardiff Centre relocated to improved facilities.

The Prince's Scottish Youth Business Trust was previously a separate charity delivering a similar service to our Enterprise programme. In 2012 it became Prince's Trust Youth Business Scotland and merged into The Prince's Trust. Together we are delivering a more integrated service to Scotland's disadvantaged young people.

During the year, we also reviewed the way we deliver our programmes for young people through a major project called Young People First. This resulted in a new operational structure with more staff deployed in front line roles and a more streamlined process for supporting young people towards a positive outcome.

We also launched a new initiative to reach out to the most marginalised and disengaged young people, in order to inspire and motivate them on their journey towards getting a job. Our Job Ambassadors scheme employs 100 young people who have previously benefited from our support. These inspirational characters are making a massive difference in communities across the country and they aim to make contact with 100,000 unemployed young people during the course of a year.

All of these initiatives and developments signal the ambitious and innovative nature of our work. Despite the obvious challenges, we continue to secure significant funding from both the public and private sector and we greatly value the support of our imaginative and forward thinking partners. We planned a deficit budget for the year, reflecting our investments in additional support for young people in these difficult times. Despite falling just short of achieving this budget, we had some significant fundraising successes, many of which will benefit our young people in 2013 and beyond.

In March 2013 The Prince's Trust moved to a new head office building in the City of London. The building includes a delivery centre which will benefit young people from the surrounding area and a retail unit which will sell products created by our young people's businesses. The office location, near Liverpool Street Station, is both practical and symbolic. It locates us in close proximity to our generous supporters, many of whom are based in the City. At the same time, we are a stone's throw from some of the most disadvantaged estates in East London, where youth unemployment is endemic. Our sincere hope is that The Trust can build a bridge between these two communities, bringing hope and opportunity to young people, whilst enabling companies in the financial capital to achieve their corporate responsibility and community objectives.

THE PRINCE'S TRUST

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2013

There has never been so much demand for our services and, looking forward, we believe our ambition should be to extend our support to 100,000 young people a year, whilst maintaining the quality of our work. Above all, we remain committed to supporting disadvantaged young people. They are the very reason for The Trust's existence and they remain at the heart of all that we do.

Sir Charles Dunstone, Chairman

THE PRINCE'S TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2013

Administrative details

Principal Address

Prince's Trust House
9 Eldon Street

London

EC2M 7LS

Telephone: 020 7543 1234

Fax: 020 7543 1200

Charity Registration Number: England & Wales 1079675 Scotland SC041198

Royal Charter Number: RC000772

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

Sir Charles Dunstone

Members of The Prince's Trust Council

Wendy Becker	(appointed May 2012)
Damon Buffini	(appointed January 2013)
Lloyd Dorfman CBE	
William Eccles	
Heather Hancock LVO	(retired May 2012)
Michael Marks CBE	
Patrick Passley LVO	(retired December 2012)

Management

Martina Milburn CBE	Chief Executive
Julian Barrell	Director, Fundraising
Paul Brown	Director, Marketing and Communications
Sarah Haidry	Secretary
Nigel Hopes	Chief Financial Officer (appointed 2 July 2012)
Alan Kennedy	Director, Operations
Rosemary Watt-Wyness	Director, Policy and Development (appointed 30 November 2012)
Steve Wiggins	Director, Human Resources
Ginny Lunn	Director, Strategy and Policy (retired Sept 2012)

THE PRINCE'S TRUST

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2013

Independent Auditors

PricewaterhouseCoopers LLP, Chartered Accountants and Statutory Auditors
7 More London, Riverside, London SE1 2RT

Principal Solicitors

Linklaters
1 Silk Street, London EC2Y 8HQ

Reed Smith
The Broadgate Tower, 20 Primrose Street, London EC2A 2RS

Bankers

National Westminster Bank plc
3rd Floor, 280 Bishopsgate, London EC2M 4RB

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

Investment Advisers

Cambridge Associates Limited
80 Victoria Street, Cardinal Place, London SW1E 5JL

THE PRINCE'S TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2013

The Trustees are pleased to present their report and audited accounts for The Prince's Trust (The Trust) and its subsidiaries (the Group) for the year ended 31 March 2013.

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), 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

The Prince's Trust Council is accountable for the work of The Trust. 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 Advisory Board meets twice a year with the Council and contributes ideas to help inform strategy and organisational development. Members of the Advisory Board have an advisory role only and have no legal obligations. The members of the Advisory Board during 2012/13 were:

- ➔ Ajaz Ahmed (until October 2012), Wendy Becker (from May 2012), Lloyd Dorfman CBE, Sir Charles Dunstone, William Eccles, Sir Nigel Hamilton KCB, Heather Hancock LVO (until May 2012), Richard Holway MBE, Richard Huntingford (from May 2012), Michael Marks CBE, Andrew McLaughlin (from April 2012), Patrick Passley LVO, Martin Pilgrim, Steve Thomas CBE, Damon Buffini (from January 2013) and Steve Sealey (from February 2013)

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 2012/13 were:

- ➔ **Audit:** Heather Hancock LVO (Chairman) (until May 2012), Wendy Becker (Chairman) (from May 2012), Leslie Ferrar (until November 2012), Sandra Natrass (until November 2012), Peter Hickman, Peter Weiss, Andrew Wright (from December 2012), Joy Travers (from December 2012).
- ➔ **Investment:** Michael Marks CBE (Chairman), Stephen Hall (until March 2013), Peter Mimpriss (until March 2013), Sandra Robertson and Damon Buffini (from February 2013).
- ➔ **Development:** Lloyd Dorfman CBE (Chairman), Simon Bird, Stephen Bourne (until January 2013), John Caterer, Paul Drechsler, Louis Elson, Fru Hazlitt, Steve Hampson (until March 2013), Richard Holway MBE, Richard Jackson MBE DL, Michael Marks CBE, Peter Matson, Tim Maxted (until March 2013), Christine Oates, Simon Patterson, Mike Peasland, David Pollock, Steve Rowley, Steve Sealey, Leigh Smart (from January 2013), Rose Mary Stalker (from September 2012) Mike Still, Jemma Terry, John Wall.

THE PRINCE'S TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2013

→ **Trading:** Richard Huntingford (Chairman), Martina Milburn CBE, Rona Martin (until January 2013), Julian Barrell, Nigel Hopes (from September 2012), Anna Langford (from December 2012) and Steve Parkinson (from April 2013).

The Prince's Trust Council appoints advisory Councils in England, Wales, Scotland and Northern Ireland, along with English Regional Councils, composed of senior volunteers, whose role is to provide fundraising support and guidance.

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 Senior Management Team comprises the Chief Executive, the Chief Financial Officer and the Directors for Operations, 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 passes all of its taxable profits to The Trust via gift aid. The payment under gift aid from Prince's Trust Trading Ltd to The Trust in 2012/13 was £2.5m (2011/12: £3.1m).

Fairbridge Garden Centre Ltd is a company whose principal activity is the operation of a garden centre on Fulham Palace Road in London. The company made a donation out of its profits to The Prince's Trust of £21,408 (2011/12: £11,640).

Fairbridge Training Ltd is a company whose principal activity is the provision of training services and materials. During 2011/12 the Directors of Fairbridge Training Ltd decided to cease trading due to the economic downturn. The company will be dissolved before the end of the next financial year end.

Fairbridge became a subsidiary of The Prince's Trust in 2011, with assets transferred on 31 March 2012. The charity will be dissolved before the end of the next financial year.

Futures Charitable Trust is a charitable company in which The Prince's Trust is the sole shareholder, whose only activity is grant-making. During 2011/12 Futures Charitable Trust agreed to wind up its activities and has been dormant from this period. Within the next financial year assets and liabilities will be transferred to The Prince's Trust and an application for the dissolution of the charitable company filed.

In April 2012, The Prince's Trust merged with the Prince's Scottish Youth Business Trust, a charitable company registered in Scotland (Charity registration: SC007066, Company registration SC097426), whose principal objective is the promotion and support of self-employment and business creation amongst young people in Scotland. As part of the merger restructuring, the assets and liabilities were transferred to The Prince's Trust as at 31 December 2012. The charitable company became Prince's Trust Youth Business Scotland and will be dissolved before the end of the next financial year.

These financial statements have been prepared with the results of Fairbridge, Fairbridge Training Ltd, Futures Charitable Trust and Prince's Trust Youth Business Scotland prepared and consolidated on a break up basis.

The financial results for 2012/13 of all subsidiaries are summarised in note 17 to the Financial Statements.

THE PRINCE'S TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2013

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 Committee. The Senior Management Team ensures The Trust manages its risk effectively as follows:

1. **Risk Management:** Risk management is co-ordinated through the Risk Management Group, which is chaired by the Chief Financial Officer 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 has accreditation to the BS OHSAS 18001:2007 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 follows the Business Excellence Model and is accredited by the Matrix Information, Advice and Guidance external quality mark
5. **Emerging risks:** The risk management group monitors changes in the legislation and funding environments and report to Senior Management Team and Audit Committee on the impact. Responses to the changing risk environment are monitored in The Trust's risk register.

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.

Objectives and Activities

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.

THE PRINCE'S TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2013

In accordance with Charity Commission guidance on public benefit (section 4 of Charities Act 2011) The Trust achieves this by:

- helping young people aged 13 to 30 who are unemployed and those at risk of unemployment because they have struggled at school.
- 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 the 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.

The Fairbridge programme is an individually tailored personal development programme for young people aged between 13 and 25. It combines one-to-one support and group activities, delivered by a dedicated team in Prince's Trust Centres. The programme helps marginalised and excluded young people who face a range of issues and barriers in their lives. It empowers them through a range of positive opportunities and experiences to gain personal and social skills needed to stabilise their life circumstances and ensure that their situation does not degenerate further. It also helps to boost the confidence and motivation they need to move towards a positive outcome.

The Team programme provides 12 weeks of personal development training designed to increase confidence, motivation and self-esteem through teamwork. The full-time programme leads to an accredited qualification in "Personal Development and Contributing to the Community". The Team programme aims to bring together unemployed and employed young people aged 16 to 25 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.

The Prince's Trust xl clubs provide a personal development programme aimed at young people aged 13 to 19 at risk of underachievement or exclusion from school. Using an informal approach to learning, the club provides young people with the space and attention they need to develop confidence as well as to form a sense of ownership over their work and own development. The programme offers a flexible model of delivery with choices of units within five activity areas, which can work both in schools and outside the mainstream centres. Guided by an Adviser, Prince's Trust xl clubs work towards a Prince's Trust qualification in Personal Development and Team Work.

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 are delivered in partnership with employers. They may vary in length depending on the sector and, wherever possible, all or part of the programme content is accredited.

THE PRINCE'S TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2013

The Get Started programme engages young people through short courses themed around sport or the arts. The programme is aimed at young people aged 16 to 25 who are furthest from the jobs market. The programme gives young people the chance to try something new, develop skills and have fun, enabling them to move forward with their lives. It provides them with the opportunity to meet new friends and build their confidence.

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. For example, previous awards have funded young people to buy essential equipment for college courses or pay for childcare enabling young mothers to access training.

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.

After completing Prince's Trust programmes, many young people decide to volunteer as Young Ambassadors. The Trust supports them to develop their confidence and skills to become advocates and role models for our work. Young Ambassadors take on a range of responsibilities, from speaking at public events to contributing to policy debates and research projects.

This year, The Trust launched a new initiative – Job Ambassadors. The scheme employs young people who have previously been through our programmes and subsequently volunteered as Young Ambassadors. Each Job Ambassador is given paid employment with The Trust for a year. Their role is to reach out to the most disengaged and marginalised young people, providing advice and guidance to help them get into work or training. Whilst they refer some young people to Trust programmes, they also direct them to other forms of support that are available in their local area.

Achievements and Performance

In April 2012, The Trust began the first year of delivery against a new three year strategy. The strategy has four key aims:

Programmes: Delivering excellence for young people
People: Developing a high quality team of staff, volunteers and delivery partners
Resources: Growing income and efficiency
Reputation: Leading the youth sector

Against each strategic aim, we develop a set of organisational priorities for the year. These are linked to The Trust's annual budget and business plans for each of our divisions.

During 2012/13 we performed well against each of the four aims.

Programmes: Delivering excellence for young people

We set ourselves the target of supporting 55,000 young people in 2012/13, building on the 54,105 we achieved in 2011/12. At year end, we had worked with 55,801 young people, which is the largest number The Trust has supported in any year since it was founded in 1976.

The breakdown by Prince's Trust programme is as follows:
Enterprise: 14,496 (includes 7,705 ongoing clients)
Team: 11,559

THE PRINCE'S TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2013

xl: 11,075 (includes 5,489 ongoing clients)
Get into: 3,307
Get Started: 2,438
Fairbridge: 4,098 (includes 977 ongoing clients)
Award: 6,531 (includes 796 ongoing clients)
Other/Local/Pilot: 2,297 (includes 1,377 ongoing clients)

Our key measure is the proportion of young people who achieve a positive outcome, moving into education, employment, training or volunteering three months after completing a Trust programme. In 2012/13 76% of young people achieved one or more of these outcomes, including 40% of clients who got a job or went into self-employment. This is an increase against the 38% into employment the year before. In addition, 19% of new participants on a programme attained a Prince's Trust qualification.

People: Developing a high quality team of staff, volunteers and delivery partners

Following our successful mergers with Fairbridge and The Prince's Scottish Youth Business Trust our staff team stood at 1,007 during April 2012.

During the year we undertook a major review of our delivery functions in order to ensure we continue to put Young People First. This led to a reorganisation of our staff structure in Scotland, Wales, Northern Ireland and three new English regions – north, central and south. A guiding principle of the reorganisation was to ensure the maximum resource was deployed at the front line, delivering support for young people.

All staff have performance plans for the year, linked to our strategic aims and our values. In addition, we continue to invest in personal development to ensure our staff are well equipped to fulfil their roles.

We continue to benefit from nearly 6,000 volunteers and secondees who dedicated an estimated 460,000 hours last year. They support The Trust in an incredible range of roles, including direct mentoring provision for over 5,000 young people. Volunteers and secondees are now managed through a single UK-wide structure which helps ensure they are fully supported and successfully deployed.

Resources: Growing income and efficiency

The Trust continued to target increases in private sector income in 2012/13. This reflected our continuing strategy to replace income from public sector contracts which has been reducing for a number of years. Voluntary income performed well in the year, in particular income from charitable trusts. See the finance review on page 13 for further details.

The Young People First restructure was completed in the first half of the year. A new hub structure was introduced in the English regions and efficiency savings from these changes are expected in the new financial year. In 2012/13 average monthly headcount of 1,038 (2011/12: 965) was lower than budget of 1,073 reflecting a large number of vacancies arising from this restructure at the mid-year point. A recruitment drive in the last quarter to support programme delivery has seen a growth in staff numbers at year end.

Reputation: Leading the youth sector

As the ongoing economic situation continued to impact the lives of young people, The Trust worked hard to keep the issue of unemployment and the impact of educational underachievement in the public eye.

THE PRINCE'S TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2013

In August 2012 we ran a high profile campaign to show young people that self-employment is a viable alternative to joblessness. With the support of RBS we created an A-Z of young businesses which attracted significant attention online as well as traditional media coverage that reached 18 million people. In January 2013 our fifth annual Youth Index demonstrated the impact that unemployment is having on young people's mental health and emotional wellbeing.

We have continued to lead the youth sector through co-chairing the Youth Action Group, bringing together Ministers from across Government and major youth charities. The Group was instrumental in shaping the Traineeships initiative and the changes being made to rehabilitation services, where there will be more opportunity for the voluntary sector to get involved. The Trust is also working closely with the Department for Work and Pensions to ensure that the new benefit system, Universal Credit, supports young people setting up their own businesses.

The Prince's Trust in Scotland

As required by the Office of the Scottish Charity Regulator the following report covers 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.

In April 2012 The Prince's Trust merged with sister charity, The Prince's Scottish Youth Business Trust; specialists in helping young people start and sustain new businesses. This enterprise element of The Prince's Trust's portfolio has been renamed The Prince's Trust Youth Business Scotland and is now a wholly owned subsidiary of The Prince's Trust. This has further diversified The Trust's range and reach of services with the united charity supporting 6,031 young people in 2012/13, an increase of 18% year on year (2011/12: 5,124).

The Prince's Trust will continue to play a key role in supporting Scotland's social and economic growth and sustainability through the wide range of programmes that it offers to young people.

We have prepared young people with the core skills, confidence and motivation to help them progress in their journey towards education, training and employment. The Fairbridge programme has seen significant development through 2012/13, yet extended its impact by helping 808 young people in the year. Our school-based xl programme and Team personal development programme continued to support significant numbers of young people with 1,775 and 733 participants respectively. Through a period of consolidation for the Get Started programme 139 young people were supported over the year.

We have equipped young people with the attitudes, vocational skills and materials they require to find and sustain careers. The Get into programme has grown in strength once again in 2012/13, with 391 young people supported representing a 22% increase on the prior year. A further 681 young people were given grant funding through our Development Awards scheme to overcome barriers to education, employment and training.

We have helped new businesses grow and develop at a time when, given current employment rates, young people are increasingly likely to look at self-employment as a serious option. In 2012/13 Youth Business Scotland funded 608 young people to start a business with a further 788 supported through mentoring to sustain and grow their businesses.

The demand for our work continues to grow. Through an increased staff and volunteer base and a greater focus on outreach to young people and building stronger employer relationships The Trust in Scotland is increasingly better placed to engage and support disadvantaged young people, offering a more complete developmental journey across an extended geographical footprint. With a strategy of continued growth, we aim to support over 7,000 of Scotland's hardest to reach young people in the coming year.

THE PRINCE'S TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2013

Future Plans

In April 2012 we began delivery against our three year strategy. In 2013/14 we plan to continue our work within this strategic framework. Specifically, we aim to raise £58.6m (2012/13: £57.7m) and support 57,777 young people (2012/13: 55,801 young people). We believe this modest growth is prudent and sustainable given the current fundraising climate.

In the longer term, we believe The Trust should have the capacity to help 100,000 young people each year. We will continue to investigate the potential to expand our work to achieve this goal.

Our Strategy April 2012 to March 2015

Programmes: Delivering excellence for young people

We will:

- increase the number of young people we support each year, focussing in those areas which need us most
- embed ourselves in key communities, through extending our network from 15 to 20 centres
- maximise positive outcomes, while developing skills and increasing access to Prince's Trust qualifications
- provide more intensive support for young people at critical times in their lives
- develop our education programme into a market leading product to inspire and encourage young people back into education
- mobilise young people to support innovation and constantly improve the quality of our service

People: Developing a high quality team of staff, volunteers and delivery partners

We will:

- develop a performance driven and values based leadership and culture
- increase our capacity through smarter use of volunteering, secondments and internships
- achieve external recognition for our commitment to diversity
- expand our range of high quality learning and development opportunities
- increase opportunities for our young people to gain employment at The Trust

Resources: Growing income and efficiency

We will:

- grow voluntary income with a particular focus on securing more major gifts
- maintain income from public sector sources with a focus on funding core programme delivery
- develop innovative new funding models such as social investment bonds
- improve efficiency of our structures, systems and processes to maximise resources deployed to the front line
- reduce our impact on the environment
- maintain high safety and quality standards in all that we do

Reputation: Leading the youth sector

We will:

- position ourselves as a positive choice for young people and build the UK's leading youth charity brand
- influence politicians, policy makers and agencies in the best interest of our young people
- increase empathy and engagement with the general public, growing overall awareness each year
- build our reputation as the charity of choice for the private sector
- equip all our people to be effective ambassadors and advocates for The Trust

THE PRINCE'S TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2013

Financial Review

The results of The Trust for the year are set out in the Consolidated Statement of Financial Activities (SOFA) on page 19. As noted in the Chairman's Report, during the year we completed a successful integration with the Prince's Trust Youth Business Scotland (PTYBS) in April 2012.

The impact of receipt of PTYBS's net assets of £3.8m for nil consideration have been included in The Trust's SOFA by way of a grant. As of 31 December 2012, all assets of PTYBS were transferred to The Trust, with the subsidiary becoming dormant.

Net outgoing resources for the year were £0.1m (2011/12: £0.1m). After gains on investment assets of £1.4m (2011/12: £0.2m) the net increase in funds was £1.3m (2011/12: net increase £0.1m).

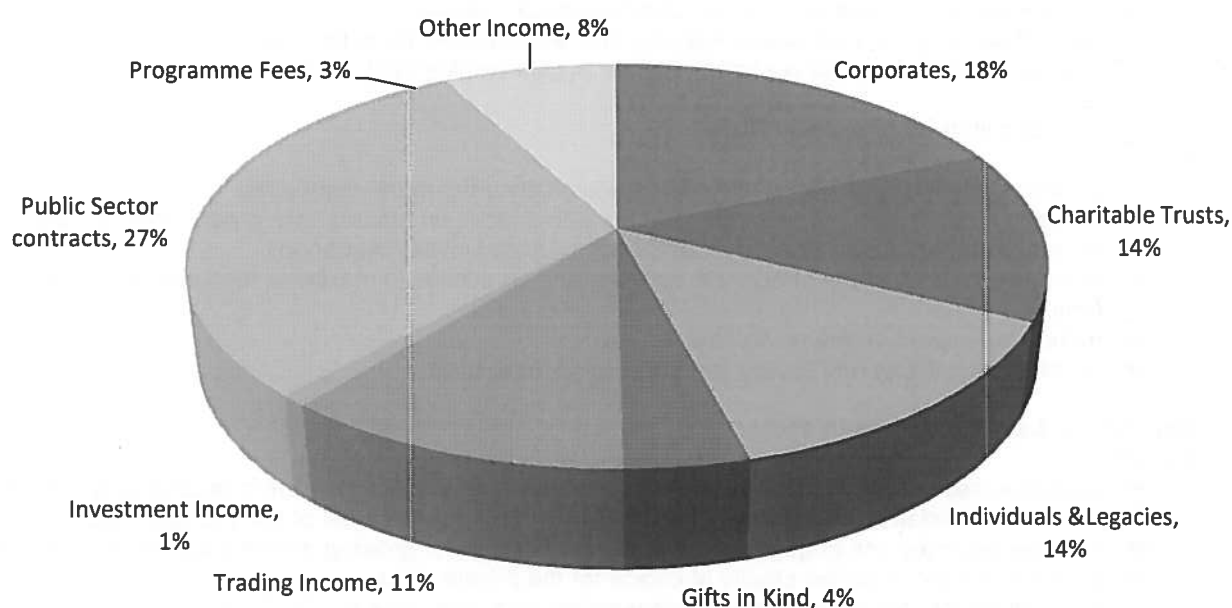
Incoming resources

Total incoming resources are £57.7m in 2012/13 (2011/12: £55.3m). Excluding the grant from PTYBS incoming resources are £53.9m and show a slight decrease in income compared to prior year.

Voluntary income, excluding the PTYBS grant of £3.8m, increased this year by 6.3% to £28.7m (2011/12: £27.0m). Income from charitable trusts performed particularly strongly in the year, more than offsetting a decrease in Corporate Donation income which was down 2.7% at £10.7m (2011/12: £11.0m). This increase in voluntary income reflects our continuing strategy to replace our income from public sector contracts which has been reducing for a number of years.

Within activities for generating funds, events income decreased to £2.7m (2011/12: £3.6m), with less events taking place during the year.

Where our funds of £57.7m came from:



THE PRINCE'S TRUST

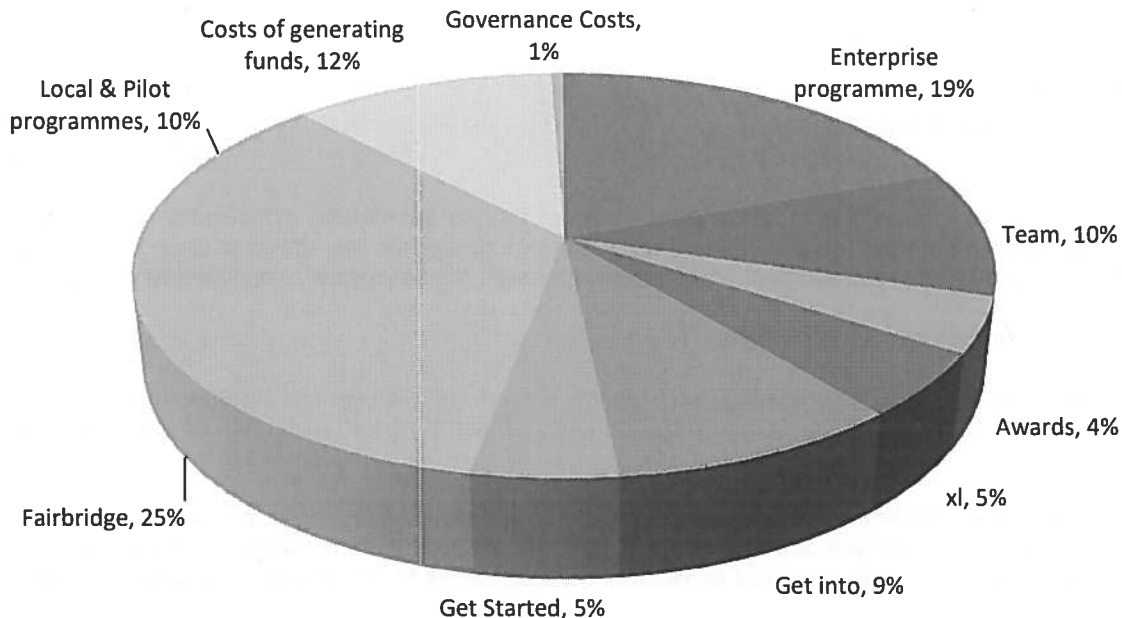
TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2013

Resources expended

Total resources expended increased to £57.8m in 2012/13 (2011/12: £55.5m). The cost of generating funds income decreased by £1.9m to £10.2m (2011/12: £12.1m) reflecting the reduction in fundraising events held during the year. The total cost of charitable activities increased to £47.3m (2011/12: £43.1m) following an increased focus on the Enterprise and Fairbridge programmes and an increase in the numbers of young people helped in 2012/13.

Total resources expended	£57.8m
Less trading costs	(£3.8m)
Total expenditure to meet our objectives	<u>£54.0m</u>

Where our expenditure of £54.0m was used:



Both Team and xl programmes are delivered in partnership with various delivery partner organisations, the costs incurred by our partners in delivering these programmes are not included in The Trust's financial statements. Notes 7, 8, 9 and 10 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 appropriately. 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 maximise the total return within a given level of risk.

THE PRINCE'S TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2013

The investment portfolio stood at a value of £19.2m as at 31 March 2013 (31 March 2012: £18.0m), excluding cash held for investment purposes. The Trust's portfolio produced a performance return of 8.6% (2011/12 1.9%) during the year compared to the WM Total Charity Fund benchmark of 14.4%. The Trust's Investment Committee will be reviewing future strategy during the coming year.

The value and composition of investments are summarised in note 16 to the financial statements.

Reserves Policy

The unrestricted funds of The Prince's Trust Group currently stand at £31.3m (2011/12: £34.5m). The free reserves of The Prince's Trust Group are £19.3m (2011/12 £27.7m). The adjustments to determine the free reserves of the Trust are set out below:

	2013 £m	2012 £m
Unrestricted funds of The Prince's Trust Group	31.3	34.5
Deduct:		
Tangible Fixed Assets	(5.0)	(2.1)
Investment in loans to beneficiaries	(7.0)	(4.7)
	<u>19.3</u>	<u>27.7</u>

The Trustees target a level of free reserves of between four to six months of operational expenditure. Free reserves are within this target range. To enable prompt and appropriate responses to change, The Trust has in place internal controls and management processes that ensure regular review of its finances and operations.

Statement of Trustees' responsibilities

The trustees are responsible for preparing the Trustees' 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 and 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 the group and of the incoming resources and application of resources of the charity and group for that period.

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

- ➔ select suitable accounting policies and then apply them consistently;
- ➔ observe the methods and principles in the Charities SORP
- ➔ make judgments and estimates that are reasonable and prudent
- ➔ state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- ➔ 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 2011, the Charity (Accounts and Reports) Regulations 2008, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and

THE PRINCE'S TRUST

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2013

the group 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.

Independent Auditors

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

By order of the Council



Sir Charles Dunstone
Chairman

16 July 2013

THE PRINCE'S TRUST

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE PRINCE'S TRUST FOR THE YEAR ENDED 31 MARCH 2013

We have audited the financial statements of The Prince's Trust for the year ended 31 March 2013 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Cash Flow Statement and the related notes on pages 23 to 45. 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.

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 under section 144 of the Charities Act 2011 and regulations made under those Acts (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 nonfinancial information in the Annual 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 2013 and of the group'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
- have been prepared in accordance with the requirements of the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and regulation 15 of The Charities (Accounts and Reports) Regulations 2008

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) and Charities Act 2011 require us to report to you if, in our opinion:

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

THE PRINCE'S TRUST

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE PRINCE'S TRUST
FOR THE YEAR ENDED 31 MARCH 2013

PricewaterhouseCoopers LLP.

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

31 July 2013.

PricewaterhouseCoopers LLP is eligible to act, and has been appointed, as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and section 144(2) of the Charities Act 2011.

THE PRINCE'S TRUST

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2013

	Note	Unrestricted Funds £'000	Restricted Funds £'000	Total 2013 £'000	Total 2012 £'000
Incoming Resources					
From Generated Funds					
Voluntary Income	2	20,892	11,616	32,508	27,011
Activities for Generating Funds	3	6,361	-	6,361	7,895
Investment Income	4	508	-	508	463
From Charitable Activities	5	2,415	15,770	18,185	17,911
Other Incoming Resources	6	137	-	137	2,057
Total Incoming Resources		30,313	27,386	57,699	55,337
Resources Expended					
Cost of Generating Funds					
For Voluntary Income	7	6,329	-	6,329	7,380
For Fundraising through trading	7	3,807	-	3,807	4,717
Investment Management costs	7	28	-	28	21
Charitable Activities	8	24,405	22,911	47,316	43,053
Governance Costs	9	298	-	298	297
Total Resources Expended		34,867	22,911	57,778	55,468
Net (Outgoing)/Incoming Resources	14	(4,554)	4,475	(79)	(131)
Gain on investment assets	16	1,396	-	1,396	195
Net Movement in Funds		(3,157)	4,475	1,318	64
Funds balances brought forward at 1 April		34,493	5,098	39,591	34,847
Fund balances carried forward at 31 March	27	31,335	9,573	40,908	39,591

Note 1 gives details of the basis of reporting for the financial statements.

The notes on pages 23 to 48 form part of these financial statements.

There are no recognised gains and losses other than those passing through the consolidated statement of financial activities, and therefore no separate statement of total recognised gains and losses has been presented. There is no material difference between net movement in funds and their historical cost equivalents.

All of the operations are continuing in the group except for those of Futures Charitable Trust, Fairbridge, Fairbridge Training Ltd and Prince's Trust Youth Business Scotland which ceased trading in 2012/13. Please see note 17 for further information on the impact of the merger with Prince's Trust Youth Business Scotland.


THE PRINCE'S TRUST

CONSOLIDATED AND CHARITY BALANCE SHEETS
AS AT 31 MARCH 2013

	Note	Group 2013 £'000	Group 2012 £'000	Charity 2013 £'000	Charity 2012 £'000
Fixed assets					
Tangible assets	15	5,002	2,117	4,942	2,046
Investments	16	19,222	18,030	19,438	18,246
Programme related investments - loans to supported businesses (net of provisions):					
Amounts recoverable within one year	18	1,931	1,788	1,931	1,788
Amounts recoverable in more than one year	18	5,039	2,876	5,039	2,876
		<u>31,194</u>	<u>24,811</u>	<u>31,350</u>	<u>24,956</u>
Current assets					
Stocks	19	185	155	-	-
Debtors	20	10,997	9,563	13,530	13,351
Cash held for investment purposes	21	2,228	3,328	1,228	3,328
Cash at bank and in hand	21	4,441	8,191	3,233	4,101
Total current assets		<u>17,851</u>	<u>21,237</u>	<u>17,991</u>	<u>20,780</u>
Creditors: amounts falling due within one year	22	(7,983)	(6,036)	(8,246)	(5,698)
Provisions for liabilities and charges		(154)	(421)	(154)	(421)
Net current assets		<u>9,714</u>	<u>14,780</u>	<u>9,591</u>	<u>14,661</u>
Total assets less current liabilities		<u>40,908</u>	<u>39,591</u>	<u>40,941</u>	<u>39,617</u>
Net assets		<u>40,908</u>	<u>39,591</u>	<u>40,941</u>	<u>39,617</u>
Funds of the Group/Charity					
Restricted funds	25	9,573	5,098	9,662	4,928
Unrestricted funds		<u>31,335</u>	<u>34,493</u>	<u>31,279</u>	<u>34,689</u>
Total Group/Charity funds	27	<u>40,908</u>	<u>39,591</u>	<u>40,941</u>	<u>39,617</u>

The notes on pages 23 to 48 form part of the financial statements.

The financial statements on pages 19 to 48 were approved by the Trustees on 16 July 2013 and were signed on their behalf by:


Sir Charles Dunstone
Chairman

THE PRINCE'S TRUST

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2013

	Notes to the Cash Flow Statement	2013 £'000	2012 £'000
Net cash (outflow) from operating activities	1	(3,494)	(4,083)
Returns on investments and servicing of finance:			
Bank interest received		50	72
Investment income		151	192
Net cash inflow from returns on investments and servicing of finance		<u>201</u>	<u>264</u>
Capital expenditure and financial investment:			
Purchase of tangible assets		(3,552)	(1,145)
Sale of tangible asset		-	2,090
Purchase of investments		(2,447)	(6,045)
Sale of investments		2,651	4,246
Net cash (outflow) from capital expenditure and financial investment		<u>(3,348)</u>	<u>(854)</u>
Prince's Trust Youth Business Scotland cash		1,791	-
Fairbridge cash balance		-	2,301
(Decrease) in cash in the year		<u>(4,850)</u>	<u>(2,372)</u>
Reconciliation of net cash flow to movements in net funds			
		2013 £'000	2012 £'000
(Decrease) in cash in the year		(4,850)	(2,372)
Opening net funds		11,519	13,891
Closing net funds		<u><u>6,669</u></u>	<u><u>11,519</u></u>

THE PRINCE'S TRUST

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2013

Note 1 Reconciliation of net outgoing resources to net cash outflow from operating activities

	2013	2012
	£'000	£'000
Net (outgoing)/incoming resources	(79)	(131)
Investment income received	(151)	(192)
Interest on loans to supported businesses	(307)	(199)
Bank interest receivable	(50)	(72)
Depreciation charge	668	741
Impairment charge	-	97
Provisions for and write off of loans	752	446
Grant from Prince's Trust Youth Business Scotland	(3,828)	-
Donation of vessel	-	(263)
Surplus on disposal of tangible asset	-	(1,509)
	<u>(2,995)</u>	<u>(1,082)</u>
Movement in:		
Stocks	(30)	24
Debtors	(1,436)	(1,318)
Creditors and Provisions	1,680	(1,931)
	<u>214</u>	<u>(3,225)</u>
(Increase)/decrease in programme investments	(713)	224
Net cash (outflow) from operating activities	<u>(3,494)</u>	<u>(4,083)</u>

THE PRINCE'S TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

1. Principal Accounting Policies

The accounting policies have been applied consistently, other than where new policies have been adopted.

Basis of Accounting

The consolidated financial statements have been prepared in accordance with the following and on a going concern basis:

- Applicable accounting standards in the United Kingdom
- The Statement of Recommended Practice for Charities (SORP), 2005
- The Charities Act 2011 and The Charities and Trustee Investment (Scotland) Act 2005
- The historical cost convention, with the exception of investments which are included at market value

Basis of Consolidation

In the year ended 31 March 2013, the results, assets and liabilities of the following subsidiaries have been included in the financial statements: Prince's Trust Trading Limited, Futures Charitable Trust, Fairbridge Training Ltd and Fairbridge Garden Centre Ltd. Amounts were consolidated on a line by line basis.

Prince's Trust Youth Business Scotland results were consolidated from 21 April 2012 when The Prince's Trust became the sole member. The assets and liabilities were granted to The Prince's Trust with effect from 31 December 2012.

The charity has taken advantage of the provisions of paragraph 397 of SORP 2005 not to provide a separate statement of financial activities for the charity. Total incoming resources for the charity were £53,367,000, outgoing resources were £53,440,000 and net outgoing resources were £73,000.

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 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 the use of resources.

THE PRINCE'S TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

1. Principal Accounting Policies (continued)

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.

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 external 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 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 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:

Freehold Buildings	25 years
Fixtures and fittings	5 years
Motor vehicles	4 years
Computer equipment, including software	4 years
Vessel	6 years
Leasehold improvements	over the lease term

The useful economic life applied to each asset category is reviewed annually to ensure this is appropriate. The only asset included within the asset category of vessel is a tall ship called 'Spirit of Fairbridge', used by the Fairbridge programme to provide team building experiences for young people.

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

THE PRINCE'S TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

1. Principal Accounting Policies (continued)

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.

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. Interest is recognised as the loan is repaid.

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.

THE PRINCE'S TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

1 Principal Accounting Policies (continued)

Contractual liabilities

The Trust provides for legal or constructive obligations that are of uncertain timing or amount at the balance sheet date on the basis of the best estimate of the expenditure required to settle the obligation.

Funds

The funds of The Trust have been segregated as follows:

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 2013 £'000	Total 2012 £'000
Corporate donations	7,455	3,240	10,695	11,015
Grant from Queen's Silver Jubilee Trust	1,500	-	1,500	1,200
Grant from Prince's Trust Youth Business Scotland	-	3,828	3,828	-
Charitable Trusts	3,691	2,724	6,415	4,277
Individual donations	5,819	1,824	7,643	8,339
Legacies	153	-	153	231
Donations in kind	2,274	-	2,274	1,949
	<u>20,892</u>	<u>11,616</u>	<u>32,508</u>	<u>27,011</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:

	2013 £'000	2012 £'000
Advertising and publicity	1,005	725
Charitable programme facilities	257	76
Seconded staff	382	432
Office and occupation costs	152	246
Audit fees	145	150
Other professional fees	326	310
Other	7	10
	<u>2,274</u>	<u>1,949</u>

THE PRINCE'S TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013

3. Activities for Generating Funds

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2013 £'000	Total 2012 £'000
Income from fundraising events	2,665	-	2,665	3,600
Sponsorship	1,233	-	1,233	1,364
Sale of goods	1,064	-	1,064	1,045
Income from activity centre	490	-	490	612
Income from garden centre	769	-	769	941
Income from training	109	-	109	103
Rental	-	-	-	95
Other	31	-	31	135
	<u>6,361</u>	<u>-</u>	<u>6,361</u>	<u>7,895</u>

This income is generated by the subsidiaries Prince's Trust Trading Ltd, and Fairbridge Garden Centre Ltd, the results of which are shown in note 17.

4. Investment Income

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2013 £'000	Total 2012 £'000
Income from fixed asset investments	151	-	151	192
Interest received on programme related investments	307	-	307	199
Bank interest receivable	50	-	50	72
	<u>508</u>	<u>-</u>	<u>508</u>	<u>463</u>

THE PRINCE'S TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013

5. Incoming Resources from Charitable Activities

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2013 £'000	Total 2012 £'000
Public sector contracts for operational programmes				
Income from local and national Government	-	5,793	5,793	3,603
Other public sector sources	-	3,149	3,149	5,738
European Union income	-	5,631	5,631	5,908
Big Lottery Fund	-	1,197	1,197	671
	-	15,770	15,770	15,920
Fees from programme attendance				
xl fees	358	-	358	433
School fees – Fairbridge programme	159	-	159	213
Qualifications income	413	-	413	-
Employers' fees – Team programme	226	-	226	249
Training fees	1,082	-	1,082	2
Other income from charitable activities	117	-	117	1,094
	2,415	-	2,415	1,991
Total income in furtherance of the charity's objects	2,415	15,770	18,185	17,911

Employers' fees of £226,000 (2011/12: £249,000) is income from placement of employees on the Team programme paid by companies and other organisations.

6. Other Incoming Resources

Other incoming resources in the prior year Consolidated Statement of Financial Activities includes a one off item relating to the profit from the sale of Waterloo Road £1,509,000.

7. Cost of Generating Funds

	Direct staff costs £'000	Other direct costs £'000	Allocated support costs £'000	Total 2013 £'000	Total 2012 £'000
Cost of generating voluntary income	3,600	725	2,004	6,329	7,380
Fundraising through trading	753	2,609	445	3,807	4,717
Investment management costs	-	28	-	28	21
	4,353	3,362	2,449	10,164	12,118

The costs of Fundraising through trading are analysed further in note 17 showing the results of The Prince's Trust trading subsidiaries.

THE PRINCE'S TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013

8. Charitable Activities

	Grant funding (see note 11) £'000	Direct staff costs £'000	Other direct costs £'000	Allocated support costs £'000	Total 2013 £'000	Total 2012 £'000
Enterprise programme	936	4,290	2,089	3,263	10,578	8,878
Team programme	-	2,383	1,386	1,681	5,450	6,784
Awards programmes	1,025	777	15	539	2,356	2,964
xl programme	30	1,352	344	1,005	2,731	3,258
Get into programme	-	1,922	1,740	1,351	5,013	5,050
Get Started programme	-	1,020	751	701	2,472	2,631
Local programmes & pilots	2	2,859	442	2,029	5,332	3,837
Youth United	-	-	-	-	-	163
Fairbridge	3	6,965	730	5,686	13,384	9,488
Total charitable activities	1,996	21,568	7,497	16,255	47,316	43,053

9. Governance Costs

	2013 £'000	2012 £'000
Audit	154	191
Legal and professional fees	75	46
Direct staff costs including internal audit	69	60
	<u>298</u>	<u>297</u>

10. Support Costs

	Cost of generating funds £'000	Charitable expenditure £'000	Total 2013 £'000	Total 2012 £'000
Managerial staff	291	1,930	2,221	2,547
Communications and marketing	81	541	622	493
Finance, IT, HR, H&S & administration	432	2,866	3,298	5,726
Recruitment, secondment & other costs	379	2,519	2,898	2,382
Other expenditure:				
Office rents, maintenance & consumables	669	4,439	5,108	5,334
Staff travel and vehicle costs	203	1,343	1,546	1,501
Sundry other fees and costs	394	2,617	3,011	2,813
	<u>2,449</u>	<u>16,255</u>	<u>18,704</u>	<u>20,796</u>

Sundry other fees and costs includes £1,005,000 (2011/12: £725,000) of Gift In Kind marketing costs.

THE PRINCE'S TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

11. Grants Payable

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

	2013 £'000	2013 number of awards	2012 £'000	2012 number of awards
Grants to individual beneficiaries:				
Enterprise programme grants	936	434	380	247
Development awards	889	5,388	805	5,059
Community Cash Awards	136	347	329	1,112
Total grants to individuals	1,961	6,169	1,514	6,418
Grants to clubs and other institutions:				
Grants to xl clubs	30		34	
Youth United	-		163	
Other	5		-	
	1,996		1,711	

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 2012/13, there were 1,048 xl clubs (2011/12: 1,073) running at 516 (2011/12: 505) 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.

12. Group Employee Information and Trustees' Emoluments

Staff members

	2013 No.	2012 No.
Average monthly number of employees (full time equivalent) analysed by function:		
Charitable purposes and support staff	910	849
Fundraising	117	101
Fairbridge Garden Centre Ltd	10	9
Fairbridge Training Ltd	-	5
Governance	1	1
	1,038	965

Staff costs for the above employees were:

	2013 £'000	2012 £'000
Wages and salaries	28,377	26,818
Social security costs	2,785	2,685
Pensions and post retirement benefits	985	853
	32,147	30,356

The Trust also received donations in kind of the services of seconded staff valued at £382,000 (2011/12: £432,000).

THE PRINCE'S TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

12. Group Employee Information and Trustees' Emoluments (continued)

Employee Numbers

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

	2013 No.	2012 No.
£60,001 - £70,000	7	7
£70,001 - £80,000	2	5
£80,001 - £90,000	2	1
£90,001 - £100,000	3	2
£100,001 - £110,000	1	-
£120,001 - £130,000	-	1
£130,001 - £140,000	-	1
£140,001 - £150,000	1	-

The Prince's Trust paid £108,538 (2011/12: £86,768) into defined contribution schemes for 23 (2011/12: 16) higher paid employees.

Trustee Emoluments

No Trustee received salaries, fees or other benefits during the year (2011/12: None). No Trustees received reimbursement of travel expenses in the year (2011/12: nil). Details of related party transactions are disclosed in note 28.

13. Taxation

The Charity was a registered charity throughout the year. As such it is not liable to corporation tax on the surplus of income over expenditure for the year (s478 CTA 2010) or gains arising from the disposal of assets (s256 TCGA 1992) so far as the proceeds are used for charitable purposes only.

The Charity is registered for VAT and, where applicable, expenditure is recorded net of recoverable VAT.

14. Net (Outgoing)/Incoming Resources are Stated After Charging

	2013 £'000	2012 £'000
Depreciation of tangible fixed assets	676	741
Operating lease rentals:		
- Land and buildings	1,350	1,989
- Other	109	198
Auditors' remuneration:		
- For audit only – group	154	191
- For audit only – charity	145	150
- Other services	71	64

The auditors made no charge for the annual audit of the consolidated financial statements of The Prince's Trust (2011/12: same). An estimated charge of £145,000 for the value of their services (2011/12: £150,000) is included in Governance Costs (see note 9). An audit fee of £5,000 was charged in relation to the Fairbridge

THE PRINCE'S TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013

15. Tangible Assets

Group	Freehold Land & Buildings £'000	Computer Equipment Fixtures & Fittings £'000	Motor Vehicles £'000	Vessel £'000	Leasehold Improvements £'000	Total £'000
Cost or valuation on transfer						
At 1 April 2012	-	2,611	103	263	588	3,565
Transfer of PTYBS tangible assets at fair value	-	227	-	-	-	227
Additions	610	822	61	-	2,059	3,552
Disposals	-	(408)	(4)	-	(4)	(416)
At 31 March 2013	610	3,252	160	263	2,643	6,928
Accumulated Depreciation						
At 1 April 2012	-	1,239	63	-	146	1,448
Transfer of PTYBS accumulated depreciation at fair value	-	219	-	-	-	219
Charge for year	-	515	31	18	112	676
Disposals	-	(410)	(2)	-	(5)	(417)
At 31 March 2013	-	1,563	92	18	253	1,926
Net book value						
At 31 March 2013	610	1,689	68	245	2,390	5,002
At 31 March 2012	-	1,373	39	263	442	2,117

On the 31 December 2012 fixed assets at a cost of £227,000, with accumulated depreciation of £219,000 and at a net book value of £8,000 were transferred at fair value from Prince's Trust Youth Business Scotland to The Prince's Trust.

THE PRINCE'S TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013

15. Tangible Assets (continued)

Charity	Freehold Land & Buildings £'000	Computer Equipment Fixtures & Fittings £'000	Motor Vehicles £'000	Vessel £'000	Leasehold Improve- ments £'000	Total £'000
Cost or valuation on transfer						
At 1 April 2012	-	2,555	73	263	397	3,288
Transfer of PTYBS tangible assets at fair value	-	227	-	-	-	227
Additions	610	822	49	-	2,054	3,535
Disposals	-	(407)	-	-	-	(407)
At 31 March 2013	610	3,197	122	263	2,451	6,643
Accumulated Depreciation						
At 1 April 2012	-	1,189	38	-	14	1,241
Transfer of PTYBS accumulated depreciation at fair value	-	219	-	-	-	219
Charge for year	-	512	27	18	91	648
Disposals	-	(407)	-	-	-	(407)
At 31 March 2013	-	1,513	65	18	105	1,701
Net book value						
At 31 March 2013	610	1,684	57	245	2,346	4,942
At 31 March 2012	-	1,365	35	263	383	2,046

THE PRINCE'S TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

16. Investments

	Group 2013 £'000	Group 2012 £'000	Charity 2013 £'000	Charity 2012 £'000
Listed investments at Market Value:				
Open Ended Investment Companies	11,090	9,033	11,090	9,033
Common Investment Funds	2,069	1,980	2,069	1,980
Unit Trusts	3,040	4,251	3,040	4,251
Other Managed Funds	2,066	2,762	2,066	2,762
UK equities	957	4	957	4
	<u>19,222</u>	<u>18,030</u>	<u>19,222</u>	<u>18,030</u>
Investment in Futures Charitable Trust	-	-	105	105
Investment in Fairbridge Garden Centre Ltd	-	-	111	111
Investment in Prince's Trust Trading	-	-	-	-
Total Fixed Asset Investments	<u>19,222</u>	<u>18,030</u>	<u>19,438</u>	<u>18,246</u>
Investment assets in the UK	7,711	7,595	7,928	7,811
Investment assets outside the UK	11,511	10,435	11,511	10,435
Total Fixed Asset Investments	<u>19,222</u>	<u>18,030</u>	<u>19,438</u>	<u>18,246</u>
	Group 2013 £'000	Group 2012 £'000	Charity 2013 £'000	Charity 2012 £'000
Balance brought forward	18,030	14,399	18,246	14,808
Acquisitions at cost	2,447	6,045	2,447	5,997
Proceeds of disposals	(2,651)	(4,246)	(2,651)	(4,246)
Transfer of Fairbridge Investments	-	1,637	-	1,697
Net gains/(losses) in value of investments	1,396	195	1,396	(10)
Balance carried forward	<u>19,222</u>	<u>18,030</u>	<u>19,438</u>	<u>18,246</u>

The trustees believe that the carrying value of the investments is supported by their underlying net assets.

THE PRINCE'S TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

17. Investment in Subsidiaries

The charity controls the operations of the following subsidiaries through the ownership of share capital or as a sole member:

Name	Control	Interest	Activity
Prince's Trust Trading Ltd	100%	2 ordinary £1 shares	Fundraising activities, operation of a water sports centre in Pembrokeshire
Futures Charitable Trust Ltd	100%	Sole member	Dormant
Fairbridge Garden Centre Ltd	100%	100 ordinary £1 shares	Operation of the Fairbridge Garden Centre
Fairbridge Training Ltd	100%	2 ordinary £1 shares	No longer trading
Fairbridge	100%	Sole member	Dormant
Prince's Trust Youth Business Scotland	100%	Sole member	Dormant following transfer of assets and liabilities to The Prince's Trust on 31 December 2012

The summarised financial information of subsidiary undertakings that are material to the group is provided below:

	Prince's Trust Trading Ltd 2013 Year ended £'000	Fairbridge Garden Centre Ltd 2013 Year ended £'000	Prince's Trust Youth Business Scotland 2013 Nine months ended £'000
Turnover/ Incoming resources	5,641	769	697
Expenditure/ Resources expended	(3,114)	(748)	(4,535)
Amount paid as Gift Aid to The Trust	(2,527)	(21)	-
Retained profit for the year/Net (outgoing) resources	-	-	(3,838)
Assets	2,308	541	-
Liabilities	(2,308)	(433)	-
Net assets	-	108	-

During the year ended 31 March 2013, The Prince's Trust acquired a 100% share of the Prince's Trust Youth Business Scotland (PTYBS), a charitable company limited by guarantee registered in Scotland (Company no. SC097426, Registered Charity Number: SC007066). Results for the nine months ended 31 March 2013 are stated in the above table. The assets and liabilities of PTYBS were transferred to the Prince's Trust as at 31 December 2012 by way of a grant of £4,195,000. As per note 2 the grant to PTYBS was £3,828,000 as the net assets at the date of merger, the 20 April 2012. The difference represents the net surplus generated between the two dates. The assets and liabilities comprised:

THE PRINCE'S TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013

17. Investment in Subsidiaries (continued)

	Prince's Trust Youth Business Scotland Dec 12 £'000
Fixed assets	8
Programme related investments - loans to supported businesses (net of provisions):	1,323
Debtors	1,428
Cash	1,486
Creditors	(50)
Net assets	4,195

18. Programme Related Investments: Loans to Supported Businesses

Charity and Group

	Total £'000 2013	Total £'000 2012
Loan reconciliation		
Loans at 1 April	18,295	18,438
Loans transferred from PTYBS	3,929	-
Loans awarded in the year	3,866	2,209
Loans repaid in the year	(2,846)	(2,234)
Loans written off in the year	(9,376)	(118)
Loans at 31 March	13,868	18,295
Provision reconciliation		
Provision at 1 April	13,631	13,303
Provision movement in the year	957	328
Provision for PTYBS	1,686	-
Loans written off in the year	(9,376)	-
Provision at 31 March	6,898	13,631
Net loan balance at 1 April	4,664	5,135
Net loan balance at 31 March	6,970	4,664

THE PRINCE'S TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013

18. Programme Related Investments: Loans to Supported Businesses (continued)

In the current year a decision has been made to write off loans passed to debt collection agencies already fully provided where no repayment has been received in the last two years. As such the loan write off balance of £9,376,000 is significantly higher than the prior year (2012: £118,000). The loan provision methodology remains the same and the loan provision before this adjustment for the current year was £16,274,000 (2012: £13,631,000).

The loan provision, excluding the impact of the loan write off, has increased by £2,643,000 mainly due to the merger with Prince's Trust Youth Business Scotland. The PTYBS net loan book was £2,037,000 at the point it was brought into the group from on 20 April 2012.

	Charity and Group 2013 £'000	Charity and Group 2012 £'000
Disclosed as:		
Amounts recoverable in less than one year	1,931	1,788
Amounts recoverable in more than one year	5,039	2,876
	<u>6,970</u>	<u>4,664</u>

The Trust provides loans to young people of up to £5,000 which are normally repayable over three years. In exceptional circumstances loans have been given out for up to £30,000. Interest charged on loans represents a management fee. As at 31 March 2013, the amounts shown in these financial statements represents an average recovery of 60.8 % of loans awarded (2011/12: 60.3%).

19. Stocks

	Group 2013 £'000	Group 2012 £'000
Goods for resale	<u>185</u>	<u>155</u>

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

20. Debtors

	Group 2013 £'000	Group 2012 £'000	Charity 2013 £'000	Charity 2012 £'000
Amounts falling due within one year				
Trade debtors	894	1,218	541	708
Gift aid recoverable	186	348	186	348
Amounts due from group companies	-	-	2,988	4,439
Central Government & European grants receivable	7,741	6,768	7,742	6,768
Other debtors	188	137	151	136
Prepayments	1,097	935	1,056	893
Accrued income	891	157	866	59
	<u>10,997</u>	<u>9,563</u>	<u>13,530</u>	<u>13,351</u>

THE PRINCE'S TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013

21. Cash at bank and in hand

	Group 2013 £'000	Group 2012 £'000	Charity 2013 £'000	Charity 2012 £'000
Cash held for investment purposes	2,228	3,328	1,228	3,328
Cash at bank and in hand	4,441	8,191	3,233	4,101
	<u>6,669</u>	<u>11,519</u>	<u>4,461</u>	<u>7,429</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.

22. Creditors: Amounts Falling Due Within One Year

	Group 2013 £'000	Group 2012 £'000	Charity 2013 £'000	Charity 2012 £'000
Trade creditors	990	770	893	605
Enterprise loans awarded but not yet paid	679	232	679	232
Amounts owed to subsidiary undertaking	-	-	1,098	105
Other taxation and social security	720	717	716	713
Other creditors	402	241	349	195
Accruals	2,943	2,921	2,779	2,893
Deferred income	2,249	1,155	1,732	955
	<u>7,983</u>	<u>6,036</u>	<u>8,246</u>	<u>5,698</u>

THE PRINCE'S TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013

22. Creditors: Amounts Falling Due Within One Year (continued)

Reconciliation of Deferred Income

	Group £'000	Charity £'000
Brought Forward at April 1 2012		
Fees from Programme Attendance	17	17
Contract and Conditional Income	937	938
Income for Events	201	-
Total Brought Forward at April 1 2012	<u>1,155</u>	<u>955</u>
Deferred Income Released during Year		
Fees from Programme Attendance	(17)	(17)
Contract and Conditional Income	(937)	(938)
Income from Events	(201)	-
Total Deferred Income Released during Year	<u>(1,155)</u>	<u>(955)</u>
Incoming Resources Deferred during Year		
Fees from Programme Attendance	12	12
Contract and Conditional Income	1,720	1,720
Income from Events	517	-
Total Incoming Resources Deferred during Year	<u>2,249</u>	<u>1,732</u>
Deferred Income Carried Forward at 31 March 2013		
Fees from Programme Attendance	12	12
Contract and Conditional Income	1,720	1,720
Income for Events	517	-
Total Carried Forward at 31 March 2013	<u>2,249</u>	<u>1,732</u>

23. Pension Schemes

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, Zurich Assurance Ltd, Standard Life and Scottish Widows. During the year, The Trust contributed 7.5% of gross salary of employees who decided to join the Aviva scheme subject to a minimum of 2.5% from the employee. In addition, The Trust paid similar contributions for a small number of employees directly into their own personal plans. Following the merger with Fairbridge, The Trust contributed up to 4% of gross salary, subject to a matching amount from employees, on behalf of those members of the Standard Life plan. There was a consolidation of The Trust's pension arrangements from 1st December 2012 into a new plan operated by Scottish Widows and this is now the only pension plan to which The Trust contributes. The contribution rate is 5% of gross salary by The Trust with employees contributing at least 3%. Existing contribution rates were maintained for existing and eligible members of the Aviva and personal pension plans and improved rates of 5% from the employer and employees at least 3% for existing and eligible members of the Standard Life plan.

The assets of all of the schemes are held separately from The Trust. The pension cost of these schemes in the year was £985,000 (2011/12: £853,000). The contributions outstanding as at 31 March 2013 were £212,000 (2012: nil).

THE PRINCE'S TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013

24. Financial Commitments

At 31 March 2013 the group and charity had annual commitments under non-cancellable operating leases for land and buildings, vehicles and photocopiers as follows:

	Group 2013 £'000	Group 2012 £'000	Charity 2013 £'000	Charity 2012 £'000
Land and Buildings				
Operating leases which expire:				
Within one year	685	801	685	773
Between one and five years	1,731	430	1,731	430
Over five years	5,486	384	5,486	384
	<u>7,902</u>	<u>1,615</u>	<u>7,902</u>	<u>1,587</u>
Vehicles – operating leases which expire:				
Within one year	2	-	2	-
Between one and five years	57	28	57	28
	<u>59</u>	<u>28</u>	<u>59</u>	<u>28</u>
Photocopiers – operating leases which expire:				
Within one year	25	26	25	26
Between one and five years	51	70	51	70
Over five years	-	1	-	1
	<u>76</u>	<u>97</u>	<u>76</u>	<u>97</u>
	<u>8,037</u>	<u>1,740</u>	<u>8,037</u>	<u>1,712</u>

25. Restricted Funds

Group	Balance 1 April 2012 £'000	Income in year £'000	Expenditure in year £'000	Balance 31 March 2013 £'000
Enterprise programme	2,304	5,103	(5,398)	2,009
Team	390	1,688	(1,684)	392
Awards	157	5,648	(1,734)	4,071
xl	246	1,039	(939)	346
Get into	425	2,442	(2,449)	418
Get Started	64	1,240	(1,240)	64
Pilots and local programmes	138	661	(750)	50
Regional and other restrictions	1,078	6,577	(5,664)	1,991
Fairbridge	296	2,988	(3,053)	231
	<u>5,098</u>	<u>27,386</u>	<u>(22,911)</u>	<u>9,573</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 2013

25. Restricted Funds (continued)

Charity	Balance 1 April 2012 £'000	Income in year £'000	Expenditure in year £'000	Balance 31 March 2013 £'000
Enterprise programme	2,246	4,949	(4,984)	2,211
Team	278	1,688	(1,685)	281
Awards	157	5,648	(1,734)	4,071
xl	246	1,039	(939)	346
Get into	425	2,442	(2,449)	418
Get Started	64	1,240	(1,240)	64
Pilots and local programmes	138	661	(750)	49
Regional and other restrictions	1,078	6,577	(5,664)	1,991
Fairbridge	296	2,988	(3,053)	231
	4,928	27,232	(22,498)	9,662

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

	Balance 1 April 2012 £'000	Income in year £'000	Expenditure in year £'000	Balance 31 March 2013 £'000
The Big Lottery Fund				
Lets Get Cooking (in partnership with the Children's Food Trust) (URN: WB/2/010249923)	-	197	(197)	-
Community Space Challenge (in partnership with Catch 22 (URN: CSP/2/010247068)	-	59	(59)	-
Engaging Young Burnley (URN: RC/2/010344798)	-	90	(71)	19
From Care to Independence (URN: YIF/1/010387657)	-	202	(202)	-
Lets Get Cooking: Supporting Impact and Supporting Change (in partnership with the Children Food Trust) (URN:WB/2/010249923)	-	57	(57)	-
BME Outreach and Engagement Project Officer (URN: PPF/1/010404944)	-	17	(17)	-
Talent Match Tees Valley Development Grant (URN: TM/1/010450489)	-	29	-	29
Talent Match New Anglia Development Grant (URN: TM/1/010450410)	-	17	(17)	-
Talent Match Lincolnshire Development Grant (URN: TM/1/010450304)	-	3	(3)	-

THE PRINCE'S TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013

25. Restricted Funds – Group and Charity (continued)

	Balance 1 April 2012 £'000	Income in year £'000	Expenditure £'000	Balance 31 March 2013 £'000
Talent Match Leicester and Leicestershire Development Grant (URN: TM/1/010450456)	-	2	(2)	-
Talent Match South East Development Grant (URN: TM/1/010450457)	-	20	(20)	-
Get Started with Prince's Trust (URN: RY/1/010410868)	-	53	(43)	10
I-Skills (URN: AFW/1/010443660)	-	5	(3)	2
Fairbridge Leaving Care project (Glasgow) (URN: SV/1/010329996)	-	112	(112)	-
Individual Living Project (Dundee, Edinburgh and Glasgow) (URN: SV/1/010301765)	-	62	(62)	-
Fairbridge Who Cares (Dundee and Edinburgh) (URN: IID/1/010420351)	-	76	(76)	-
Exercise your Rights (URN: RC/2/010361692)	-	107	(107)	-
Communities and Local Government				
Capital City Partnership - Get into (Edinburgh)	-	96	(96)	-
Capital City Partnership - Get into (Edinburgh) YBS	-	25	(25)	-
Glasgow City Council - Get into (Glasgow)	-	89	(89)	-
Glasgow Regeneration - YBS	-	25	(25)	-
ERDF (West Midlands)				
Small Business Loans and Mentoring	735	-	(735)	-
Enterprise 1830 - Intensive Start Up Support	-	223	(223)	-
Enterprise 1830 - Small Business Loans	-	229	(128)	101
European Social Fund				
West Midlands Loan Fund	682	-	-	682
Heritage Lottery Fund				
Spirit of the Age	6	-	(6)	-
Scotland	6	4	(10)	-
Get into Dry Stone Walling	-	19	(19)	-
Ship Shape and Bristol Fashion	-	13	(13)	-
On the Right Track	-	7	(7)	-
Home Office				
Ben Kinsella	28	-	(28)	-
Communities Against Guns, Gangs and Knives	-	49	(49)	-
JP Morgan Chase Foundation				
Youth Unemployment Glasgow	43	89	(96)	36

THE PRINCE'S TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013

25. Restricted Funds – Group and Charity (continued)

	Balance 1 April 2012 £'000	Income in year £'000	Expenditure £'000	Balance 31 March 2013 £'000
London Borough of Hounslow				
Job Ambassadors	-	5	(5)	-
NOMS				
NOMS (Mentoring & Befriending)	-	23	(22)	1
Northern Rock Foundation				
Northern Rock Prison Project	-	19	(5)	14
Southampton City Council				
Running costs grant	-	35	(35)	-
The Wood Family Trust				
Get into Retail (Aberdeen)	-	3	(3)	-
Get into (Scotland)	-	143	(143)	-
Welsh Assembly Government				
Further Education contracts	-	341	(341)	-
Work Based learning	-	29	(29)	-
Youth Council of Northern Ireland				
PT xl programme	-	92	(92)	-

In 2011/12 funding from the Big Lottery Fund for the projects 'From Care to Independence' and 'Prince's Trust Energy Efficiency project' of £23,000 and £6,000 were not disclosed in error. The following information should have been disclosed.

	Balance 1 April 2011 £'000	Income in year £'000	Expenditure in year £'000	Balance 31 March 2012 £'000
Big Lottery Fund				
From Care to Independence - Yif/1/010387657	-	23	(23)	-
Prince's Trust Energy Efficiency Project - EVS/1/010387021	-	6	(6)	-

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

Funder	Project Name	Amount £'000
Brady Foundation	Numeracy and Literacy Courses in Greater Manchester	13
Co-op	Truth about Youth (Wales)	105
Co-op	Truth about Youth (South)	189
European Regional Development Agency (East Midlands)	Sustainable Enterprise with The Prince's Trust	527
Islamic Development Bank	Leadership opportunities for young Muslims	32
Northern Rock Foundation	Fairbridge programme - It's my life	25
Strabane District Council	Enterprise programme	3
Welsh Assembly Government	NVYO	19
Welsh European Funding Office	The Prince's Trust Enterprise programme – Competitiveness – 80374	61

THE PRINCE'S TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013

25. Restricted Funds – Group and Charity (continued)

Funder	Project Name	Amount £'000
Welsh European Funding Office	The Prince's Trust Enterprise programme – Convergence 80373	182
Welsh European Funding Office	Engagement Gateway – EG/01/0399/093 Get into Construction	4
Welsh European Funding Office	Engagement Gateway – EG/01/0399/0171 Get into Customer Services (Valleys)	11
Welsh European Funding Office	Engagement Gateway – EG/01/0399/0200 Get Started with Rugby	6
Welsh European Funding Office	Engagement Gateway – EG/01/051/031 Get into Hospitality (Sodexo)	7
Welsh European Funding Office	Engagement Gateway – EG/01/0399/0128 Get into Retail (TSW)	11
Welsh European Funding Office	Engagement Gateway – EG/01/0399/0129 Get into Health	20
Welsh European Funding Office	Engagement Gateway – EG/01/0051/0052 Get into Customer Services (Admiral)	23
Welsh European Funding Office	Engagement Gateway – EG/01/0399/0327 Get into Hospitality (Clwyd Leisure)	7
Welsh European Funding Office	Engagement Gateway – EG/01/0399/0372 Get into Care (Swansea)	9
Welsh European Funding Office	Engagement Gateway – EG/01/0399/0371 Get into Hospitality (Bluestone)	7
Welsh European Funding Office	Engagement Gateway – EG/01/0399/0465 Get into Cars	6
Welsh European Funding Office	Engagement Gateway – EG/01/0399/0370 Get into Outdoor Activity (PAC)	7
Welsh European Funding Office	Engagement Gateway – EG/01/0051/0064 Get Started with Football (Wrexham)	5
Welsh European Funding Office	Engagement Gateway – EG/01/0399/0459 Get into Hospitality (Coleg Sir Gar)	12
Welsh European Funding Office	Engagement Gateway – EG/01/0051/0063 CCA with Entrepreneurship (Vale of Glamorgan)	14
Welsh European Funding Office	Engagement Gateway – EG/01/0399/0352 CCA with Entrepreneurship (RCT)	4
Welsh European Funding Office	Engagement Gateway – EG/01/0399/0534 Get Started Cars (North Wales)	9
Welsh European Funding Office	Engagement Gateway – EG/01/0399/0506 Get into Food Manufacturing	11
Welsh European Funding Office	Engagement Gateway – EG/01/0399/0555 Get into Catering	26
Welsh European Funding Office	Engagement Gateway – RCE/01/0051/0122 Get Started with Rugby (Gwent Dragons)	6
Welsh European Funding Office	WCVA Engagement Gateway - EG/RCE/01/0011/0023	7
Welsh European Funding Office	WCVA Engagement Gateway - EG/RCE/01/0011/0037	2
Welsh European Funding Office	WCVA Engagement Gateway - EG/RCE/01/0011/0047	1
Welsh European Funding Office	WCVA GWIRVOL - GV/11/01/037	2
Welsh European Funding Office	WCVA Volunteering in Wales – Young Ambassadors	9

THE PRINCE'S TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013

26. Analysis of Net Assets Between Funds

Group	Unrestricted Funds	Restricted Funds	Total Funds
	£'000	£'000	£'000
Fund balances at 31 March 2013 are represented by:			
Tangible fixed assets	5,002	-	5,002
Investments	25,294	898	26,192
Current assets	9,176	8,675	17,851
Current liabilities	(8,137)	-	(8,137)
Total Net Assets	31,335	9,573	40,908

Charity	Unrestricted Funds	Restricted Funds	Total Funds
	£'000	£'000	£'000
Fund balances at 31 March 2013 are represented by:			
Tangible fixed assets	4,942	-	4,942
Investments	25,510	898	26,408
Current assets	9,228	8,764	17,992
Current liabilities	(8,401)	-	(8,401)
Total Net Assets	31,279	9,662	40,941

27. Reconciliation of Movement in Funds

	Group 2013 £'000	Group 2012 £'000	Charity 2013 £'000	Charity 2012 £'000
Opening funds	39,591	34,847	39,617	34,837
Net (outgoing)/incoming resources for the year	(79)	(131)	(72)	4,790
Fairbridge Group Funds	-	4,680	-	-
Net gains/(losses) in value of investments	1,396	195	1,396	(10)
Closing funds	40,908	39,591	40,941	39,617

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 charity has received some small donations from Trustees and organisations to which they are related however according to the charity SORP 2005 their disclosure is not required.

THE PRINCE'S TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

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

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 national fundraised income received.

Activities undertaken in Wales

	2013 £'000	2012 £'000
Incoming Resources		
Private Sector	1,424	1,996
Public Sector	864	1,132
Other	241	118
	<u>2,529</u>	<u>3,246</u>
Resources Expended		
Direct Charitable	(657)	(773)
Fundraising	(615)	(599)
Staff costs	(1,922)	(1,863)
Other	(472)	(354)
	<u>(3,666)</u>	<u>(3,589)</u>
(Deficit) for the year	<u>(1,137)</u>	<u>(343)</u>
Shared Support Costs	(459)	(567)
(Deficit) for the year including shared support costs	<u>(1,596)</u>	<u>(910)</u>

The Trust supported 3,102 young people in Wales during 2012/13 (2011/12: 3,496). Costs were lower to reflect this. However, a one-off office move increased the costs.

Of the young people who participated on our programmes in Wales 75% moved on to employment, further education, training or volunteering within three months of completing the programme. This was an increase on previous year's.

The level of public sector income was lower than anticipated mainly due to WCVA ESF EG funding not accessible until 13/14. ESF funding comprised 48% of total public sector income received in Wales. The income helped to deliver a number of short programmes in Wales throughout the year and created 65 new businesses through the Enterprise Programme.

Private Sector fundraising once more exceeded target, with higher than expected income from corporate donations.

Looking forward The Trust aims to grow the support throughout Wales in 2013/14 and deliver our programmes over 3,500 Young People.

THE PRINCE'S TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013

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

Activities undertaken in Scotland

	2013	2012
	£'000	£'000
Incoming Resources		
Private Sector	2,755	2,069
Public Sector	5,016	3,798
Other	271	139
	<u>8,042</u>	<u>6,006</u>
Resources Expended		
Direct Charitable	(2,329)	(1,912)
Fundraising	(86)	(167)
Staff costs	(4,700)	(3,240)
Other	(930)	(695)
	<u>(8,045)</u>	<u>(6,014)</u>
(Deficit) for the year	<u>(3)</u>	<u>(8)</u>
Shared Support Costs	(617)	(471)
(Deficit) for the year including shared support costs	<u>(620)</u>	<u>(479)</u>

Further commentary on the activities in Scotland is included within the Trustees report on page 11.

THE PRINCE'S TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013

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

Activities undertaken in Northern Ireland

	2013 £'000	2012 £'000
Incoming Resources		
Private Sector	532	509
Public Sector	1,277	988
Other	14	19
	<u>1,823</u>	<u>1,516</u>
Resources Expended		
Direct Charitable	(444)	(384)
Fundraising	(15)	(15)
Staff costs	(1,152)	(982)
Other	(167)	(129)
	<u>(1,778)</u>	<u>(1,510)</u>
Surplus for the year	<u>45</u>	<u>6</u>
Shared Support Costs	(254)	(265)
(Deficit) for the year including shared support costs	<u>(209)</u>	<u>(259)</u>

In Northern Ireland The Trust supported 3,305 young people. This was an increase from the previous year. Team and xl did not perform as forecast but we did increase participation on Enterprise, Development Awards and Get into Programmes. Significantly this year we launched the Fairbridge Programme in Northern Ireland. 77% of the young people supported by The Trust during the year moved into education, training, employment or volunteering, measured three months after completing a programme.

The Trust opened a Prince's Trust Centre in Belfast with funding secured from Ulster Garden Villages, Clothing Industrial Training Limited, the Queen's Silver Jubilee Trust, Invest NI and the Department of Employment and Learning. The new centre combines office space for the Belfast based staff and more importantly, allows us to directly deliver our programmes to reach more young people in Northern Ireland.

Public sector income increased 30% from the previous year with the Department of Employment and Learning and the European Social Fund, the single biggest funder. Other Public Sector funding included Big Lottery support for Get Started programmes, Youth Council of Northern Ireland support for the xl programme, Belfast City Council and PSNI support for Development Awards.

Despite the economic challenges Private sector fundraising achieved growth of 5% and included a £100k donation from Ulster Garden Villages for the Prince's Trust Centre and the launch of a Leadership group to support employability programmes in the Food Manufacturing sector.

Looking forward The Trust aims to support 3,949 young people through Northern Ireland in 2013/14 with growth targeted for all of our core programmes.

