

Charity Registration No. 1101527

Company Registration No. 04970959 (England and Wales)

THE PRINCE'S SCHOOL OF TRADITIONAL ARTS
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021



COMPANIES HOUSE

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THE PRINCE'S SCHOOL OF TRADITIONAL ARTS

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr Gordon Neil	(Appointed 23 March 2021)
	Mr George Richards	(Appointed 4 October 2021)
	Mrs Emily Cherrington	(Appointed 1 December 2021)
Charity number	1101527	
Company number	04970959	
Registered office	19-22 Charlotte Road London EC2A 3SG	
Auditor	Saffery Champness LLP Edinburgh Quay 133 Fountainbridge Edinburgh EH3 9BA	
Investment advisors	Cazenove & Co. 1 London Wall Place London EC2Y 5AU	

THE PRINCE'S SCHOOL OF TRADITIONAL ARTS

CONTENTS

	Page
Trustees' report	1 - 3
Statement of Trustees' responsibilities	4
Independent auditor's report	5 - 7
Statement of financial activities	8
Balance sheet	9
Statement of cash flows	10
Notes to the financial statements	11 - 21

THE PRINCE'S SCHOOL OF TRADITIONAL ARTS

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2021

The Trustees present their report and financial statements for the year ended 31 March 2021.

The financial statements have been prepared in accordance with the accounting policies set out in notes 1 to 20 of the financial statements and comply with the Charity's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

Objectives and activities

The objectives of the charity are such purposes as are charitable under the law of England and Wales and in particular (but without limitation) the advancement of the education of the public in the practice and application of the traditional arts and architecture of traditional civilisations, and the promotion of the practice and appreciation of such traditional arts and architecture. The Trustees have had due regard to the guidance issued by the Charity Commission on public benefit with reviewing the charity's objectives and planning future activities.

The Prince's School of Traditional Arts aims to be acknowledged as an international institute of excellence, inspiring the practise and preservation of their fundamental, universal values through its educational programmes.

Achievements and performance

On 1 September 2018 the Trustees of The Prince's School of Traditional Arts (PSTA) agreed to merge with The Prince's Foundation (formerly the Great Steward of Scotland's Dumfries House Trust).

As a result, during the financial year from 1 April 2019 to 31 March 2020, PSTA's work and charitable activities were taken forward by The Prince's Foundation and the PSTA entity has been largely dormant since. PSTA is now a sub-entity of The Prince's Foundation.

The main activities during the year have involved completing further merger steps and transferring the remaining assets and liabilities to The Prince's Foundation.

Objectives for the coming year

As aforementioned, The Prince's School of Traditional Arts ceased trading as a separate entity during the course of the 2018-2019 financial year and its activities have been taken forward by The Prince's Foundation since.

Under the terms of the merger agreement all assets and liabilities have now transferred to The Prince's Foundation. On this basis, as with prior year, the Trustees do not consider The Prince's School of Traditional Arts to be a going concern and therefore the accounts have not been prepared on this basis.

Staff

There are no members of staff as the entity has ceased trading.

THE PRINCE'S SCHOOL OF TRADITIONAL ARTS

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

Financial review

Income for the year totalled £83,138 (2020: £137,314). Income is derived from the investments of an endowment fund. This income is used to support activities of the school which is now run through The Prince's Foundation. The investments of the Abdul Latif Jameel Centre for Traditional Arts and Crafts fund are managed by Cazenove Capital Management Limited.

Expenditure for the year totalled £4,349,678 (2020: £2,493,033). This expenditure is primarily due to the endowment fund being transferred to The Prince's Foundation under the merger agreement.

Expenditure of £4,349,678 (2020: £2,493,033) calculated before net gains on investments, comprised: expenditure of £900 (2020: £5,100) on general funds, expenditure of £nil (2020: £2,232,666) on restricted funds and expenditure on endowment funds of £4,348,778 (2020: £255,267). The school also made a gain of £569,531 (2020: loss £392,850) from the movement in market value of its endowment fund investments between 31 March 2020 and 31 December 2020, when it was transferred to The Prince's Foundation.

Structure, governance and management

By way of background, The Prince's School of Traditional Arts ('The Prince's School' or the 'School') became an independent charity and formally commenced business on 1 April 2004. The Prince's School is a company limited by guarantee by its amended Articles of Association effective from 31 March 2013.

The Trustees effected a merger of the school with The Prince's Foundation, a charity sharing the same President, HRH The Prince of Wales, on 1 September 2018. Following the merger the activities of the School have continued, in accordance with the School's current objectives and strategy, as part of The Prince's Foundation.

The Prince's School of Traditional Arts ceased trading as a separate entity at that point. During the past financial year, the Trustees have overseen the further completion of the merger activity with The Prince's Foundation.

The Trustees consider and review the major risks to which the charity is exposed. Any significant risks, together with mitigation actions, are reviewed by the Trustees. The Trustees are satisfied systems have been developed and are in place to mitigate identified risks to an acceptable level.

Charity constitution

The Prince's School of Traditional Arts is governed by its Board of Trustees. The Board is responsible for setting strategy, protecting the reputation of The School and for the stewardship of its funds. Trustees are appointed for three years and can be reappointed. Training and induction is available for new Trustees.

The Trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Dame Jayne-Anne Gadhia	(Resigned 23 March 2021)
Mr Douglas Connell	(Resigned 4 October 2021)
Mr Michael Fawcett	(Resigned 1 December 2021)
Mr Gordon Neil	(Appointed 23 March 2021)
Mr George Richards	(Appointed 4 October 2021)
Mrs Emily Cherrington	(Appointed 1 December 2021)

The Board met during the prior financial year to sign off the financial statements and to oversee the completion of the merger activity with The Prince's Foundation.

Auditor

The auditor, Saffery Champness LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

THE PRINCE'S SCHOOL OF TRADITIONAL ARTS

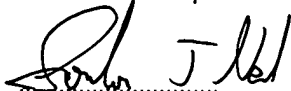
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

Disclosure of information to auditor

Each of the Trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The Trustees' report was approved by the Board of Trustees.



Mr Gordon Neil

Trustee

Dated: 03/12/2021

THE PRINCE'S SCHOOL OF TRADITIONAL ARTS

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2021

The Trustees, who are also the directors of The Prince's School of Traditional Arts for the purpose of company law, 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).

Company Law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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 judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

The Trustees are responsible for keeping adequate 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 Companies Act 2006. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

THE PRINCE'S SCHOOL OF TRADITIONAL ARTS

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF THE PRINCE'S SCHOOL OF TRADITIONAL ARTS

Opinion

We have audited the financial statements of The Prince's School of Traditional Arts (the 'Charity') for the year ended 31 March 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2021 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Emphasis of matter – basis of preparation

We draw attention to Note 1 in the financial statements, which indicates that in the year to 31 March 2021 it is expected that the charity will become dormant. All the remaining assets and liabilities of the charity will be transferred to The Prince's Foundation. As stated in Note 1 the charity is not considered a going concern and therefore the accounts have not been prepared on a going concern basis. Our opinion is not modified in respect of this matter.

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the Trustees' report has been prepared in accordance with applicable legal requirements.

THE PRINCE'S SCHOOL OF TRADITIONAL ARTS

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE PRINCE'S SCHOOL OF TRADITIONAL ARTS

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' report and from the requirement to prepare a strategic report.

Responsibilities of Trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 4, the trustees (who are also directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under the Companies Act 2006 and report in accordance with regulations made under that Act.

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

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

Identifying and assessing risks related to irregularities:

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

Laws and regulations of direct significance in the context of the charitable company include The Companies Act 2006, and guidance issued by the Charity Commission for England and Wales.

THE PRINCE'S SCHOOL OF TRADITIONAL ARTS

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE PRINCE'S SCHOOL OF TRADITIONAL ARTS

Audit response to risks identified:

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

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

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

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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



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

Date: 14 DECEMBER 2021

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

THE PRINCE'S SCHOOL OF TRADITIONAL ARTS

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2021

	Notes	Unrestricted funds General 2021 £	Restricted funds 2021 £	Endowment funds 2021 £	Total 2021 £	Unrestricted funds General 2020 £	Restricted funds 2020 £	Endowment funds 2020 £	Total 2020 £
Income from:									
Investment Income	2	-	-	83,138	83,138	-	-	137,314	137,314
Expenditure on:									
Raising funds	3	-	-	14,471	14,471	-	-	25,267	25,267
Governance and other expenses	4	900	-	4,334,307	4,335,207	5,100	2,232,666	230,000	2,467,766
Total resources expended		900	-	4,348,778	4,349,678	5,100	2,232,666	255,267	2,493,033
Net gains/(losses) on investments	9	-	-	569,531	569,531	-	-	(392,850)	(392,850)
Net movement in funds		(900)	-	(3,696,109)	(3,697,009)	(5,100)	(2,232,666)	(510,803)	(2,748,569)
Gross transfers between funds		-	-	-	-	-	-	-	-
Net movement in funds		(900)	-	(3,696,109)	(3,697,009)	(5,100)	(2,232,666)	(510,803)	(2,748,569)
Fund balances at 1 April 2020		900	-	3,696,109	3,697,009	6,000	2,232,666	4,206,912	6,445,578
Fund balances at 31 March 2021		-	-	-	-	900	-	3,696,109	3,697,009

The statement of financial activities includes all gains and losses recognised in the year.

THE PRINCE'S SCHOOL OF TRADITIONAL ARTS

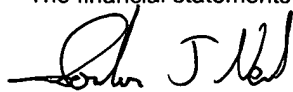
BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Investments	10		-	3,700,999	
Current assets					
Cash at bank and in hand		-		6,137	
Creditors: amounts falling due within one year	11	-		(10,127)	
Net current liabilities			-		(3,990)
Total assets less current liabilities			-		3,697,009
Capital funds					
Endowment funds	12		-	3,696,109	
Income funds					
Unrestricted funds - General	14		-	900	
			-		3,697,009

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 03/12/2021



Mr Gordon Neil
Trustee

Company Registration No. 04970959

THE PRINCE'S SCHOOL OF TRADITIONAL ARTS

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash absorbed by operations	20		(103,040)		(254,240)
Investing activities					
Purchase of investments		(362,666)		(316,207)	
Proceeds on disposal of investments		378,541		310,202	
Investment income received		83,138		137,314	
Net movement in fixed asset investment cash		(494)		113,040	
Accrued Income on Investments		(1,616)		6,028	
Net cash generated from investing activities			96,903		250,377
Net cash used in financing activities			-		-
Net decrease in cash and cash equivalents			(6,137)		(3,863)
Cash and cash equivalents at beginning of year			6,137		10,000
Cash and cash equivalents at end of year			-		6,137

THE PRINCE'S SCHOOL OF TRADITIONAL ARTS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

Charity information

The Prince's School of Traditional Arts is a private company limited by guarantee incorporated in England and Wales. The registered office is 19-22 Charlotte Road, London, EC2A 3SG.

1.1 Accounting convention

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

1.2 Going concern

In the year to 31 March 2021, all the remaining assets and liabilities of the charity have transferred to The Prince's Foundation. Accordingly, the charity is not considered a going concern and therefore the accounts have not been prepared on a going concern basis. There are no adjustments required and this is the same status as the prior set of financial accounts.

These financial statements present information about the charitable company as an individual undertaking and not about its group. Full consolidated financial statements have been prepared and are available from Companies House.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are those held in trust from which income is derived to support either the general activities of the School or activities specifically identified by the relevant trust. The Trustees have the power of discretion to convert endowed capital into unrestricted income. Income arising on endowment funds is treated as part of the total return.

1.4 Income

Income is recognised when the Charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Dividend receivable

Dividends from investments are included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the dividend paid or payable from the investment.

THE PRINCE'S SCHOOL OF TRADITIONAL ARTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Expenditure has been classified under headings that aggregate all costs related to the category.

1.6 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.7 Cash and cash equivalents

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

1.8 Financial instruments

The Charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Charity's balance sheet when the Charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Charity's contractual obligations expire or are discharged or cancelled.

1.9 Taxation

The charity is exempt from corporation tax on its charitable activities.

2 Investment Income

	Endowment funds	Endowment funds
	2021	2020
	£	£
Endowment - Abdul Latif Jameel Centre for Traditional Arts and Crafts	83,138	137,314

THE PRINCE'S SCHOOL OF TRADITIONAL ARTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

3 Raising funds

	Endowment funds	Endowment funds
	2021	2020
	£	£
Investment management fees	14,471	25,267
	<u>14,471</u>	<u>25,267</u>
	<u><u>14,471</u></u>	<u><u>25,267</u></u>

THE PRINCE'S SCHOOL OF TRADITIONAL ARTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

4 Governance and other expenses

	Unrestricted funds General 2021 £	Restricted funds 2021 £	Endowment funds 2021 £	Total £ 2021 £	Unrestricted funds General 2020 £	Restricted funds 2020 £	Endowment funds 2020 £	Total £ 2020 £
Transfer to The Prince's Foundation	-	-	4,251,807	4,251,807	-	2,222,444	-	2,222,444
Transfer - allocation of total return	-	-	82,500	82,500	-	-	230,000	230,000
Share of governance costs	900	-	-	900	5,100	-	-	5,100
Depreciation	-	-	-	-	-	10,222	-	10,222
	<u>900</u>	<u>-</u>	<u>4,334,307</u>	<u>4,335,207</u>	<u>5,100</u>	<u>2,232,666</u>	<u>230,000</u>	<u>2,467,766</u>

THE PRINCE'S SCHOOL OF TRADITIONAL ARTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

5 Support costs

	Support costs £	Governance costs £	2021 £	Support costs £	Governance costs £	2020 £
Audit fees	-	-	-	-	2,700	2,700
Accountancy fees	-	-	-	-	2,400	2,400
Management Fee payable to parent	-	774	774	-	-	-
	<u>-</u>	<u>774</u>	<u>774</u>	<u>-</u>	<u>5,100</u>	<u>5,100</u>

Charges in the year for audit fees of £2,350 have been met by the parent company.

6 Net movement in funds

	2021 £	2020 £
Net movement in funds is stated after charging/(crediting)		
Fees payable to the company's auditor for the audit of the company's financial statements	-	2,700
Depreciation of owned tangible fixed assets	-	10,222
	<u>-</u>	<u>10,222</u>

7 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the Charity during the year, nor for the prior period ending 31 March 2020.

Trustees expenses

There were no trustees' expenses paid for the year ended 31 March 2021, nor for the period ended 31 March 2020.

8 Employees

There were no employees during the year (2020: nil).

9 Net gains/(losses) on investments

	Endowment funds 2021 £	Endowment funds 2020 £
Gain/(loss) on investments	<u>569,531</u>	<u>(392,850)</u>

THE PRINCE'S SCHOOL OF TRADITIONAL ARTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

9 Net gains/(losses) on investments

(Continued)

The prior-year loss was largely attributed to COVID-19 market conditions during the final quarter of the financial year, where equity markets suffered considerable losses. The in-year gains represents the recovery of the equity markets following COVID-19 restrictions lessening.

10 Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 April 2020	3,700,999
Additions	362,666
Valuation changes	569,531
Investment cash movement	494
Accruals movement	1,616
Disposals	(378,541)
Transfer to Parent	(4,256,765)
At 31 March 2021	-
Carrying amount	
At 31 March 2021	-
At 31 March 2020	3,700,999

	2021 £	2020 £
Investments at fair value comprise:		
UK equities	-	789,620
International equities	-	830,683
UK bonds	-	958,970
Portfolio funds	-	303,012
Alternatives	-	734,359
Cash	-	84,355
	-	3,700,999

THE PRINCE'S SCHOOL OF TRADITIONAL ARTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

10 Fixed asset investments

(Continued)

Endowment funds: Total Return Accounting

The school has adopted The Charities (Total Return) Regulations 2013 issued by the Charity Commission and has implemented the total return investment powers in relation to its endowment investment. The regulation permits the Trustees to invest the portfolio to maximise total return and to apply an appropriate portion of the unapplied total return to income each year. Until the power is exercised to transfer a portion of the unapplied total return to income, the unapplied total return remains invested as part of the endowment.

The total return applied includes all monies drawn down from the investments in year. This is lower on a year-on-year basis as the fund was transferred to The Prince's Foundation as of 1 January 2021.

The investment fund and application of total return to endowment funds:

	Year to 31/03/2021 £	Year to 31/03/2020 £
Opening value of endowment	3,700,999	4,206,912
Less: Transfer to parent	(4,256,765)	-
Less: Original value of the gift	(2,849,072)	(2,849,072)
Unapplied total return brought forward	(3,404,838)	1,357,840
Add		
Investment return: dividends and interest	83,138	137,314
Investment return: gains and losses	569,531	(392,850)
Less		
Investment management and administration costs	(14,403)	(20,377)
Unapplied total before transfer to income	(2,766,572)	1,081,927
Less		
Total return applied	(82,500)	(230,000)
Unapplied return as at 31 March 2021	(2,849,072)	851,927
Add		
Original value of the gift brought forward	2,849,072	2,849,072
New endowments in the year	-	-
Endowment including unapplied total return as at 31 March 2021 constituting the investment fund	-	3,700,999

THE PRINCE'S SCHOOL OF TRADITIONAL ARTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

11 Creditors: amounts falling due within one year

	2021 £	2020 £
Amounts owed to fellow group undertakings	-	137
Accruals and deferred income	-	9,990
	<u>-</u>	<u>10,127</u>

12 Endowment funds

Endowment funds represent assets which must be held permanently by the Charity. Income arising on the endowment funds can be used in accordance with the endowment objectives. Any capital gains or losses arising on the assets form part of the fund.

	Balance at 31 March 2020	Incoming resources	Movement in funds Resources expended	Transfers	Revaluations gains and losses	Balance at 31 March 2021
	£	£	£	£	£	£
Permanent endowments						
Abdul Latif Jameel Centre for Traditional Arts and Crafts	3,696,109	83,138	(4,348,778)	-	569,531	-
	<u>3,696,109</u>	<u>83,138</u>	<u>(4,348,778)</u>	<u>-</u>	<u>569,531</u>	<u>-</u>

Endowment funds - Prior year comparative

	Balance at 1 April 2019	Incoming resources	Movement in funds Resources expended	Transfers	Revaluations gains and losses	Balance at 31 March 2020
	£	£	£	£	£	£
Permanent endowments						
Abdul Latif Jameel Centre for Traditional Arts and Crafts	4,206,912	137,314	(255,267)	-	(392,850)	3,696,109
	<u>4,206,912</u>	<u>137,314</u>	<u>(255,267)</u>	<u>-</u>	<u>(392,850)</u>	<u>3,696,109</u>

THE PRINCE'S SCHOOL OF TRADITIONAL ARTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

13 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 April 2020	Incoming resources	Movement in funds			Balance at 31 March 2021
	£	£	Resources expended	Transfers	Revaluations, gains and losses	£
Property fund	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-

Restricted funds - Prior year comparative

	Balance at 1 April 2019	Incoming resources	Movement in funds			Balance at 31 March 2020
	£	£	Resources expended	Transfers	Revaluations, gains and losses	£
Property fund	2,232,666	-	(2,232,666)	-	-	-
	2,232,666	-	(2,232,666)	-	-	-
	2,232,666	-	(2,232,666)	-	-	-

This fund represented the net book value of the charity's one third share of 19-22 Charlotte Road, London, EC2A 3SG. The full asset value was transferred to the parent company in the year to 31 March 2020 reducing the fund to £nil.

THE PRINCE'S SCHOOL OF TRADITIONAL ARTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

14 Unrestricted funds - General

These are general funds which are material to the Charity's activities made up as follows:

	Balance at 1 April 2020 £	Resources expended £	Transfers £	Balance at 31 March 2021 £
General	900	(900)	-	-

Unrestricted Fund - General - Prior year comparative

	Balance at 1 April 2019 £	Resources expended £	Transfers £	Balance at 31 March 2020 £
General	6,000	(5,100)	-	900

15 Analysis of net assets between funds

	Unrestricted funds 2021 £	Restricted funds 2021 £	Endowment funds 2021 £	Total 2021 £	Total 2020 £
Fund balances at 31 March 2021 are represented by:					
Investments	-	-	-	-	3,700,999
Current assets/(liabilities)	-	-	-	-	(3,990)
	-	-	-	-	3,697,009

16 Exceptional item

There was an exceptional item in the year amounting to £4,251,807 which relates to the transfer of the endowment investment fund valued at £4,256,765 and accrued management fees of £4,958 to group entity, The Prince's Foundation. The assets were transferred under the terms of the merger agreement signed by the Trustees in 2018. In the prior year there was an exceptional item amounting to £2,232,666 which related to the transfer of the property, at 19-22 Charlotte Road, London, to The Prince's Foundation. These assets also formed part of the merger agreement.

THE PRINCE'S SCHOOL OF TRADITIONAL ARTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

17 Related party transactions

During the year the company's endowment investment portfolio was transferred to The Prince's Foundation (company number SC331738) at a total of £4,256,765, of which £4,958 will be used to pay the outstanding portfolio management fee.

There were additional transactions with The Prince's Foundation in the year totalling £137. This included a one off management fee of £774 to cover the administration of the transfer of the investment fund portfolio, net expenditure recharges of £800 and a payment £111 to clear the balance. The balance due from The Prince's Foundation at the year end is £nil.

18 Ultimate parent company

The Prince's Foundation is the ultimate parent company of The Prince's School of Traditional Arts.

The smallest group which prepares consolidated financial statements is The Prince's Foundation. Consolidated accounts are publicly available from Companies House. The Prince's Foundation registered office is Dumfries House, Dumfries Estate, Cumnock, Ayrshire, KA18 2NJ.

19 Analysis of changes in net debt

The Charity had no debt during the year.

20 Cash generated from operations	2021 £	2020 £
Deficit for the year	(3,697,009)	(2,748,569)
Adjustments for:		
Investment income recognised in statement of financial activities	(83,138)	(137,314)
(Gain)/loss on disposal of investments	(569,531)	392,850
Transfer to Parent	4,256,765	2,222,444
Depreciation and impairment of tangible fixed assets	-	10,222
Movements in working capital:		
(Decrease)/increase in creditors	(10,127)	6,127
Cash absorbed by operations	(103,040)	(254,240)