

ANNUAL REVIEW 2008

The purpose of this Annual Review is to provide an overview of The Prince of Wales's and The Duchess of Cornwall's official and charitable activities, and to provide information about their income and official expenditure for the year to 31st March 2008.

This Review describes The Prince of Wales's role and activities, which have three principal elements: undertaking royal duties in support of The Queen, working as a charitable entrepreneur and promoting and protecting national traditions, virtues and excellence.

www.princeofwales.gov.uk

The Prince's website carries details of all official engagements, and of speeches, articles and a wide range of biographical and factual information.

SPECIAL FEATURES





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SUMMARY

This Annual Review covers the year to 31st March 2008. In addition to this introduction and a selection of events from the year, it has five main sections: one devoted to special features highlighting the work of The Prince of Wales's initiatives and charities; three explaining each of the principal elements of His Royal Highness's role; and a fifth providing details of how his activities and office are financed and explaining their environmental impact.

While there is no established constitutional role for The Heir to The Throne. The Prince seeks, with the support of his wife The Duchess of Cornwall, to do all he can to make a difference for the better in the United Kingdom and internationally. The way in which His Royal Highness does so can, in simple terms, be divided into three parts.

Undertaking royal duties in support of The Queen

This involves The Prince supporting The Queen in her role as a focal point for national pride, unity and allegiance and in bringing people together across all sections of society, representing stability and continuity, highlighting achievement, and emphasising the importance of service and the voluntary sector by encouragement and example.

Working as a charitable entrepreneur

For many years The Prince has worked to identify charitable need and to set up and drive forward charities to meet it. Today, The Prince's Charities, as the core group of 19 organizations is known, makes up the largest multicause charitable enterprise in the UK. Each year His Royal Highness helps to raise, either directly or indirectly, more than £100 million to support the charities' activities. Additionally, The Prince has created six social enterprises, the profits of which are donated to charity.

Promoting and protecting national traditions, virtues and excellence

This includes supporting Britain's rural communities, promoting tolerance and greater understanding between faiths and communities, and highlighting achievements or issues that, without his support, might otherwise receive little exposure. In this regard, His Royal Highness often acts as a catalyst for facilitating debate and change through contacts with Government Ministers and other people of influence, and by giving speeches and writing articles. In doing so, he is always careful to remain separate from party political debate. He communicates with Ministers as a member of the Privy Council and to report matters raised by people during his visits around the country.

In fulfilling his role as Heir to The Throne, The Prince of Wales is supported in everything he does by his wife The Duchess of Cornwall. Rather than seek a substantial public profile in her own right, Her Royal Highness's role is primarily to support her husband, accompanying him on many public engagements throughout the country and overseas. The Duchess also attends events on her own, and conducts charitable and other work, although last year her convalescence after a major operation led to a reduction in her total number of public engagements.



PAGE 24 CHARITABLE ENTREPRENEUR



PAGE 38 PROMOTING AND PROTECTING



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Year to 31st March	2008	2007
	£000s	£000s
Income from Duchy of Cornwall	16,273	15,174
Funding from Grants-In-Aid		
and Government Departments	2,454	2,454
Total income and funding	18,727	17,628
Official expenditure	10,451	9,714
Surplus after official costs	8,276	7,914
Taxation	3,429	3,434
Non-official expenditure	2,217	2,614
Capital expenditure (less depreciation),		
loan repayments and transfers to reserves	2,436	1,671
Net cash surplus	194	195

For historical financial data please visit: www.princeofwales.gov.uk/ mediacentre/annualreview

SUSTAINABILITY ACCOUNT		
Year to 31st March	2008	2007
	tonnes	tonnes
CO ₂ equivalent emissions		
Household	2,795	3,425
Home Farm	2 459	2.314

The Prince has been drawing attention to the evermore challenging problems of climate change for many years, and a significant event during the year was the establishment of his Rainforests Project.

Summary

The way The Prince of Wales fulfils his public duties is largely constant from year to year, and in 2007-08 the key themes were the environment, the built environment (particularly in planning more sustainable communities and promoting regeneration of deprived areas), Their Royal Highnesses' support for the Armed Forces, and their work for Britain on overseas visits.

The Prince has been drawing attention to the evermore challenging problems of climate change for many years, and a significant event during the year was the establishment of his Rainforests Project (see pages 10 and 11).

With British Forces operating around the world, in particular in Iraq and Afghanistan, the Royal Family plays an important role in highlighting their work and sacrifice and in supporting morale among the troops and their families.

The Prince and The Duchess undertook several Armed Forces engagements during the year, including awarding campaign medals to servicemen and women recently returned from operational tours in Iraq and Afghanistan. Among those returning was Prince Harry, who served for 10 weeks on operations in Afghanistan with his regiment, the Household Cavalry.

As in the previous year, 2007-08 was especially busy in terms of overseas visits. Their Royal Highnesses conducted official tours to Uganda where, for the first time, The Prince of Wales participated in an overseas Commonwealth Heads of Government Meeting, to Turkey, where the UK supports Turkey's development as a secular democracy, and to five countries in the Caribbean, where the key themes were the environment, the Commonwealth and the fight against drugs smuggling and international crime. The Prince also made several overseas visits on his own, including to Belgium where he addressed the European Parliament in Brussels on the subject of climate change.

FNGAGEMENTS AND ACTIVITIES







ABOVE FROM TOP TO BOTTOM The Prince of Wales, The Duchess of Cornwall and Queen Sonja of Norway at the Shetland Museum and Archives

The Prince of Wales meets veterans of the Falkland Islands conflict after they took part in a 25th anniversary march past in London.

The Duchess of Cornwall and the youngest member of HMS Astute, David Morris, cut a cake during the launch of Britain's first new "supersub" which was launched by The Duchess of Cornwall at Barrow-in-Furness, Cumbria.

In 2007-08, The Prince of Wales undertook a total of 609 official engagements, of which 77 were overseas, and The Duchess of Cornwall undertook 201 engagements, of which 50 were overseas. The following engagements and activities illustrate the range of Their Royal Highnesses' work during the year.

Hosting the first May Day Business Summit on Climate Change

In May 2007, The Prince of Wales hosted the first May Day Business Summit at St James's Palace to encourage the business sector to work together to commit to actions to tackle climate change. The event brought together over 1,000 business leaders from large, medium and small companies in 10 simultaneous events across the country.

Visiting Shetland with The Queen of Norway

In May 2007, The Duke and Duchess of Rothesay, as Their Royal Highnesses are known in Scotland, were joined in Shetland by Queen Sonja of Norway, where they jointly opened the Shetland Museum and Archives in the islands' capital, Lerwick.

Marking the 25th anniversary of the Falklands conflict

In June 2007, The Prince of Wales, accompanied by The Duchess of Cornwall, took the salute of thousands of Falklands veterans outside Buckingham Palace as part of commemorations to mark 25 years since the end of the conflict. Their Royal Highnesses also gave a reception for Falklands veterans at St James's Palace, including members of the South Atlantic Medal Association and Combat Stress, of which The Prince is Patron.

Opening the Third National Assembly for Wales in Cardiff with The Queen

In June 2007, The Prince of Wales and The Duchess of Cornwall began their annual Summer tour of Wales by attending the opening of the Third National Assembly for Wales with The Queen. Their Royal Highnesses' four-day tour of Wales included visits to Powys, Anglesey, Bangor and Rhondda Cynon Taff.

The Duchess of Cornwall launches HMS Astute

In June 2007, The Duchess of Cornwall launched HMS Astute, the Royal Navy's largest and most powerful submarine, at the dockyard in Barrow-in-Furness, Cumbria. The Duchess launched the mammoth £3.5 billion nuclear-powered vessel in the traditional way - not with a magnum of champagne, but with a bottle of special home-brewed beer made by the boat's crew.

Visiting Dumfries House after it is saved for the nation

In July 2007, The Prince of Wales paid his first ever visit to the historic house that he had been instrumental in buying for the nation at a cost of £45 million. His Royal Highness was given a guided tour of Dumfries House in East Ayrshire, which was bought by a consortium led by The Prince just days before the house and its historic collection of Chippendale and other 18th Century furniture had been scheduled for sale and dispersal at auction.





ABOVE FROM TOP TO BOTTOM The Prince of Wales shakes hands with European Parliament President Hans-Gert Pöttering during a twoday visit to EU institutions and the European Parliament in Brussels

The Prince of Wales and The Duchess of Cornwall at the Montserrat Volcano Observatory during their Caribbean tour.

Celebrating the contribution of Black Majority churches to national life

In November 2007, Their Royal Highnesses visited Jesus House in Brent Cross, North London, to meet black Christian leaders from across the country and to attend a special thanksgiving service held in honour of The Prince's 59th birthday. The Prince and The Duchess toured the church and met volunteers, church staff and members of the congregation, thanking them all for their work for the church and for the community.

The Duchess of Cornwall presents Iraq tour medals to 4th Battalion The Rifles

In December 2007, Her Royal Highness paid tribute to the soldiers of 4th Battalion The Rifles when she presented them with Iraq tour medals. The Battalion, of which The Duchess is Royal Colonel, had recently returned from six months in the Gulf, where they saw some of the fiercest fighting of the campaign.

Speaking at the "New Buildings in Old Places" conference in London

In January 2008, The Prince of Wales called for Britain's historic townscapes to be protected during a speech at the "New Buildings in Old Places" conference at St James's Palace. The event, sponsored by two of The Prince's charities, was to discuss the issues around new developments in historic places, most notably in the heart of London.

The Prince of Wales addresses the European Parliament in Brussels

In February 2008, His Royal Highness urged the international community to form a global partnership to act against the ticking "doomsday clock" of climate change in a speech to the European Parliament in Brussels. The Prince's two-day visit to Brussels followed an invitation to visit the European Commission from its President, José Manuel Barroso.

The Duchess of Cornwall visits a Barnardo's project in Leicester

In February 2008, The Duchess of Cornwall visited Barnardo's CareFree project in Enderby, Leicester. During the visit, Her Royal Highness, who was appointed President of Barnardo's in October 2007, met many of the young people supported by the centre as they struggle with the challenges of being full-time carers for ill or disabled family members.

Visiting Montserrat during a five-island tour of Realms and Commonwealth countries in the Caribbean

In March 2008, Their Royal Highnesses visited the island of Montserrat and met islanders rebuilding the local economy and planning a new capital in the wake of the devastating destruction caused by a volcanic eruption in 1997. The Royal couple also visited Trinidad and Tobago, St Lucia and Jamaica during their 11-day Caribbean tour.

FNVIRONMENTAL AND SOCIAL RESPONSIBILITY





ABOVE FROM TOP TO BOTTOM Clarence House, where more efficient boilers have been installed.

Highgrove, which has been converted to "green" electricity from sustainable sources.

*The Household's 2008 carbon emissions have been subject to independent assurance. Further details are available at www.princeofwales.gov.uk

The Prince of Wales has been an environmental leader for more than 30 years, working with businesses, governments and other national and international organizations to protect the environment and tackle climate change.

Their Royal Highnesses' Household seeks to reduce its carbon and other greenhouse gas emissions to the greatest extent possible and, where reductions cannot be achieved, offsets its emissions.

Reducing the use of carbon-based fuels and improving energy efficiency are central to minimising carbon emissions, and a number of measures have been taken over the past few years to cut the Household's emissions, including the conversion at Birkhall and Highgrove to "green" electricity from sustainable sources, the installation of woodchip boilers at both residences, and the installation of more efficient boilers at Clarence House.

Travel emissions make up a large part of the Household's carbon footprint. When Their Royal Highnesses are travelling in the UK the aim is to reduce emissions through greater use of cars, trains and turbo-prop aircraft, and, where practical and possible, of scheduled flights. In addition, in accepting and arranging engagements, more consideration is being given to reducing travel distances. In order to reduce net emissions from car travel, The Prince's Jaguars, Audi and Range Rover have been converted to run on 100 per cent biodiesel made from used cooking oil, and his 38-year-old Aston Martin to run on 100 per cent bioethanol made from surplus wine.

Overseas travel on behalf of the Government is the biggest single contributor to the Household's carbon footprint. It is often difficult to use scheduled flights for overseas travel because of the complexity of Their Royal Highnesses' programme, security considerations and other factors which will require the continued use of private aircraft. In addition, the scheduling of the overseas tours programme, which is determined by the Foreign and Commonwealth Office rather than the Household, will mean that in some years emissions may rise, rather than fall, because of the greater distances required to be travelled.

In 2007, following the completion of an environmental review of the Household's activities by Forum for the Future, a target was set to cut total carbon dioxide equivalent (CO₂e) emissions by 12.5 per cent by 2012. This target has been exceeded in the first year. In 2007-08, carbon emissions fell by 18 per cent from 3,425 tonnes to 2,795 tonnes CO₂e*. This has been achieved primarily through changes in travel and a switch to "green" electricity supplies.

As some of the reductions last year were due to one-off savings, similar reductions cannot be expected in future, and there may be some years when overall emissions increase, most probably due to official overseas travel requirements. That said, in view of increasing concern about climate change, the Household has revised its target from a 12.5 per cent reduction to a 25 per cent reduction from 2007 levels by 2012.

While reducing greenhouse gas emissions is the first and most important stage in minimising the Household's carbon footprint, where reductions cannot be achieved emissions are offset through a range of high quality sustainable development projects in the UK and overseas. Water, paper and energy use

Hous	sehold carbon emissions red	uction targets
	TAL TARGET 7-2012	12.5%
	HIEVED 7-2008	18.4%
	V TARGET 7-2012	25.0%

are also monitored, as key indicators of environmental performance. Further details are given in the Sustainability Account on page 54.

This year for the first time the emissions at Home Farm, The Prince's farm in Gloucestershire, have been analysed. It is difficult to be accurate when calculating farm emissions, but in 2007-08 they were estimated at 2,459 tonnes CO₂e. The Household is currently working with Forum for the Future to agree appropriate targets for reductions.

As well as doing what he can to reduce his own carbon footprint, The Prince of Wales also oversees a number of projects aimed at achieving a broader impact on climate change. In September 2007, he launched the "ClimateWise Principles" with the country's insurance sector. The six principles, which include commitments to support awareness among customers and to take account of climate change in investment strategies, have already been adopted by 38 leading insurance companies, including the top 10 UK firms.

Recognizing that the pension industry also has a role to play, His Royal Highness convened at St James's Palace in November 2007 a meeting of the world's eight largest public pension funds to discuss investment strategies to address climate change with the objective of a set of principles by which they might operate.

The Prince continues to encourage the business community as a whole to adopt more environmentally friendly practices. On 1st May 2007, he participated in his first May Day Business Summit, which aimed to encourage and persuade the business sector to work together to tackle climate change. The event brought together over 1,000 business leaders from large, medium and small companies in 10 simultaneous events across the country, led by a summit at St James's Palace attended by His Royal Highness.

In the year since the May Day Summit, a total of 831 companies have joined the "May Day Network" - making it the UK's largest group of companies working together to tackle climate change. Network members share examples of best practice, such as new technologies and environmental initiatives, while mobilising their employees, suppliers and customers to follow suit. So far, more than 5,000 pledges have been made and 92 per cent of participants have pledged to measure their carbon footprints. Also, a number of companies have formed alliances within their own industries in order to take a sector-based approach to combatting climate change. A second May Day Summit was held in May 2008.

The past year also saw the completion of The Prince's Accounting for Sustainability Project, which His Royal Highness set up in 2006 to help companies and public sector organizations embed sustainable practices in their decision-making, day-to-day operations and accounting procedures, and to report sustainability performance in a simple and consistent format. The Project developed an Accounting for Sustainability Connected Reporting Framework, and set up a website (www.sustainabilityatwork.org.uk) to offer guidance and advice. The Household has adopted the Accounting for Sustainability Connected Reporting Framework this year, and sustainability performance is reported towards the end of this Review alongside the related financial information.

Finally, last year also saw the launch of The Prince's Rainforests Project. More information about the project is available on pages 10 and 11, and at www.princesrainforestsproject.org.

DUCHY OF CORNWALL

The Duchy of Cornwall is a private estate which funds the public, charitable and private activities of The Prince of Wales and his family. The Duchy consists of 54,521 hectares of land in 23 counties, mostly in the South West of England. As the current Duke of Cornwall, The Prince is actively involved in running the Duchy and his philosophy is to improve the estate and pass it on to future Dukes in stronger and better condition.

The Prince, as Duke of Cornwall, is entitled to the annual net income of the Duchy. He is not entitled to the proceeds or profits from the sale of the Duchy's capital assets, which are retained in the Duchy so as to provide income for future beneficiaries. The Duchy is not subject to corporation tax as it is not a company (ie, a separate legal entity for tax purposes - in the same way as, for example, a partnership is not a separate legal entity for tax purposes), but His Royal Highness voluntarily pays income tax on the estate's annual net income.

The Duchy's financial transactions are overseen by the Treasury, with particular emphasis on ensuring that the Duchy's capital is maintained for future beneficiaries.

The landed estate is primarily made up of agricultural, commercial and residential property. The Duchy also has a portfolio of financial investments. Its long-term property investment strategy is to own, manage and, wherever possible, improve its balanced portfolio of high quality property. This strategy will continue to involve the disposal of surplus property, investment in the maintenance and improvement of the retained estate and the acquisition of new properties that meet the Duchy's investment objectives.

The Duchy's financial transactions are overseen by the Treasury, with particular emphasis on ensuring that the Duchy's capital is maintained for future beneficiaries. For example, land transactions over £500,000 can only be carried out with Treasury approval.

The financial results for 2007-08 have been strong in a volatile market in the investment sectors within which the Duchy operates. The Capital Account increased in value by eight per cent to £647 million, almost entirely due to the greatest annual growth in the value of agricultural land for 25 years. The Revenue Surplus for the year increased by seven per cent to £16.27 million.

One of the Duchy's biggest projects is Poundbury, the development on Duchy land of an urban extension to Dorchester in Dorset. Over the past two decades the Duchy has helped build a sense of local community in Poundbury by integrating private and social housing, designing pedestrianorientated streets, alleviating commuting pressures by integrating office, commercial, and light industrial facilities in residential areas, and designing buildings that reflect local character and architectural tradition. The success of Poundbury, the development of which has been personally overseen by The Prince, has attracted interest from around the world, and each year the Duchy hosts around 80 official visits from diverse organizations involved in planning and development in the UK and abroad.





ABOVE FROM TOP TO BOTTOM A newly built housing estate in the village of Bletchingdon, Oxfordshire, which was built on land owned by The Duchy of Cornwall and opened by The Prince of Wales

The Prince of Wales views the renovation work taking place at Llwynywermod, near Myddfai in Wales which was bought by the Duchy of Cornwall in 2007.

During the year the last 12 acres of mixed development land in Phase 2 were released, and designs for the centrepiece of the entire project, Queen Mother Square, confirmed. Approximately half of the Poundbury project has now been built. Minimising the development's impact on the environment is a key aim at Poundbury, and work is hoped to begin shortly on the installation of a new district heating system for the South West Quadrant to provide heat and power from sustainable sources.

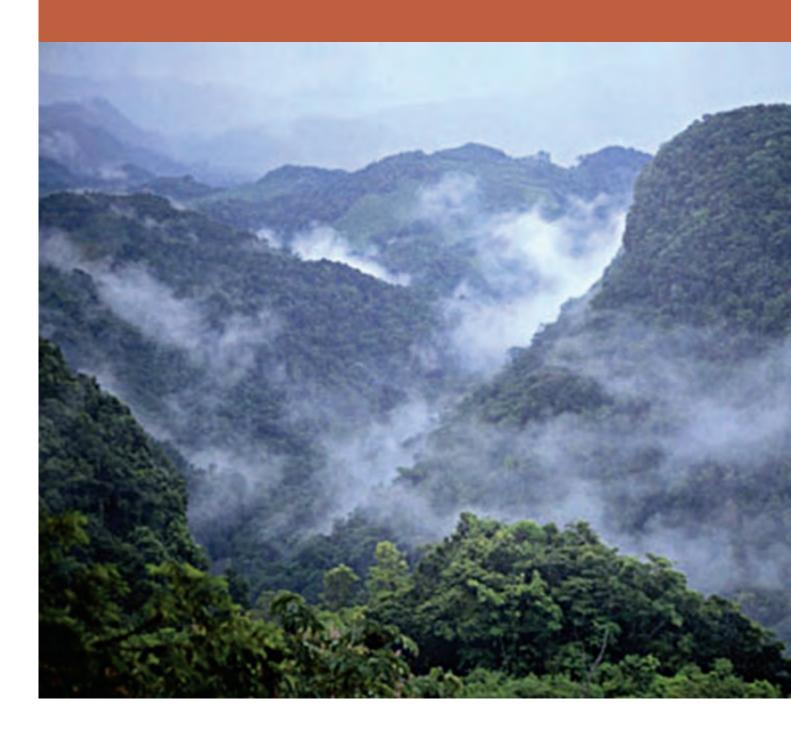
One of the highlights last year was the completion of the purchase of a 192-acre Welsh farm by the Duchy in March 2007, near Myddfai in Carmathenshire. Once the restoration and conversion of Llwynywermod farm is finished in the Summer of 2008, it will become a home for The Prince of Wales and The Duchess of Cornwall when they are in Wales. The property will also be let as a conference venue for commercial use, and a number of the ancillary residential units will be available for holiday lettings when not required for other uses. The Duchy has endeavoured to use local materials and a local workforce to convert the farmstead in a sustainable way, incorporating biomass wood chip heating and many other environmentally friendly features.

The Duchy continues to expand its directly let holiday cottage business and three properties were completed in 2007-08 to take the total number of properties to 10. A further 12 properties are under development including nine in Cornwall at Restormel. Restormel Manor house sits within the heart of the Manor of Restormel, one of the original Manors granted to the Duchy in 1337. The outbuildings no longer meet the needs of modern agriculture and, following the departure of the house tenant, the Duchy of Cornwall has embarked on a project to convert the Manor and farm buildings to provide a viable long-term future for a very important historic asset.

Another important project during 2007-08 was the construction of four new quays on the Isles of Scilly. The new structures are capable of accommodating larger vessels and address issues such as sea level rises, health and safety, and long-term maintenance. The overall cost of providing the quays was £4.3 million, of which £2.3 million was invested by the Duchy and £2 million was grant-funded by the Department for Transport. It is anticipated that the quays will be sufficient to provide secure and safe access to and from the islands for residents, visitors and supplies for at least 50 years.

Elsewhere, the Duchy is putting in to practice The Prince's determination to provide more affordable rural homes. There are a number of schemes in various stages of development on the estate's land and The Prince opened one in Bletchingdon, Oxfordshire, in February 2008 that will provide homes for local people.

THE PRINCE'S RAINFORESTS PROJECT





For many years the need to protect the world's rainforests from destruction has been primarily motivated by a wish to preserve their precious biodiversity and to safeguard the livelihoods of the millions of people who live in them.

Only now is it being understood that the "slash and burn" destruction of the rainforests is releasing billions of tonnes of greenhouse gases into the atmosphere each year, contributing greatly to global warming. In fact, deforestation is the third largest source of emissions. The devastating impact that deforestation is having on the planet's climate, however, has not been as widely known. Only now is it being understood that the "slash and burn" destruction of the rainforests is releasing billions of tonnes of greenhouse gases into the atmosphere each year, contributing greatly to global warming. In fact, deforestation is the third largest source of emissions, greater even than the transport sector.

To make matters worse, in cutting down the trees, the world's single most important climate regulator is being dismantled. The rainforests store and release vast amounts of water vapour, helping them to act as the planet's air conditioning system and thermostat and providing the precipitation for large areas of the world; without this rain and fresh water vitally needed food production will be inhibited. It is not an exaggeration to say that if the battle against deforestation is lost, the battle against climate change is lost.

It is this pressing need to halt deforestation, together with urgent representations from forest experts, that prompted The Prince of Wales to set up his own project to help find solutions. As he put it: "Combating deforestation is likely to be one of the quickest and most cost-effective means of reducing carbon dioxide emissions. The central issue is how we put a true value on standing rainforests... we simply have to find a way to make them more valuable alive than dead."

In essence, this is the goal of The Prince's Rainforests Project (PRP), which has brought together 15 of the world's largest and most influential companies, together with environmental and economic experts, to identify practical solutions. Using The Prince's influence and convening power to raise awareness among governments, businesses and key non-governmental organizations, the objective is to suggest ways in which the rainforests and the invaluable and irreplaceable global utility services they provide can be valued and paid for.

As His Royal Highness said in his speech to launch the PRP in October 2007 at a World Wildlife Fund event in London: "It must surely be the ethical duty of wealthy nations, which have created the problem of climate change, to find equitable solutions. That means working with developing nations (which, incidentally, will suffer most and soonest from climate change) to find ingenious, innovative ways of paying the appropriate price for the ecosystem services provided by the world's remaining great forests."

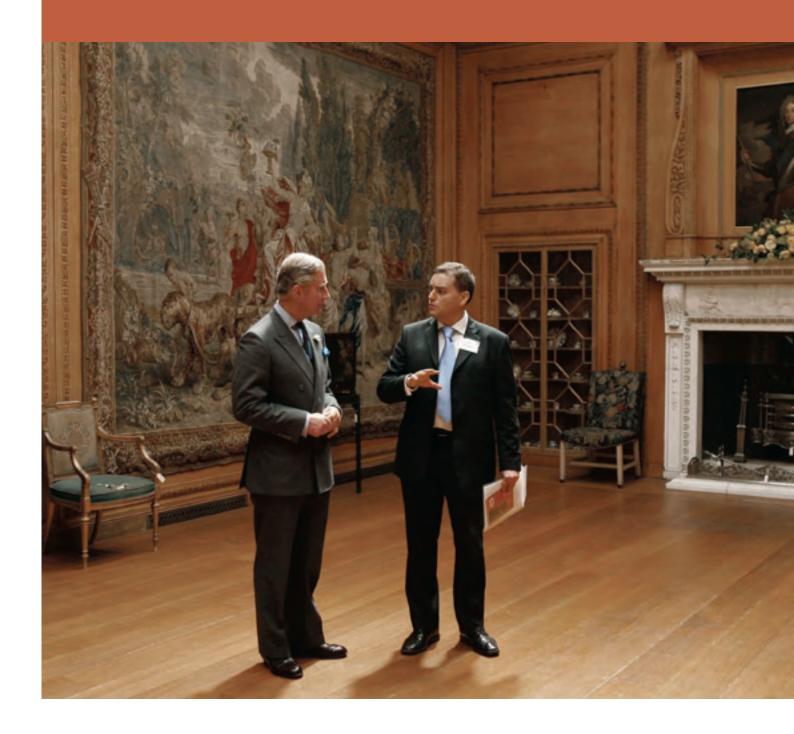
As his most recent initiative, The Rainforests Project builds on 23 years experience of involvement by The Prince of Wales in encouraging businesses and non-governmental organizations to work together for the common good.

ABOVE

The Prince of Wales gives a keynote speech on the Amazon rainforest to conservationists and supporters at the World Wildlife Fund (WWF) gala dinner at Hampton Court Palace, London in October 2007.

Overhead view of Lacandona Rainforest, Chiapas, Mexico.

DUMFRIES HOUSE





When Dumfries House in East Ayrshire was bought by a consortium led by The Prince of Wales for £45 million in the last days of June 2007 the purchase was hailed as one of the most remarkable heritage rescue acts in British history.



ABOVE FROM TOP TO BOTTOM Front view of Dumfries House, which The Prince of Wales helped save for the nation.

Scotland's First Minister Alex Salmond and The Prince of Wales during a visit to Dumfries House in July 2007.

The acquisition, achieved thanks to His Royal Highness providing almost half the purchase funds, was at the eleventh hour. Dumfries House's owner, the Marquess of Bute, accepted the offer for the property and its unique collection of furniture from The Prince and his partners in the consortium (the Scottish Government, the Art Fund, the Garfield Weston Foundation, the Monument Trust, the National Heritage Memorial Fund, and SAVE Britain's Heritage) just days before the house and contents were due to be sold in separate auctions.

So tight was the deadline that when the deal was completed lorries transporting some of the house's furniture to London for auction had to be told to turn round and return their precious cargo to Scotland.

The Prince joined and led the fight to save Dumfries House because he believed that it would have been a disaster for the UK's heritage if the house and its contents had been separated and lost to the nation. The house was designed by the Adam Brothers in the 1750s, and much of its extraordinary collection of furniture was made specifically for the property by Thomas Chippendale and contemporary Edinburgh furniture makers. Both the house and its contents had been left largely untouched for two and a half centuries.

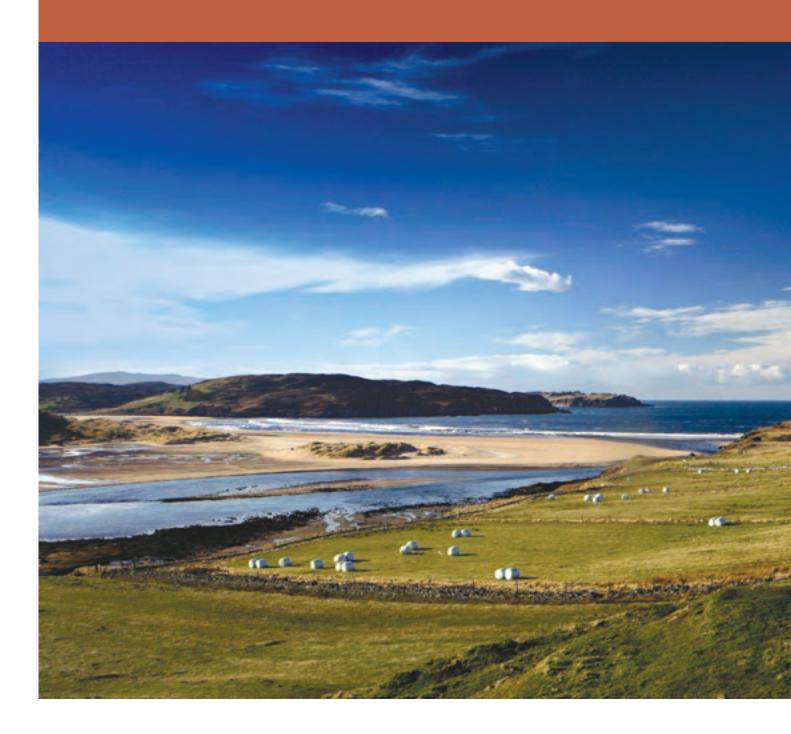
His Royal Highness also saw the opportunity to use Dumfries House as a catalyst for regeneration in an area of Scotland which has suffered considerable economic deprivation following the closure of local coal mines. The house opened to the public in June 2008 and will provide local jobs and valuable tourism revenues. In addition, The Prince's Foundation for the Built Environment has started work on planning a sustainable mixed-use development on land on the edge of nearby Cumnock that was acquired as part of the property purchase.

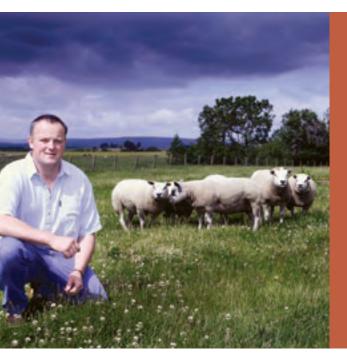
Marcus Binney, president of SAVE Britain's Heritage, who had warned that the auction and break up of Dumfries House would have been a "cultural disaster" for Britain, said the rescue of the property could not have happened without The Prince's intervention. "It's been one of the greatest cliffhangers in the history of country houses, but the result is a boost for the whole country."

LEFT The Prince of Wales and Andrew McLean, the curator at Mount Stuart, home of the Bute family, during a visit to Dumfries

House in July 2007.

THE NORTH HIGHLAND INITIATIVE





The challenge of developing the largely untapped economic, environmental and cultural potential of one of the most remote parts of Britain has been at the heart of everything the North Highland Initiative (NHI) has been working towards since its foundation by The Prince of Wales in 2005.

Following the success of the NHI, The Prince of Wales has helped to establish several other regional farmers marketing initiatives in the Peak District, the Cambrian Mountains in Mid Wales and in Dartmoor.

From selling locally-reared beef and other produce under the "Mey Selections" brand, to devising a new tourism marketing campaign called "Pleasure in the Extreme", the project's aim has been to generate new and sustainable sources of income for the people and businesses of Caithness, Sutherland and Ross-shire.

In July 2007 the initiative, set up by The Prince to support the local economy of the northernmost region of Scotland, entered the third and final phase of its plan. Following the successful introduction of the "Mey Selections" product range and the launch of the region's tourism campaign, the NHI's new Built Environment Programme was formally unveiled with an "enquiry by design" workshop at Castletown aimed at helping to find new uses for the historic buildings of the area.

As well as putting together a masterplan for the regeneration of both Castletown and nearby Castlehill, The Prince's Foundation for the Built Environment will, together with The Prince's Regeneration Trust and various local agencies, building contractors and developers, work to enhance the quality, character and sustainability of the area's historic buildings and its new property developments. At the same time, the NHI will work with its partners to promote the training of traditional building skills in the local workforce.

One of the key objectives for the programme will be to consider how housing growth in the region can be accommodated in a way that does not damage the environment, scar the landscape or have a harmful impact on the local agricultural industry and the rural livelihoods that depend upon it. As Hank Dittmar, chief executive of the Foundation for the Built Environment, put it: "The focus will be on creating sustainable growth that contributes to the beauty of the countryside, the quality of life for people who live and work [in the region] and the experience of those who visit."

It is hoped that the new programme will build on the success of the first two phases of the NHI. In its second full year of trading the North Highland Products business generated turnover of £8.6 million and significant additional profits for local farmers and food producers, while the new advertising campaign by North Highland Tourism made its mark.

John Scott, who farms near Tain, is one of nearly 500 farmers benefiting from the additional premium paid to farmers supplying sustainable quality beef and lamb to Mey Selections

The North Highlands - an unspoilt environment.

THE BRITISH ASIAN TRUST





Organizing a cricket match between India and Pakistan in Glasgow during a typically wet British Summer might seem an unlikely venture for a member of the Royal Family, but the event in July 2007 helped to raise the start-up funds to establish the latest of The Prince's Charities - The British Asian Trust.



"We all have a role to play in shaping our society on the basis of tolerance and understanding. This is not always easy. Younger people of all ethnic backgrounds are trying to work out just where they fit in."

The Prince of Wales Windsor Castle, November 2007 The aim of the new charity is to establish a substantial fund to invest in employment and training projects and sustainable social enterprises in India, Pakistan, Bangladesh and Sri Lanka, as well as in certain areas of the UK. His Royal Highness believes The British Asian Trust can draw its strength and purpose from the rich and diverse social, economic and cultural connections between the UK and the countries and peoples of South Asia.

Speaking at a special dinner at Windsor Castle in November 2007 to celebrate Britain's Asian community, The Prince noted that two million people had settled in the UK from South Asia, and said: "We hear a great deal about the difficulties that such migration can cause but rarely do we find a moment to look at the remarkable contributions it can bring to the fabric of the country."

Attending the dinner was a host of successful British Asians, including the comedian Sanjeev Baskhar and his wife, the actress and writer Meera Syal, the entrepreneur Saira Khan, the author Vikrem Seth, the newsreader Krishnan Guru-Murthy and the actor Art Malik.

They heard The Prince say that Asian culture has a timeless depth that touches every street in Britain, "not just the one that houses the Kumars at Number 42". He added: "We all have a role to play in shaping our society on the basis of tolerance and understanding. This is not always easy. Younger people of all ethnic backgrounds are trying to work out just where they fit in."

With the support of commercial partners and other organizations, The British Asian Trust aims to raise funds through events linked to fashion, music and sport. The money will be spent in the five countries on promoting opportunity and enterprise (especially among young people), providing training, skills and jobs, and on encouraging sustainable development in urban and rural areas and supporting greater cooperation between communities.

The Prince of Wales meets Pakistan's Captain Shoaib Malik, left, and India's Captain Rahul Dravid, right.

LEFT

The Prince of Wales meets guests at a dinner for the British Asian community at Windsor Castle.





SUPPORTING THE QUEEN

The main part of The Prince of Wales's role is to support Her Majesty The Queen as the focal point for national pride, unity and allegiance and bringing people together across all sections of society, representing stability and continuity, highlighting achievement, and emphasising the importance of service and the voluntary sector by encouragement and example.

The Prince of Wales is welcomed aboard HMS Bulwark during a tour of HM Naval Base Davenport in Plymouth in May 2007.

THE UNITED KINGDOM AND OVERSEAS



During the year The Prince of Wales and The Duchess of Cornwall undertook a wide variety of engagements and visits, both at home and overseas. These ranged from attending ceremonial occasions and supporting and representing the Armed Forces, to undertaking official overseas tours to further Britain's interests abroad.



United Kingdom

Each year Their Royal Highnesses travel regularly to engagements throughout England, Scotland, Wales and Northern Ireland. Undoubtedly one of the highlights of the year was the dedication in October 2007 of the new National Armed Forces Memorial in Alrewas, Staffordshire, where The Prince and The Duchess joined The Queen and The Duke of Edinburgh to honour members of the Armed Forces killed on duty or as a result of terrorist action since 1948.

An important part of the Royal Family's role is to offer support and sympathy in times of crisis or national challenge, and during the year The Prince and The Duchess paid several visits to areas of England hit by the devastating Summer floods, including South Yorkshire, Gloucestershire and Worcestershire.



A happier occasion during the year was The Prince's visit to Liverpool on St George's Day in April 2007 to mark the city's 800th anniversary. During the visit he toured the newly restored St George's Hall, where he delivered the annual Roscoe Lecture, and received an Honorary Fellowship from Liverpool John Moores University. He also visited the inner-city district of Toxteth to meet community and multi-faith groups, and attended a special civic Thanksgiving Service in Liverpool Cathedral.

In recognition of his special relationship with Wales, His Royal Highness pays regular visits to the Principality. One of the annual highlights is the week each Summer that The Prince and The Duchess spend attending engagements and events in Wales. In June 2007, they visited Powys, Anglesey, Gwynedd, Pontypridd, Rhonnda Cynon Taff and Bangor. Events during the tour included the opening of a new police science institute at the University of Glamorgan, a visit to a former colliery that has been converted into a youth and community centre, a celebration of the 100 years since the foundation stone was laid for the University of Wales, and a dinner for Welsh entrepreneurs which The Prince hosted on board the Royal Train.

ABOVE FROM TOP TO BOTTOM The Duchess of Cornwall and The Prince of Wales talk to the residents during a visit to Tewkesbury in Gloucestershire, an area badly affected by Summer floods

The Prince of Wales meets staff during a visit to Polmont Young Offenders Institute.

The Duchess of Cornwall and The Prince of Wales share a joke with Lord Elis-Thomas, the Presiding Officer of the National Assembly for Wales as they leave the National Museum in Cardiff.

The Prince and The Duchess share a great fondness for Scotland and spend a good deal of time there every year, both working on engagements and enjoying time at their home at Birkhall in Aberdeenshire. During their annual Summer visit to Scotland last year Their Royal Highnesses spent three days undertaking engagements, during which they visited The Edinburgh College of Art, a young offenders institute in Polmont, a fishing community in Anstruther, and Shetland where they were joined by Queen Sonja of Norway. The year also saw His Royal Highness attend the Kirking of the new Scottish Parliament at St Giles Cathedral, and, with The Duchess, open a new visitor centre at the Castle of Mey built in memory of Queen Elizabeth The Queen Mother.





ABOVE FROM TOP TO BOTTOM The Prince visits Kawempe in Kampala, Uganda in November 2007.

The Prince of Wales and The Duchess of Cornwall play the drums as they join a group of musicians at the former home, now a museum, of musician Bob Marley in Kingston, Jamaica in March 2008.

Every year The Prince and The Duchess tour Northern Ireland for several days of engagements. In May 2007, their engagements included a tour of the Ulster Folk and Transport Museum in Cultra, attending a reception for staff and supporters of Help the Aged in Northern Ireland, the celebration of the 50th anniversary of RAF Aldegrove in Ulster, and a visit to the village of Belleek to mark 150 years of production at the famous local pottery.

Overseas

Every year Their Royal Highnesses' duties take them abroad, and in 2007-08 they undertook two main official tours at the request of the Foreign and Commonwealth Office to support Britain's overseas interests.

The Autumn Tour of 2007 saw The Prince and The Duchess travel first to Uganda, where, for the first time, His Royal Highness joined The Queen at an overseas Commonwealth Heads of Government Meeting. During the visit The Prince had meetings with President Museveni of Uganda, and many of the Commonwealth leaders attending the summit. He and The Duchess also visited several charity-backed aid projects in the country, and crossed the source of the River Nile by boat at Jinja.

After Uganda, Their Royal Highnesses flew to Turkey for a visit aimed at advancing key UK Government priorities such as the promotion of interfaith dialogue, sustainable development, military cooperation and corporate social responsibility.

The second main tour of the year was to the Caribbean in March 2008, where the themes included climate change, youth opportunities and cooperation between local and UK agencies on anti-drug crime. The eightday, 44-engagement tour on the Marine Yacht Leander started in Trinidad and Tobago, where Their Royal Highnesses watched a simulated maritime narcotics raid by the local Coastguard in Staubles Bay and visited a rainforest sanctuary in the Arima valley.

After brief stops in St Lucia and Montserrat, The Prince and The Duchess completed the tour with three days in Jamaica, where they helped to celebrate the life of reggae legend Bob Marley, visited an inner-city restoration project in Kingston run in partnership with The Prince's Foundation for the Built Environment, and toured the historic Georgian port of Falmouth in the north of the island.

The Prince of Wales paid a two-day visit to Brussels in February 2008 at the invitation of the European Commission President José Manuel Barroso, who was keen to hear from His Royal Highness about the work of The Prince's Charities in the areas of the environment, social cohesion and sustainable development. During the visit The Prince was accompanied by representatives from The Prince's Trust, The Prince's Foundation for the Built Environment, The Prince's Rainforests Project, Business in the Community, Youth Business International and the Corporate Leaders Group on Climate Change (CLGCC).

While in Brussels His Royal Highness held discussions with President Barroso and a number of EC Commissioners, and The Prince gave a speech at the European Parliament in which he called for an alliance between public, private and non-governmental organizations to tackle climate change. During the visit he also met the Crown Prince of the Belgians and his wife, Princess Mathilde.

THE ARMED SERVICES



The Prince of Wales's relationship with the Armed Services is based on four themes: promoting the role of the Forces within national life, through operational visits and ceremonial duties; focusing on the professionalism and excellence of training; supporting the welfare of service personnel and their families; and helping to maintain and enhance Britain's unique regimental system through links with veterans' and regimental groups.

ABOVE The Prince of Wales visits the Army Air Corps at Middle Wallop in September 2007.

THE PRINCE OF WALES'S MILITARY APPOINTMENTS

The Prince of Wales currently holds the ranks of Admiral in the Royal Navy, General in the Army and Air Chief Marshal in the Royal Air Force, and maintains a special relationship with the following:

The Welsh Guards The Mercian Regiment The Parachute Regiment The Royal Gurkha Rifles Army Air Corps The Royal Dragoon Guards The Queen's Own Yeomanry The Queen's Dragoon Guards The Black Watch, 3rd Battalion The Royal Regiment of Scotland 51st Highland, 7th Battalion The Royal Regiment of Scotland

The Prince is also Honorary Air Commodore of Royal Air Force Valley, Commodorein-Chief of the Royal Naval Command, Plymouth. He maintains a special relationship with 10 Commonwealth regiments as their Colonel-in-Chief: Air Reserve of Canada, Lord Strathcona's Horse (Royal Canadians), Royal Australian Armoured Corps, Royal New Zealand Air Force (Air Commodore), The Royal Regiment of Canada, The Royal Winnipeg Rifles, The Royal Pacific Islands Regiment, The Royal Canadian Dragoons, The Black Watch of Canada, The Toronto Scottish Regiment.

The Prince's commitment to the Armed Services is matched by that of his wife and sons. The Duchess of Cornwall is the Royal Colonel of the 4th Battalion The Rifles, and Commodore-in-Chief of Naval Medical Services, while Prince William and Prince Harry are both serving officers in the Blues & Royals regiment of the Household Cavalry.

One of the undoubted highlights of the year was the 25th anniversary of the Falklands Campaign, which was marked by events throughout the country in the Summer of 2007. On 17th June, The Prince of Wales and The Duchess of Cornwall joined a commemoration service on Horse Guards Parade before His Royal Highness took the salute of thousands of Falklands veterans as they marched up the Mall to Buckingham Palace.

Just over a week later, Their Royal Highnesses hosted a reception at St James's Palace for Falklands veterans, with many of the 150 or so guests drawn from regiments and military organizations connected to The Prince, such as the Welsh Guards and the Parachute Regiment. His Royal Highness was hosting the event in his capacity as Patron of the Falklands veterans' organization the South Atlantic Medal Association and as Patron of Combat Stress.

Another hugely important event during the year was the formation parade of The Mercian Regiment, where The Prince took the salute at Tamworth Castle in Staffordshire. The new regiment was formed by the merger of three historic Army regiments - the Cheshire, the Staffordshire, and the Worcestershire and Sherwood Foresters. In a speech to mark the occasion, His Royal Highness said the formal "re-badging" of the regiment marked "the start of another chapter in the long story of loyal service to the Crown that is the history of the English county regiments."

In 2007, the Army Air Corps turned 50, and as its Colonel-in-Chief, The Prince of Wales, was invited to be the guest of honour at Middle Wallop, the Corps' headquarters in Hampshire, to celebrate its Golden Jubilee. The Corps plays an important role in supporting Army operations around the world, and in July His Royal Highness invited soldiers from 9 Regiment, Army Air Corps to Clarence House to receive their Afghanistan campaign medals following their return from operations.



Presenting campaign medals is something that The Prince and The Duchess are both keen to do whenever possible. In October 2007, Their Royal Highnesses presented Iraq Service Medals to members of the 51st Highland, 7th Battalion The Royal Regiment of Scotland, and in February 2008, The Prince gave Operation Herrick medals to troops from the 2nd Battalion the Mercian Regiment. Lieutenant Colonel Simon Banton, the Battalion's commanding officer, said his men were very proud to be receiving their medals from their Colonel-in-Chief. "They recognize The Prince looks out for us and takes his responsibility as Colonel-in-Chief very seriously - he loves soldiers and always looks out for our best interest", he said.



One of the most emotional medal presentations during the year was in December 2007 when The Duchess of Cornwall presented Iraq tour medals to soldiers of the 4th Battalion The Rifles. As their Royal Colonel, The Duchess paid tribute to a group of men who endured particularly fierce fighting during the campaign in southern Iraq, where the Battalion earned the nickname "the Lions of Basra" and five men lost their lives, with many more injured.



Lieutenant Colonel Patrick Sanders, commander of 4 Rifles, said having The Duchess presenting the medals was "incredibly special." He said: "She bled with us throughout the tour... and wrote by hand to all the wounded and the families of those killed. We feel incredibly lucky to have her as our Royal Colonel."

ABOVE FROM TOP TO BOTTOM The Duchess of Cornwall presents operational medals to soldiers from 4th Battalion The Rifles in December 2007.

Troops injured on operations are treated back in the UK at the Royal Centre for Defence Medicine at Selly Oak Hospital and Queen Elizabeth Hospital in Birmingham. In December 2007, The Prince paid one of his regular visits to the centre to meet patients and staff. Margaret Gately, a matron on the burns and plastic unit, said of The Prince: "His visits are always well received. It gives a boost to the patients and their families. In the last six months he has come here on numerous occasions."

Prince William during pre-flight planning at RAF Linton-on-Ouse in February 2008.

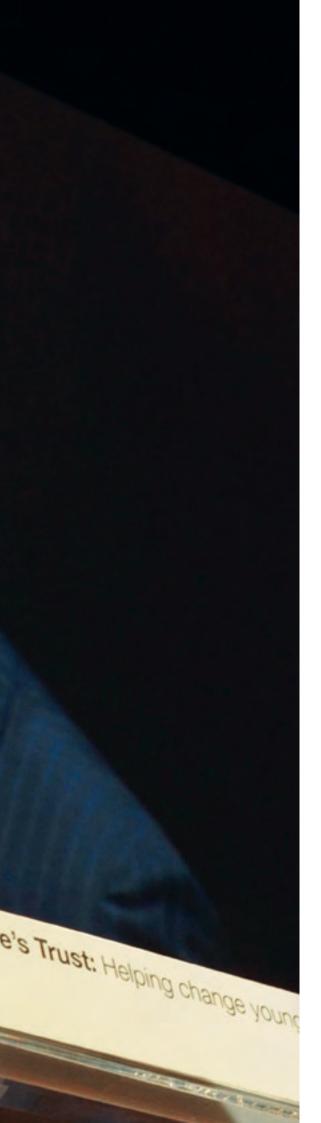
Prince Harry on the turret of

a Spartan armoured vehicle in the desert in Helmand province. Afghanistan in February 2008.

In 2006, The Prince of Wales was appointed Commodore-in-Chief of Plymouth, Royal Naval Command, and in May 2007 he paid his first visit to HM Naval Base Devonport, the Command's headquarters, in that capacity. His Royal Highness met military and civilian personnel at the base and was welcomed aboard the warship HMS Bulwark, a landing platform dock used to land Royal Marines and their equipment ashore. He also visited the base's disaster exercise training site, a mocked-up village made to look as if it has been hit by a natural disaster where sailors are taught how to treat injured and frightened inhabitants, put out fires, restore essential supplies and rescue people from collapsed buildings.

The Prince is an Air Chief Marshal in the Royal Air Force and in May 2007 he visited the Defence Helicopter Flying School (DHFS) at RAF Shawbury in Shropshire to celebrate the school's 10th anniversary and meet military students and instructors from all three Services who use the facility. After a briefing on the school's work, His Royal Highness returned the salute of students and staff and watched a helicopter flypast of four Griffin and eight Squirrel aircraft in a formation that made the number "10". Each year the DHFS provides helicopter training for around 400 Royal Navy, Army and Royal Air Force personnel.





CHARITABLE ENTREPRENEUR

For more than 30 years The Prince of Wales has been a leader in identifying charitable need and setting up and driving forward charities to meet it. From the early days of The Prince's Trust in the mid-1970s his charitable interests have grown to the point today when his core 19 charities represent, as a group, the largest multi-cause charitable enterprise in the UK. Such is the scale of their work, that in 2007-08 The Prince's Charities required His Royal Highness to assist directly or indirectly with raising £122 million to support their activities. In addition, The Prince has set up six social enterprises, the profits of which are donated to charity.

In March 2008, The Prince of Wales gave a speech at the "Celebrate Success" Awards in London.

£122 MILLION FOR CHARITY

As a charitable entrepreneur, The Prince of Wales is perhaps best known for setting up The Prince's Trust, a charity which helps troubled and disadvantaged young people to overcome the obstacles they face and to make a success of their lives. In many ways the Trust, which was established 32 years ago, provides a blueprint for His Royal Highness's approach to charitable entrepreneurship. He first identifies a need that is not being served, then sets up a charity to fill the gap, before going on to oversee its strategy and management and raise money to fund its activities.

In 2007-08, The Prince helped raise, directly or indirectly, £122 million to support the work of his 19 core charities. In addition, The Prince has set up six social enterprises, the profits of which are donated to charity.

While each charity is an independent entity with a separate Board of Trustees, they all work together within The Prince's Charities group headed by Sir Tom Shebbeare. They work closely on matters such as corporate governance, fund-raising, planning, communications, human resources and research to maximise synergy, efficiency and cost-effectiveness.

Ideas are the lifeblood of any successful organization and The Prince of Wales has initiated a steady stream of research and development propositions over the past few years, including a report on employment prospects for the over-50s, a strategic assessment of the "in kind giving" market in the UK, and a study into the economic value of traditional urbanism in property developments.

Many of the R&D programmes have proved their worth and have moved from the pilot phase to become fully funded organizations. Among them is the Accounting for Sustainability project, which after a year's intensive work produced a blueprint for companies and organizations wishing to embed sustainability more fully into day-to-day processes and decisionmaking, as well as a framework to provide clearer and more concise and comparable sustainability reporting.

Another successful outcome of the R&D programme is Charity Next, an initiative which aims to take the brightest and most talented young people from the private and public sectors and give them the opportunity to contribute their skills and enthusiasm to key posts in the charitable sector. With the research process almost complete, the new scheme is aiming to launch in the Autumn of 2008.

The R&D work is coordinated by The Prince's Charities Foundation which exists to manage and allocate funds generated by the trading companies (or social enterprises) within the group, and from other sources such as the sale of lithographs of The Prince's watercolours and of his books, retail sales at the Highgrove and Tetbury shops, charitable events and donations.



The Prince of Wales talks to Ian Fisher from Wirral, winner of Young Achiever of the Year at the Prince's Trust Awards in central London in March 2008.







TURQUOISE MOUNTAIN ARTS THE HIGHGROVE SHOP THE PRINCE'S CHARITIES EVENTS LTD

Details of the 19 charities, along with contact information can be found on page 60 of this Review and at www.princescharities.org. As well as supporting some of The Prince's Charities, money from the Foundation was donated last year to more than 100 other charitable projects. Among the wide range of beneficiaries were charities working in fields such as the environment, health, education and training, and the built environment.

THE PRINCE'S EQUINDATION FOR INTEGRATED HEALTH

In addition, donations were made to hospices, health initiatives, and charities helping people affected by natural disasters. His Royal Highness has always been particularly keen to support organizations that help servicemen and women, including those who have left the Forces and fallen on hard times. Among the military charities which benefited from The Prince's donations last year were The Brigade Major's Fund, which used the funds to pay for the decoration of a guardroom and mess, and Troop Aid, a charity based at Selly Oak Hospital in Birmingham, which spent the donation on providing a variety of personal items to injured servicemen returning from Iraq and Afghanistan.

A key development at The Prince's Charities during the past year has been the creation of a new website - www.princescharities.org - aimed at explaining the work of the 19 charities and six social enterprises and encouraging people to participate.

For those wishing to get involved with the charities, the website offers updates on all the news from the charities, regular blogs from key charities staff, exclusive access to charitable events, discounted tickets to Royal residences, a monthly newsletter and a free DVD about The Prince's Charities. Most importantly, the new site allows people to get in touch not only with the organizations directly, but also with thousands of staff members and supporters of the charities.

OPPORTUNITY AND ENTERPRISE

The Prince of Wales has for many years tried, through his charities, to help people fulfil their talent and potential, whether by supporting disadvantaged young men and women through the work of The Prince's Trust, or providing assistance to older people through his charity PRIME (The Prince's Initiative for Mature Enterprise), the only national organization dedicated to helping people aged over 50 set up in business.

The Prince's Trust is His Royal Highness's oldest and best-known charity. He set up the organization in 1976 with the £7,400 severance pay he received on leaving the Royal Navy. Its aim is to help 14 to 30 year-olds realize their potential and transform their lives by offering practical support including training and mentoring, as well as financial assistance for young entrepreneurs.

Every year, The Prince of Wales attends a wide range of engagements, receptions and meetings for the Trust. One of the highlights is the annual Celebrate Success Awards, and in March 2008 His Royal Highness was joined in London at the Odeon in Leicester Square by a host of Prince's Trust ambassadors to honour young people who had overcome homelessness, drug addiction and unemployment to achieve success with the charity's support.

Among the winners was mother-of-three Claire Hutchinson, 29, who set up a recycling business thanks to a Prince's Trust low-interest loan and mentoring support. Her company now employs 25 people and has donated more than £125,000 to a local charity for terminally-ill children. The actor Kevin Spacey, who handed Ms Hutchinson the Capgemini Enterprise Award, said: "Claire's success just shows how a little support can go a long way."

The Prince's Trust support for young offenders is a notable feature of its work, and in May 2007 His Royal Highness visited Scotland's largest young offenders institution in Polmont to meet inmates and join a visit to the prison by the charity's development officers and a group of former offenders. During the visit The Prince met with Kenny MacAskill, the Cabinet Secretary for Justice in Scotland, to discuss how the Trust can help more young offenders become productive citizens.

One way to help young people improve their lives is to encourage youth entrepreneurship, and in July 2007 The Prince visited Glasgow to meet beneficiaries of his Scottish Youth Business Trust, which provides loans and professional support to young businessmen and women. Among those to benefit from the charity's help is RACE Engineering in Paisley, and His Royal Highness enjoyed touring the premises and meeting the company's founders Kevin McGinn and Iain Wright, who explained how far they had come since receiving their start-up loan in 2003. "We started up from our bedrooms four years ago. Now we're standing outside our premises meeting Prince Charles. It's unbelievable", Mr Wright said.



The Prince of Wales during a visit to RACE Engineering, a small business in Paisley supported by The Prince's Scottish Youth Business Trust.

Paul Kenny, 23, from Manchester (right, with The Prince of Wales in 2007), was locked in a spiral of depression, alcohol and petty crime before turning to The Prince's Trust. At his lowest ebb, Paul was sleeping rough and shoplifting for food just to survive.

But since 2006, with the help of the Trust, Greater Manchester Fire & Rescue and Manchester United, Paul has turned his life around. He joined The Prince's Trust Team programme, gaining qualifications including a Community Sports Leadership Award through the Trust's Football Initiative. Senior fire officers were so impressed with his progress that it led to a six-month contract with their training unit.

Now Paul is working as a Trainer's Assistant and hopes to become a fire fighter. He says the Fire Service and the Trust gave him the self-confidence he was lacking. "They made me realize I could achieve things if I put my mind to them. I have come a long way. If you believe in yourself you can achieve anything, especially with the help of others."





The Prince of Wales speaks to Cherie Blair at the "Opportunity Now" reception at Clarence House, where he honoured the achievements of women leaders in business and society.

The Prince believes that people in the later stages of their lives running their own small businesses also deserve backing, and in June 2007 His Royal Highness launched a new mentoring scheme run by PRIME-Cymru. The event was held at a five-star country house bed and breakfast in Anglesey run by a couple who had started the business with a loan from the Wales-based charity.

The importance of helping older entrepreneurs was underlined by the publication in January 2008 of a report by the economist Christopher Smallwood. Published jointly by PRIME and PRIME-Cymru, "Improving Employment Prospects for the Over 50s" revealed that some 800,000 people between 50 and state pension age were inactive but keen to work. The study concluded that widespread changes in employers' practices relating to the training, retention and recruitment of older employees were needed to address the problem.

Supporting women in work was the theme of an event The Prince hosted at Clarence House in February 2008 for the country's most successful businesswomen. The reception was for Opportunity Now (part of His Royal Highness's Business in the Community organization), and The Prince pointed out proudly to the impressive gathering of directors, chief executives and senior managers that over half the chief executives of his 19 charities were women, as were around half of his team of Private Secretaries and senior advisers. As His Royal Highness put it: "This rather brings to mind the comment that God apparently made after he had created Adam. 'I can do better' and all I can say in today's company is, he certainly did!"

RESPONSIBLE BUSINESS





ABOVE FROM TOP TO BOTTOM The Prince of Wales during a visit to The Weaver's Triangle Trust, British Waterways, Burnley.

The Prince of Wales arrives with former US Vice President Al Gore to present awards at the Business in the Community Awards for Excellence at the Royal Albert Hall in London.

With his long-standing interest in community affairs and close ties to leading figures from the business world, The Prince of Wales is well-placed to use his position to support the development of corporate social responsibility initiatives throughout the UK and abroad. He believes that the private sector has the ability to make a real difference to many of the issues and problems facing communities.

Arguably the most important of those problems is climate change, and His Royal Highness continues to use his strong ties to the business world to encourage corporate action to protect the environment.

In November 2007, The Prince's Corporate Leaders Group on Climate Change (which operates under the auspices of his Business & the Environment Programme) drafted the "Bali Communiqué", an environmental call to arms from top executives at some of the world's largest corporations.

The Communiqué, which urged world leaders gathering in Bali for the United Nations environmental conference to adopt a comprehensive, legally binding UN framework to tackle climate change, represented an unprecedented alliance of the global corporate community - the 170 signatories to the document included business leaders from the United States, Europe, Australia and China. Its publication coincided with The Prince writing an article for the Financial Times praising the companies for showing "remarkable leadership" and expressing his "fervent hope" that the Communiqué would "strengthen the resolve of those gathered in Bali to make the tough decisions the world so urgently needs."

His Royal Highness believes the insurance industry also has an important part to play in tackling climate change, primarily because so often it has to pay the bills for environmental damage, and in September 2007 he launched a new initiative to encourage insurers to promote greener practices among their customers.

Two of The Prince's charities, The Prince of Wales's Business & the Environment Programme and Business in the Community (BITC) worked with the insurance sector for a year to develop the ideas, which include promoting "pay as you go" motoring policies and discounts for greener vehicles, and offering homeowners advice on how to make their houses more eco-friendly. Already, 38 insurance companies have signed up to the "ClimateWise Principles", including the top 10 largest UK firms.

Every year BITC hosts its Awards For Excellence to honour companies that have excelled in the field of corporate social responsibility, and in July 2007 The Prince was joined by former US Vice President Al Gore at the event in London's Royal Albert Hall.

His Royal Highness awarded Marks & Spencer Chief Executive Sir Stuart Rose the Ambassador of the Year Award for 2007 in recognition of his effort to make the company an environmentally sustainable business. Sir Stuart, who has been at the helm of the high street chain for the past three years, has pledged that by 2012 M&S will be carbon neutral, will send no waste to landfill, will extend sustainable sourcing and will set new standards in ethical trading.



ABOVE

The Prince of Wales tries out a new eco-friendly car during a test drive around the car park of Hampton Court Palace.

The Prince also presented the EDF Energy Environmental Leadership award to Barclays for its effort to integrate its environmental strategy into its core business. At the event, Al Gore praised The Prince of Wales for his bold leadership on climate change issues, and said no other country had business and political leaders across the spectrum who were as committed to finding a solution to the climate crisis as the UK.

It is widely recognized that developing more environmentally friendly forms of transport is a key part of the battle against climate change, and in June 2007 The Prince launched the Brighton-to-London Eco-Car Rally at Hampton Court Palace in London. During the event, His Royal Highness met engineers from leading car manufacturers and saw a number of cars that use potential future fuels and technologies, and took the opportunity to drive vehicles powered by hydrogen fuel cells, hydrogen ICE, hybrids and biofuels.

A month after the rally The Prince drove a car of the future when he visited Ford's Dunton Technical Centre to mark the Centre's 40th anniversary. The Prince climbed behind the wheel of a prototype Ford Focus which engineers claim will travel for 70 miles on a gallon of petrol and pump significantly less carbon into the atmosphere than current models. The car - which should be on the market by 2012 - will emit less than 100 grams of CO₂ per kilometre, compared to the 150 grams emitted by most current models.

As well as focusing on the environment, for many years His Royal Highness has encouraged businesses to help address social problems in their own communities. In February 2008, The Prince visited Burnley in Lancashire to see a range of the projects that are being supported by six of his charities in conjunction with Burnley Borough Council, local businesses and other government and voluntary organizations. The unusually large scale of The Prince's Charities' involvement in Burnley reflects a long-term commitment by His Royal Highness to the town's revitalisation efforts.

Among the initiatives already under way, BITC has started a series of The Prince of Wales's "Seeing Is Believing" visits to Burnley, and as one result alone, Greggs, Marks & Spencer and Sainsbury's are backing breakfast clubs in 15 of the most needy primary schools in Burnley for a minimum of three years. Greggs and Asda are also supporting the Burnley SPACE Youth Bus, working in partnership with the police, which is deployed to different parts of the town to provide advice, support and leisure facilities for young people.

The Mosaic Initiative, a mentoring programme for young Muslims convened by BITC, is currently pairing up mentors with young people. An Education Business Cluster, comprised of 10 North West businesses, has been formed to broker long-term partnerships between schools and business, with the aim of providing support to the curriculum and local apprenticeships. And In Kind Direct, which distributes companies' surplus goods to charities, is liaising with 55 other charities in the area so that they can also benefit.

THE BUILT ENVIRONMENT



ABOVE The Prince of Wales delivers a keynote speech during his address at the "New Buildings in Old Places" conference in January 2008.

The Prince of Wales believes that the built environment has an enormous influence on the quality of people's lives, and that more can be done to create homes, offices and public buildings which encourage a sense of community and pride of place, in the process fostering the well-being of those who live there and alleviating social problems.

The task of putting this thinking into practice falls primarily to The Prince's Foundation for the Built Environment, an educational charity set up by His Royal Highness in 1990 to teach and practise timeless and ecological ways of planning, designing and building. Based in East London, it participates lin a series of projects throughout the UK and overseas, ranging from urban regeneration and town extensions to brownfield developments.

As well as acting as a planning consultant to public and private sector partners and clients, The Foundation teaches skills in sustainable development through seminars and workshops, and circulates new examples of practice through its global network, at all times highlighting the importance of both innovation and time-tested principles in the building of successful communities.

A case in point is Poundbury, the urban extension to the Dorset town of Dorchester. Every year His Royal Highness takes groups to visit Poundbury, where for almost two decades he has overseen the development on Duchy of Cornwall land of a community which has given priority to people, not cars, and where commercial buildings are mixed with residential areas (with intermingled private and social housing), shops and leisure facilities to create a walkable, civilized place in which to live and work.

Among the visits to Poundbury hosted by The Prince during the year was one in April 2007 by The Crown Prince of Bahrain and other Middle Eastern leaders, and a tour of the town for about 70 leading American real estate executives that he led in November.

Another of the Foundation's projects is in Upton, Northamptonshire, and in December 2007 The Prince led a group of six of the Government's top Permanent Secretaries around the town's new housing development to show the benefits of adopting the Foundation's approach. Upton is an eightyear project which aims to create a truly sustainable community. The visit to Upton with the civil servants illustrated The Prince's long-standing belief in the idea of "seeing is believing"; he has found that if opinion formers and decision makers are shown the problems first hand, and in many cases the solutions too, they are more likely to support projects and initiatives aimed at improving people's lives.





The Prince of Wales during a visit to the Upton Meadows Primary School in Northampton.

Leighton Farm in Welshpool, where The Prince's Regeneration Trust is working on converting the buildings for new uses.

The principles behind Upton and the work of the Foundation were part of the discussions among delegates at the "New Buildings in Old Places" conference which The Prince hosted at St James's Palace in January 2008. In warning about building skyscrapers near to or among historic buildings - he cited plans for new towers near St Paul's Cathedral in London as an example - His Royal Highness said it was vital that developers understood "the purpose of a building, or group of buildings, within the hierarchy of the buildings around it... Doing this often implies the composition of a harmonious whole, rather than the erection of singular objects of architectural or corporate will which merely panders to ego-centric imperatives." It is that search for harmony between people and their built environment that lies at the heart of the work of his charities in this field.

One of those charities is The Prince's Regeneration Trust, which co-sponsored The "New Buildings in Old Places" conference. The Trust works on heritageled regeneration projects across the UK (there are currently about 20 projects under way), focusing on the conservation and re-use of redundant historical buildings, primarily in areas of social and economic deprivation.

One of the Trust's more unusual projects is a farm near Welshpool in Wales, and in June 2007, The Prince visited the site to see how the conversion of the Victorian buildings to modern use was progressing. His Royal Highness was shown around a barn and a converted mill at Leighton Home Farm, a sprawling 19th Century model village which is now home to a cattle farmer, an engineering firm, a shooting business, a taxi company and a slate craft business.

During the visit The Prince was shown a water-filled slurry pit which still forms the centre-piece of the circular building. The brick structure, occupied by the Rotunda Designs furniture firm, was regarded as a state-of-the-art facility when it opened in the 1850s because its slurry was pumped to a hilltop storage tank to fertilise surrounding farmlands – an example of recycling that would not be out of place in the 21st century.

New life cannot be breathed into historic buildings unless craftsmen have the skills to restore them, and The Prince has for many years championed the need for craft skills apprenticeships. In July 2007, he visited Lincoln Cathedral to meet apprentices involved in a building crafts Summer School organized by his Foundation for the Built Environment. The Summer School was set up to allow about 16 apprentices each year to learn more about crafts and skills and to examine ways of encouraging housing developers to adopt carbon neutral building design. During the visit The Prince was shown a bio-brick structure and a hemp-and-lime wall that had been constructed by the school's apprentices in the cathedral cloisters.

FDUCATION

The Prince of Wales believes passionately in the timeless principles which underpin all good teaching, and in what he calls "the precious threads that have always linked the generations." These enduring principles, and a belief in the enriching role that arts and culture can play in people's lives, are central to the work of The Prince's education and arts charities.

Foremost among them is The Prince's Teaching Institute (PTI). Previously known as the Education Summer School – an annual week-long seminar for teachers which ran successfully for four years from 2003-2007 - the PTI is now a permanent educational charity which offers state school teachers year-round training.

Focusing on the subjects of English, History, Science and Geography, the PTI's core philosophy is rooted in the belief that subject knowledge, subject rigour, and enthusiasm for communicating them are essential requirements for effective teaching, and that education should be seen primarily as the process of acquiring knowledge and understanding and not just skills.

In November 2007, His Royal Highness launched the PTI's new Schools Programme to recognize and reward school departments which have embraced this philosophy by developing inspirational ideas and activities that enhance the teaching of their subjects. The programme offers its members a guaranteed place at the next residential Education Summer School, access to PTI web resources, and discounts for continuing professional development events. The new initiative also aims to encourage schools to evaluate and improve the subjects their staff teach and to form productive links with higher education institutions.

Encouraging schools to share with each other the secrets of their success is another key feature of the PTI's work, and in January 2008 The Prince of Wales held a seminar at Clarence House where representatives of eight 'turnaround' schools (previously underperforming schools which have shown a marked improvement in performance) explained to an audience of educationalists, Government ministers, education inspectors and training chiefs how they had raised achievement at their schools and what they had learned from the experience.

The presentations from the eight schools highlighted, among other things, the importance of leadership and clarity of purpose and of setting high academic expectations, the need for a focus on instruction and a commitment to subject teaching, and the value of providing extra-curricular enrichment and opportunities to pupils.

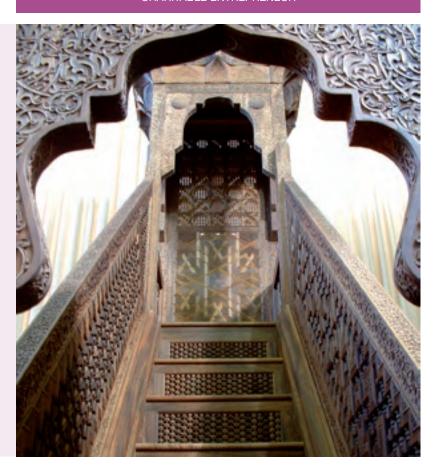
The Prince's Drawing School is an educational charity dedicated to teaching drawing as a living, evolving language that is central to an understanding and appreciation of art and architecture. Based in a converted warehouse in Shoreditch, the heart of London's East End creative community, the school offers a broad range of courses, including master classes in its studios, in national museums and elsewhere, as well as running holiday workshops and community programmes. Every week 400 students attend classes at the school.



The Prince of Wales at a reception he hosted at Clarence House for head teachers

The work of The Prince's School of Traditional Arts (PSTA), which teaches the arts and crafts skills of the major faith traditions, extends well beyond its base in London. In Jordan, graduates of the PSTA have helped recreate the priceless minbar of Saladin (right), a unique work of 12th Century Islamic art that was destroyed in 1969. The task of building the new minbar, a pulpit made from 16,000 hand-carved pieces of wood, ivory and ebony, was the story of a film, "Stairway to Heaven", made by The Prince's Charities in 2007.

At its Royal premiere in April, the producer Andre Singer explained how The Prince had been the inspiration for the project: "The Prince went to Jordan and saw what was being done. He realized his school in London could be instrumental in doing some of the work - recreating those traditional crafts. And he thought 'wouldn't it be wonderful to have these recorded in film?"





ABOVE The Duchess of Cornwall with schoolchildren from Bishop Perowne CE High School and Performing Arts College in Worcester after their masked performance at the Unicorn Theatre in London.

In May 2007, The Prince and The Duchess of Cornwall opened a special joint exhibition in Edinburgh which features work by students at the Edinburgh College of Art and the Drawing School. As well as viewing examples of drawing, The Prince, himself a keen artist, and The Duchess chatted to students about their work which included photography, painting and jewellery. Edinburgh College of Art is one the UK's foremost independent art schools and is the oldest Drawing Academy in Britain, tracing its roots back to 1729.

The Prince's Foundation for Children & The Arts (formerly known as Arts & Kids), aims to give children and young people the opportunity to have access to the very best of the arts. The charity, which believes that the arts transform lives and are an essential component in shared humanity, specifically targets children who would not otherwise have the opportunity to be involved in all art forms, including dance, theatre, opera, literature and the visual arts.

In January 2008, The Prince and The Duchess visited the Unicorn Theatre in London to watch children taking part in "TheatreQuest", a programme run by The Foundation which aims to help young people experience the "magical world" of theatre. The actress Penelope Keith, who is an ambassador for the charity, attended the event and said afterwards: "You have to remember not all children want to be academic. This gives them a look into another world. It opens their mind, maybe more than books do. They all said they have more confidence, and I hope it gives them an awareness that people will look and listen to them."

The Prince of Wales not only cares about what goes in pupils' minds, but also their bodies. Healthy school meals have long been something His Royal Highness has tried to encourage, and in February 2007 he and The Duchess invited cooks from 60 schools to Clarence House to thank them for improving their school meals, sourcing more food locally (The Prince supplies local schools with organic potatoes and carrots from his Duchy Home Farm) and educating children about food and where it comes from. Their Royal Highnesses were joined at the event by television chef Jamie Oliver, who has led a prominent campaign to improve school food in the UK.

HFAITH



The Prince of Wales has long been involved with a wide variety of healthcare organizations, including hospitals and hospices which he helps with personal support, funding and regular visits. He has long advocated an integrated approach to healthcare. This means placing an emphasis on prevention and on tackling the social and environmental causes of ill-health, as well as using proven complementary therapies alongside conventional medicine.



ABOVE FROM TOP TO BOTTOM The Prince of Wales and Alan Titchmarsh talk with the Prince's Foundation for Integrated Health award winners.

The Duchess of Cornwall receives the 2007 Kohn Foundation Award from Dr Ralph Kohn in London in recognition of her contribution to raising awareness of osteoporosis. This approach to healthcare is the focus of the work of The Foundation for Integrated Health (FIH), a charity set up by The Prince in 1993 to promote and support the provision of integrated healthcare and encourage better research into, and regulation of, complementary health practices.

One of the most important developments of 2007-08 was the creation of the Complementary and Natural Healthcare Council, the first professional voluntary regulatory body of its kind in the UK. The Council's establishment is the culmination of several years' work by the FIH. With the support of a £900,000 grant from the Department of Health, it worked with the main complementary healthcare professions to establish the Council as an "umbrella" regulator that would set standards for registered practitioners and, in doing so, enhance consumer confidence in the treatments they provide.

A highlight of each year is The Integrated Health Awards organized by the FIH. The aim of the awards is to honour organizations which help people to manage their physical, emotional and mental health better and demonstrate how creative and innovative approaches to health can make a real difference to individuals and communities.

At the awards in March 2008 His Royal Highness called for a greater recognition of the benefits of combining conventional and complementary treatment in a system where "the most valuable strengths of science and technology and all that they offer, can be aligned with the best that can be identified and deployed through complementary measures and timetested traditional therapies."

The winner of the main prize at the awards was a Scottish family support scheme helping parents battle against poverty, isolation and drug addiction. The Midlothian Sure Start scheme, which runs six family support centres for vulnerable families in Scotland and helps young children learn through play, while assisting parents through development courses, counselling and complementary therapies.

The Duchess of Cornwall is also involved in a number of health charities. Her most high-profile role is as President of the National Osteoporosis Society. an organization she has supported for many years. Her Royal Highness's dedication to raising awareness of osteoporosis over the last decade was recognized twice during 2007; first in September when she was made an honorary fellow of King's College in London, and then in October when she was given the Kohn Award for 2007.

SOCIAL ENTERPRISE



Jawed and Zelmai fire the kiln to make pottery for sale through Turquoise Mountain Arts.

Set up in 1990, the aim of Duchy Originals was to create a "virtuous circle" with a company that generated profits for charity.

The Prince of Wales has long believed that businesses can be successful while also serving wider social and environmental interests. The idea that good corporate social responsibility and profit-making are far from mutually exclusive has been demonstrated by the success of His Royal Highness's own business, Duchy Originals.

Set up in 1990, the aim of Duchy Originals was to create a "virtuous circle" with a company that generated profits for charity by providing natural, high quality food and other products while helping to protect and sustain the environment and supporting small farms and producers. The total amount donated by Duchy Originals to The Prince of Wales's Charities Foundation now stands at more than £7.5 million. Since establishing Duchy Originals The Prince has set up five other "social enterprises" to operate as commercial businesses to generate funding for His Royal Highness's charities.

Turquoise Mountain Arts is the trading arm of the Turquoise Mountain Foundation, a charity founded by The Prince and President Hamid Karzai of Afghanistan to help with the economic, social and cultural regeneration of a precinct in Kabul's old city. Turquoise Mountain Arts finds markets for the craft products designed and made at Afghanistan's only centre of traditional Afghan arts, which is run by the charity; it also provides business training to young artisans, preparing them to succeed both as artists and entrepreneurs. More information about the organization can be found at www.turquoisemountainarts.af.

In a similar vein, Traditional Arts Limited operates as the trading arm of The Prince's School of Traditional Arts, a charity based in East London which teaches the arts and crafts skills of the great faith-based traditions of the world. The company markets and sells a collection of china, glass, silver and other decorative products based on designs by students and alumni of the School of Traditional Arts. Profits from Traditional Arts Limited go to the School.

The Highgrove Shop has operated for many years in the Orchard Room in the grounds of Highgrove and sells gifts and products to visitors to thegardens; it expanded this year by opening a retail outlet in Tetbury, Gloucestershire. The new shop, which opened in March 2008, sells a much wider range of gifts and products, including vegetables from Home Farm, on a seven-day-a-week basis. The profits from both operations go to The Prince's Charities Foundation.

The Prince's Charities Events Ltd is a trading subsidiary of The Prince's Charities Foundation which undertakes commercial activities to generate funds for the group, primarily through a programme of film, sports, music and cultural events. Among the events it organized in 2007-08 was a cricket match in Glasgow between India and Pakistan, and although the game could not be played due to bad weather, it still generated substantial funds for The British Asian Trust.

Finally, the North Highland Initiative was launched by The Prince in 2005 (see pages 14 and 15).





PROMOTING AND PROTECTING

As well as supporting The Queen with her duties as Head of State and acting as a charitable entrepreneur, The Prince of Wales seeks to promote and protect the country's enduring traditions, virtues and excellence. Among other things, this work involves highlighting achievements or issues that, without his support, might otherwise receive little exposure, supporting Britain's rural communities, encouraging sustainable farming, and promoting tolerance and greater understanding between different faiths and communities.

LEFT Prince Charles talking with farmer Tim Wilson, right, and stocksman Kevin Hodgson, during a visit to Grange Farm in Levisham in January 2008.

RAISING ISSUES

During the past year, The Prince of Wales, with the support of The Duchess of Cornwall, has once again sought to promote and protect what is best about Britain and its people. This often involves The Prince acting personally as a catalyst to suggest change, to generate discussion, or to highlight neglected issues.

Achievement and service

Their Royal Highnesses regularly participate in events to recognize the work of the emergency services, and in July 2007 The Prince presented the prizes at the 12th annual Police Bravery Awards in London. Seventy-two officers were nominated, and the overall winner of the bravest officer award was PC Geoffrey Hince from Manchester, who while off duty, tackled two armed thieves robbing a post office.

At the event His Royal Highness spoke of the modesty that characterised the officers presented with awards: "We will hear them say they were just doing their jobs. Perhaps they were, but it is an exceptional job and they are exceptional people."

Their Royal Highnesses also participate in engagements that highlight the work of volunteers throughout the UK. In December 2007, The Duchess of Cornwall met volunteers working to help the homeless during a visit to a centre run by the charity Emmaus in South London. Her Royal Highness has been patron of Emmaus since 2006, and during her tour of the facility she met resident Elizabeth Harrington, who said it was "wonderful" that The Duchess had visited the centre as it would help to promote the work of the charity; "There is such a crying need for that," she said.

Rural communities, farming and food

As a farmer himself, The Prince cares deeply about the British countryside and the welfare of those who live and work in it. Maintaining a healthy agricultural sector is vital to the country, not just because the landscape relies on the accumulated knowledge of farming communities for its continued stewardship, but also because the social fabric of the countryside depends on a strong farming base.

A key role in maintaining that fabric is the country pub, and for the past six years The Prince's "Pub is the Hub" initiative has been encouraging breweries, pub owners, licensees and local communities to use pubs to enhance rural services, such as shops and post offices.

In March 2008, His Royal Highness visited one the pubs in the scheme in Ravenstonedale in Cumbria. Accompanied by Hilary Benn, the Environment Secretary, The Prince heard from landlords Alan and Louise Dinnes how the Black Swan had become an integral part of the remote village community since the conversion of a ground-floor bedroom into a village shop.

As an advocate of healthy eating and locally sourced British food, The Prince of Wales agreed to become patron of the Year of Food and Farming and in September 2007 he launched the campaign, which aims to reconnect children with food and the countryside by encouraging them to grow their own food and visit local farms.





ABOVE FROM TOP TO BOTTOM The Prince of Wales helps make bread with children at Avening Primary School in Gloucestershire.

The Prince of Wales and The Duchess of Cornwall visit London's Chinatown to meet members of the Chinese community.

In November 2007, The Prince of Wales and The Duchess of Cornwall visited Jesus House in Brent Cross, London, to celebrate the contribution of Black Majority churches to life in the United Kingdom.

As well as being introduced to volunteers, staff and members of the congregation, The Prince met privately with The Bishop of London and 20 pastors of Black Majority churches to discuss faith issues and the possibility of greater collaboration between the churches and The Prince's Trust.

In an address to the congregation His Royal Highness praised the church's community and charity work. He told them: "You are all a marvellous example of how so many people whose families originate from the Commonwealth have yourselves brought new life into the Christian church in the United Kingdom, thereby completing the cycle started by missionaries from Britain so many years ago."



"We will hear them say they were just doing their jobs. Perhaps they were, but it is an exceptional job and they are exceptional people."

The Prince of Wales speaking at the 12th annual Police Bravery Awards in July 2007.

For the launch around 50 students from Oathall Community College in West Sussex and Avening Primary School in Tetbury were invited to tour The Prince's Duchy Home Farm, where they were shown how to make bread rolls from scratch, including grinding their own flour. His Royal Highness said the Year of Food and Farming was so important for children because it was "about instilling in them a life-long appreciation of food and the way it is produced, and reconnecting them with Nature so that they may have a better understanding of why it is so precious to the health and well-being of each and every one of us."

Faith and ethnic communities

Encouraging tolerance in Britain of the country's many different faiths and communities has long been a feature of The Prince's work. In November 2007, he visited Chinatown with The Duchess of Cornwall to meet members of London's thriving Chinese community. Their Royal Highnesses spent two hours in the tightly-packed streets, dropping in on a Chinese bakery, supermarkets and a restaurant, and being entertained by a traditional Chinese lion dance as they stood beneath the dozens of red and gold lanterns hanging over Gerrard Street in Soho.

The Prince's engagement with the Chinese community extends to asking his Foundation for the Built Environment to work with Westminster City Council and the local community to find ways to build on recent improvements to Chinatown by encouraging the use of traditional Chinese architectural practices and by drawing on the expertise and skill of craftsmen in China and the UK. The Foundation is working on the designs for improvements with the school of architecture at Beijing's Tsing Hua University.

Correspondence and meetings

As well as raising issues publicly to bring attention to matters that might otherwise be overlooked, His Royal Highness, as a Privy Counsellor himself, also privately corresponds with, and meets, Government Ministers, business leaders and other people of influence on a variety of subjects that have been brought to his notice or which concern him as a result of many meetings and visits all over the UK and abroad. In doing so, The Prince is always careful to avoid party political and politically contentious issues.





INCOME, EXPENDITURE AND STAFF

This section describes how The Prince of Wales's and The Duchess of Cornwall's activities and Office are financed and outlines the responsibilities of their senior staff. The majority of staff and official and charitable activities are paid for from His Royal Highness's private income from the Duchy of Cornwall.

Clarence House, the official London residence of The Prince of Wales and The Duchess of Cornwall and of Prince William and Prince Harry.

INCOME AND EXPENDITURE ACCOUNT

Year to 31st March	2008 £000s	2007 £000s
Income and funding		
Duchy of Cornwall	16,273	15,174
Grants-In-Aid	1,951	2,026
Government Departments	503	428
Total income and funding	18,727	17,628
Expenditure		
Official duties and charitable activities	7,997	7,260
Grants-In-Aid:		
London office and official residence	714	461
Official travel by air and rail	1,157	1,485
Communications support	80	80
	1,951	2,026
Overseas tours and military secondees	503_	428
Official expenditure	10,451	9,714
Surplus after Official Costs	8,276	7,914
Taxation on surplus	3,429	3,434
Non-official expenditure	2,217	2,614
Operating surplus	2,630	1,866
oporating carpido	2,000	1,000
Capital expenditure (less depreciation),		
loan repayments and transfer to reserves	(2,436)	(1,671)
Net cash surplus	194	195

INCOME AND FUNDING

	£millions
Duchy of Cornwall	16.273

Duchy of Cornwall

The Prince of Wales's private income comes from the Duchy of Cornwall, an estate comprising agricultural, commercial and residential property mostly in the South West of England. The Duchy also has a financial investment portfolio.

The Duchy estate was created in 1337 by Edward III for his son, Prince Edward, and its primary function was, and is, to provide The Prince of Wales as Heir to The Throne with an income. As the current Duke of Cornwall, The Prince of Wales is actively involved in running the Duchy, and ensures, in particular, that environmental and agricultural best practice, sustainable development, and working in partnership with tenants and local communities, are at the heart of the Duchy's management approach. The Prince has shown, through the Duchy and his charitable food company Duchy Originals, that looking to the long term and preserving and sustaining rural communities, as well as supporting traditional craftsmanship and architecture, are not incompatible with achieving an excellent financial return.

This approach is reflected in the Duchy's financial performance. Since The Prince of Wales assumed responsibility for its management on his 21st birthday in 1969, the growth in the capital assets has been significant and, since valuations were introduced, has greatly exceeded the increase in His Royal Highness's income from the estate.

In order to ensure that the income continues to be available from generation to generation, The Duke of Cornwall has no access to the Duchy's capital. This means that the proceeds and profits from the sale of capital assets are not distributed to The Prince of Wales but are reinvested within the Duchy. Furthermore, to ensure that the management of the Duchy gives sufficient emphasis to the protection and enhancement of its capital assets, legislation was introduced in the 19th century requiring the Duchy to be run on a commercial basis and for the Treasury to act, in effect, as a trustee to ensure that future Dukes' interests are protected. The main way in which the Treasury fulfils this role is by approving all land and property transactions with a value of £500,000 or more. The Duchy's accounts are laid before Parliament each year so that it can be satisfied that the Treasury is fulfilling its responsibilities in this respect. The basis on which the Duchy is run was reaffirmed by the Treasury in 2005.

His Royal Highness chooses to use the majority of his income from the Duchy to meet the cost of his and The Duchess of Cornwall's public and charitable work. The seven per cent increase in the Duchy's surplus in 2007-08 was mostly due to growth in income from financial investments, although this was partially offset by a significant increase in repairs and maintenance expenditure.

The Duchy of Cornwall's annual accounts are published by The Stationery Office (TSO) and can be ordered by mail at TSO, PO Box 29, Duke Street, Norwich NR3 LGN, online at www.tso.co.uk/bookshop, and by telephone on 0870 600 5522. They are also available at www.duchyofcornwall.org.

£millions

Grants-In-Aid 1.951

Funding to meet official costs incurred by or in support of The Queen as Head of State is provided by Parliament in return for the surrender of the revenue from the Crown Estate. This funding is provided in three ways: (i) a Civil List for The Queen and a Parliamentary Annuity for The Duke of Edinburgh, (ii) Grants-In-Aid, and (iii) costs met directly by Government Departments. The Prince of Wales and The Duchess of Cornwall do not receive a Civil List or Parliamentary Annuity, but the Grants-In-Aid paid to The Queen's Household are used, in part, to support their official activities.

There are three Grants-In-Aid: the Property Services Grant-In-Aid, which meets the costs of maintaining official residences and offices used by Members of the Royal Family and their staff; the Royal Travel by Air and Rail Grant-In-Aid, which meets the cost of official journeys undertaken by Members of the Royal Family and their staff by air and rail; and the Royal Communications and Information Grant-In-Aid, which is considerably smaller than the other two and meets some official communications costs incurred on behalf of Members of the Royal Family.

Annual accounts are published for the three Grants-In-Aid. Copies are reproduced on www.royal.gov.uk or may be obtained from the Deputy Treasurer to The Queen, Buckingham Palace, London SW1A 1AA.

£millions

Government Departments

0.503

For The Prince of Wales and The Duchess of Cornwall, Government Departments meet expenditure in respect of the provision of staff on secondment from the Armed Services (£351,303 spent by the Ministry of Defence in 2007-08) and some costs of official overseas visits undertaken at the request of the Foreign and Commonwealth Office (£151,773 spent by the Foreign and Commonwealth Office in 2007-08).

EXPENDITURE

£millions Official duties and charitable activities 7.997

Over 60 per cent of The Prince of Wales's after-tax income from the Duchy of Cornwall was spent on official and charitable duties. Of the £7.997 million, staff costs accounted for £5.4 million, or 68 per cent. An analysis of official expenditure is given on page 53.

The Prince of Wales employs 146.5 full-time equivalent staff. Of these, 111 support Their Royal Highnesses, including Prince William and Prince Harry, in undertaking official duties and charitable activities, and 35.5 are personal, garden and farm staff.

The table on page 48 lists the official staff by Household department and also gives the total cost, including salaries and other expenditure, of each department.

£millions Grant-in-Aid: London office and official residence 0.714

Clarence House is the London office and official residence for The Prince of Wales, The Duchess of Cornwall, Prince William and Prince Harry. It is used for official dinners, receptions and meetings, as well as for offices for Their Royal Highnesses' official staff. The principal rooms, which are on the ground floor of Clarence House, are open to the public from August until October annually, although closed for a few days during this period while The Prince and The Duchess are in residence. More than 2,000 people were entertained officially at Clarence House during the year, and there were 25,500 paying visitors. The Household also has offices in other parts of St James's Palace. The Property Services Grant-in-Aid meets the cost of the maintenance of Clarence House and of the other offices at St James's Palace.

Grant-in-Aid: Official travel by air and rail 1.157

An important part of The Prince of Wales's role as Heir to The Throne is, with The Duchess of Cornwall, to bring together people in different parts of the UK, to act as a focal point for national life and to represent the country overseas. This involves a significant amount of travel that needs to be undertaken in a way which meets efficiency, security and presentational requirements. In 2007-08, Their Royal Highnesses travelled 36,834 miles to and from official engagements in the UK and overseas. This figure includes 19,252 miles of overseas travel. The cost of these journeys, excluding travel by car, amounted to £1.157 million in 2007-08 and was met by The Royal Travel by Air and Rail Grant-in-Aid.

This figure includes the variable costs only for journeys undertaken using 32 Squadron, The Queen's Helicopter and the Royal Train. This is because the fixed costs are incurred irrespective of whether the aircraft and train are used and do not result from undertaking specific journeys. For a full explanation, see the Grant-In-Aid for Royal Travel by Air and Rail Annual Report 2007-08 – available at www.royal.gov.uk.

£millions

Grant-In-Aid: Communications support

0.080

The Prince of Wales's Office incurs expenditure developing and running an overall communications programme, maintaining a Press Office, updating and developing its website, providing general and educational information to the press and public, and providing Press Officers to assist the media at official engagements and visits. The majority of these costs are met by The Prince of Wales personally. However, some of the costs incurred in assisting the media at engagements throughout the country, referred to as communications support, have traditionally been met from the Royal Communications and Information Grant-In-Aid.

Military secondees and overseas tours

the Ministry of Defence in 2007-08 was £351,303.

£millions 0.503

The Equerries (one full-time and two part-time) and three of the four Orderlies are seconded from the Armed Forces to assist The Prince of Wales and The Duchess of Cornwall in undertaking official duties. The role of the Equerries is explained on page 49. The cost to

The Foreign and Commonwealth Office meets the cost of Official Visits abroad by The Prince of Wales and The Duchess of Cornwall (except for travel costs which are met from the Royal Travel by Air and Rail Grant-In-Aid). In 2007-08, Their Royal Highnesses undertook official tours to Uganda, Turkey, Trinidad and Tobago, St Lucia, Montserrat, and Jamaica. The Prince also made a visit on his own to Belgium. These visits are undertaken at the request of the Foreign and Commonwealth Office to build on and strengthen the good relations which the UK enjoys with countries throughout the world. The cost of these visits to the Foreign and Commonwealth Office amounted to £151,773 in 2007-08.

Tax £millions

The Prince of Wales pays income tax voluntarily on the surplus of the Duchy of Cornwall, applying normal income tax rules and at the current 40 per cent rate, and pays income tax on all other income and capital gains tax like any private individual. Tax for the year includes VAT.

Non-official expenditure 2.217

In addition to paying for the official duties of The Prince of Wales and The Duchess of Cornwall, and Prince William and Prince Harry, some charitable activities and The Prince's income tax liability, the income from the Duchy of Cornwall is used to meet non-official expenditure of The Prince of Wales and his family.

Non-official expenditure includes the salary cost of 12.5 full-time equivalent staff, including personal secretaries and accounts and personnel staff, chefs, valets, chauffeurs and staff for The Prince of Wales, The Duchess of Cornwall, Prince William and Prince Harry. In addition, there are 23 full-time equivalent estate, farm, garden and stable staff. Personal expenditure also includes, as the single largest item, the appropriate share of the cost of Highgrove House and Birkhall, and of maintaining the estate and garden at Highgrove. The garden is a valuable charitable asset visited every year, free of charge, by more than 20,000 people.

The results of Home Farm, The Prince's organic farm on the Highgrove Estate, are included under this heading. Home Farm is a working farm established by The Prince of Wales to demonstrate the commercial and environmental benefits of organic farming. It is visited by approximately 2,000 people annually to learn about organic farming.

STAFF

Principal Private Secretary and Assistants 3.5 Private Secretaries' Office Private Secretary 1.0 Deputy and Assistant Private Secretaries 7.2 Office of Prince William and Prince Harry 3.9 Equerries Programme and Travel Co-ordinators 4.0	
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Programme and Travel Co-ordinators 4.0	
g	
Research and Administrative Staff 10.8	
Correspondence 3.1	
	2,182
Finance, Personnel and Administration	2,102
Treasurer and Assistant 2.5	
Finance and Inventory 7.5	
Personnel 5.7	
Archives 4.0	
	1,947
Communications 19.7	1,941
Communications Secretary and Assistant 2.0	
Press Secretary 1.0	
Assistant Press Secretaries 2.0	
Press Officers and Website Editor 4.0	
9.0	644
	044
Master of the Household's Department Master of the Household and Assistants 3.0	
Butlers 2.0	
Chefs and Kitchen Porters 5.3	
Orderlies 5.0	
·	
3	
Valets and Dressers 1.5 Orchard Room staff 0.7	
Gardeners and Estate Workers 9.9	0.004
	3,224
The Prince's Charities	
Director and Assistants 3.8	
Deputy Director 1.2	
Head of Development 2.0	
Adviser 0.8	
Project Manager 0.8	
8.6	_
Total Official Staff as at 31st March 2008 111.0	
Total cost of official duties and	
charitable activities year to 31st March 2008	7,997

In addition to the above, The Prince's Charities Foundation employs 12 people working on The Prince's Rainforests Project on a temporary basis.

Offices

The principal office of The Prince of Wales and The Duchess of Cornwall and of Prince William and Prince Harry, where most of their staff work, is in Clarence House and other rooms at St James's Palace in central London. The cost of maintaining the fabric of Clarence House and St James's Palace, as well as of utilities and fixed-line telephones (but not other costs for the London office), is met from the Property Services Grant-In-Aid (see page 46). There are also offices for official staff at Their Royal Highnesses' private residences of Highgrove and Birkhall to assist The Prince with his continuing work. Some costs incurred at Highgrove and Birkhall are, therefore, charged to the 'Official duties and charitable activities' expenditure category, although most costs incurred at these two residences are allocated to 'Personal expenditure'.

STAFF AND OFFICE ORGANIZATION

The Principal Private Secretary

The Principal Private Secretary is the senior member of The Prince of Wales's and The Duchess of Cornwall's Household and is responsible for all aspects of running the Household and for overseeing His Royal Highness's charitable and other organizations.

The Private Secretaries' Office

The Private Secretary is responsible for the day-to-day running of the Private Secretaries' Office. The Private Secretary and Deputy and Assistant Private Secretaries facilitate and support The Prince of Wales's and The Duchess of Cornwall's official duties, engagements and charitable activities. They compile Their Royal Highnesses' diary, organize their domestic and overseas programme of visits, arrange briefing sessions, receptions and other functions, administer correspondence, and coordinate research and briefing to support their work. Each Private Secretary is responsible for specific areas and for liaising with certain of The Prince's and The Duchess's organizations. These responsibilities, as well as those of other senior staff, are listed in the Appendix (see pages 58 and 59). They also ensure that His Royal Highness is kept informed about topical issues, and provide him with background information for letters he writes to Government Ministers and other leading figures, and prepare drafts for his speeches and articles. The Private Secretaries are supported by researchers, personal assistants and administrative staff, and work closely with their colleagues in The Queen's Private Secretaries' Office.

The Private Secretary is responsible for the Equerry's Office, which coordinates the programme of engagements for The Prince of Wales and The Duchess of Cornwall. The Equerry's Office manages Their Royal Highnesses' diaries on a daily basis, providing an interface between staff, Police and outside organizations, and plan the longer-term programme. The Equerry's Office also manages the logistical and transport arrangements for official visits at home and abroad. There are usually several overseas tours a year. The Equerry is a serving military officer seconded from the Armed Forces to the Household for a period of approximately two years.

Each year The Prince and The Duchess receive thousands of invitations from a wide range of public and private sector organizations. Each is given careful consideration by Their Royal Highnesses and their staff. The Equerry liaises with the Private Secretaries, the Press Office, and key organizations to ensure that each year in their visits The Prince and The Duchess cover a broad range of interests and meet a wide cross-section of people in as many parts of the country as possible.

The Equerry and Temporary Equerries also provide a point of contact for military and defence issues. The Prince of Wales maintains close links with the Armed Forces, not just in Britain but also in the Commonwealth. The Prince also holds the rank of Admiral in the Royal Navv. General in the Army and Air Chief Marshal in the Royal Air Force.

The Prince of Wales maintains a special relationship with 12 regiments. He is also Honorary Air Commodore of Royal Air Force Valley, Commodore-in-Chief of the Royal Naval Command, Plymouth, Air-Commodore-in-Chief of the Royal New Zealand Air Force, Colonel-in-Chief of the Royal Australian Armoured Corps, and he maintains a special relationship with 10 Commonwealth regiments as their Colonel-in-Chief.

The Prince of Wales conducts Investitures at Buckingham Palace each year (he conducted 11 in 2007-08), and also attends state functions on behalf of The Queen. The Equerry's Office is responsible for the arrangements for these engagements.

The Prince of Wales, The Duchess of Cornwall, Prince William and Prince Harry receive a large number of letters each year. In 2007-08, for example, they received 31,935 letters. People from all over the world write to Their Royal Highnesses, although the majority of the letters are from the UK.

Letters cover a wide range of subjects and are often prompted by current issues and debates. Their Royal Highnesses see a wide selection of the correspondence and The Prince personally wrote 2,041 letters in 2007-08. The Duchess of Cornwall personally wrote 1,294, and they jointly wrote 13. Their Royal Highnesses ensure that letters not answered by themselves or their Private Secretaries are replied to by the Correspondence Section on their behalf. Where appropriate, the Correspondence Section will include with replies information about The Prince's, The Duchess's and Prince William's and Prince Harry's charitable work, interests and activities, as well as historical and other background information for schools and young people. In addition, The Prince and The Duchess receive many requests from a wide range of charities and other organizations for donations or items for auction. Requests for donations are dealt with by the Finance Section, while requests for items to auction are handled by the Correspondence Section. While it is not possible to respond to all the many requests for items to auction, His Royal Highness donates items such as lithographs of his watercolours, signed books and tours of the garden at Highgrove. In 2007-08, items donated for auction raised in excess of £150,000 for charity.

The Office of Prince William and Prince Harry

The Private Secretary to Prince William and Prince Harry is responsible for the day-to-day running of their office, including official engagements and charitable work. The office also supports, plans and advises with respect to the Princes' military and longer-term careers, and deals with personal administrative matters.

The Treasurer's Office

The Treasurer's Office is responsible for Finance, Personnel and Administration, and Archives and Inventory. The Office is also responsible for the information systems across the Household. The department is headed by the Treasurer, assisted by the Financial Controller and the Head of Personnel and Administration.

The Finance Section exercises financial control through a combination of annual budgets, monthly management accounts and a series of accounting systems and procedures, particularly for the authorisation of expenditure. It is also responsible for achieving best value for money and maintains an inventory of Their Royal Highnesses' gifts and assets.

The Treasurer has financial and administrative responsibility for The Prince's Charities Foundation in the UK and the US Charitable Foundation. She is also responsible for one of the UK Foundation's trading subsidiaries, A. G. Carrick Limited, which receives the income from the sale of lithographs of The Prince's paintings and from royalties from the publication of books. The annual income of the two Foundations is in excess of £6 million. In addition, the Treasurer monitors the financial affairs of The Prince's key charities and is responsible for publishing, contractual and legal matters. The Household seeks to provide a fulfilling work environment and to maximise individuals' contribution and job satisfaction. The Personnel Section manages the achievement of these objectives including staff recruitment, remuneration, training and career development, internal

communications and employee relations. It also arranges secondments, national and international appointments and work experience placements. The majority of the Household's information technology systems are provided and supported by the Information Systems Management section at Buckingham Palace, with the Household's cost met by The Prince of Wales.

Four Archivists are responsible for managing all the papers and files relating to the public life of The Prince of Wales since the late 1960s. The Senior Archivist also manages requests for The Prince and The Duchess to become Patron or President of organizations, as well as existing patronages and presidencies. Two inventory controllers are responsible for the recording and safekeeping of all the assets owned by Their Royal Highnesses.

Communications

As Heir to The Throne, there is extensive public and media interest in the activities of The Prince of Wales, as well as in The Duchess of Cornwall, and Prince William and Prince Harry. The Press Office's role is to provide information and facilitate a better understanding, for a wide audience, of The Prince of Wales's work and activities. The Press Office also handles media enquiries for The Duchess of Cornwall and the two Princes, and liaises closely with colleagues in the Buckingham Palace Press Office in respect of general issues to do with the Monarchy as a whole.

The Communications Secretary is responsible for the Press Office, which consists of a Press Secretary, two Assistant Press Secretaries, two Press Officers, an Assistant Press Officer, a Website Editor and a departmental PA.

The Press Office handles media enquiries about all aspects of The Prince of Wales's work and role, as well as those of The Duchess of Cornwall and Prince William and Prince Harry, dealing each year with tens of thousands of telephone calls from local, national and international media. The department arranges media facilities for all of Their Royal Highnesses' public engagements in the UK and overseas, and issues hundreds of press releases, announcements, media statements and operational notes each year.

Maintaining The Prince of Wales's website - www.princeofwales.gov.uk - is also part of the Press Office's role. In 2007-08 the website attracted an average of more than one million page impressions per month, and it remains a popular information resource for the media, researchers and the public from the UK and overseas. In addition to the latest news about Their Royal Highnesses' engagements, the site provides information about their work and charitable activities, as well as recent speeches, historical details, articles and a picture gallery. Information and news about Prince William and Prince Harry are also available on the site. Among the popular elements of the site is a video facility, which can broadcast short films about Their Royal Highnesses engagements and activities.

Master of the Household's Department

The Master of the Household and his department are responsible for Their Royal Highnesses' residences, offices and gardens, for personal staff and for the overall supervision of receptions and entertaining. Official entertaining is an important part of The Prince of Wales's and The Duchess of Cornwall's role. Last year they entertained 8,162 guests at Clarence House and other Royal residences. These occasions range from receiving official guests and foreign dignitaries to giving dinners and concerts to thank those involved with The Prince's and The Duchess's charities. In 2007-08, Their Royal Highnesses gave 75 receptions, seminars, lunches and dinners.

Most of the staff who manage and organize these occasions are required on duty seven days a week, including most evenings, with a week on/week off rota. The cost of staff who assist The Prince and The Duchess in a private capacity is allocated to personal expenditure. Butlers act as 'front of house' for Their Royal Highnesses, meeting guests, organizing refreshments and setting up rooms. They work closely with the house managers, who oversee all the domestic and cleaning arrangements, as well as with the chefs.

For larger receptions and dinners, the event managers oversee the planning and administrative and catering arrangements. One butler is on duty at all times. The Prince of Wales has valets and travelling orderlies, working in pairs one week on and one week off, to assist him with his official clothing and uniforms, and with his personal clothing. The valets and orderlies also perform a similar role for Prince William and Prince Harry. The Duchess has two members of staff who perform a similar function for her.

The Prince of Wales and The Duchess of Cornwall use their private home at Highgrove, and in particular the Orchard Room within its grounds, for official engagements and entertaining. The Orchard Room was designed and built by The Prince specifically to entertain official guests. In 2007-08, it was used for eight receptions, seminars and briefings for more than 700 guests, and all visitors to the garden have tea or coffee there.

Last year, The Prince and The Duchess invited more than 23,000 people to go round the garden at Highgrove, finishing with refreshments in the Orchard Room. In the Summer, up to nine tours of 25 people can take place each day, amounting to over 1,000 tours a year (taking the total number of visits since the garden was opened to the public in 1992 to 175,000). The visitors between them voluntarily donated £149,180 to The Prince's charitable organizations. In addition, those attending Summer official receptions normally look around the garden. Committed to conserving Britain's natural heritage, The Prince uses the garden as a conservation area for endangered varieties of plants, flowers and trees, and hopes that those who visit enjoy seeing the benefits of natural land management and organic gardening.

Visitors to the garden include charitable and gardening groups, and gardening students and researchers work in the garden throughout the year. No charge is made for the tour or refreshments, but visitors are able to buy items from the Highgrove Shop which donates all of its profits to The Prince's Charities Foundation.

The Prince employs a team of gardeners. Because the garden is mainly used for visits by members of the public, the majority of the costs of the garden are allocated to official expenditure (although official as well as personal costs are met from His Royal Highness's private income). The balance, which is assumed to relate to The Prince's and The Duchess's personal enjoyment of the garden, is allocated to personal expenditure. The Master of the Household's Department also includes Orderlies (who maintain office equipment and are responsible for office supplies, stationery and office cars), and Receptionists, and it has responsibility for health and safety, and with the Police, for maintaining security.

Charities

The Charities Office is managed by the Director of Charities, supported by the Deputy Director. The costs of the Charities Office are met by The Prince's Charities Foundation.

The Office's primary responsibility is to provide support and advice to The Prince of Wales's charities, in particular the core 19 organizations, on matters such as corporate governance, donations policy and fundraising, planning and communications. In the past two years, the Charities Office has published a comprehensive set of operating guidelines for use by all of the organizations, created a shared identity for them – they are collectively known as "The Prince's Charities" – and published various material to explain their work and achievements.

The Charities Office also facilitates liaison and synergy between the charities, helps with the appointment of chairmen and trustees, and oversees the development of new ideas and initiatives. It has also set up a new trading company to support various one-off projects, such as the "Concert for Diana" that Prince William and Prince Harry organized in memory of their mother, "The Friendship Cup" cricket match between India and Pakistan, and the "Stairway to Heaven" television documentary. A separate company, Traditional Arts Limited, has also been established to develop and sell products based on the designs from students and alumni of The Prince's School of Traditional Arts. The Charities Office also managed The Prince's Accounting for Sustainability project in 2007-08.

ANNUAL VISITS

The Prince and The Duchess make a number of visits to Scotland and Wales every year, and in addition stay for a working week at the Palace of Holyroodhouse in Scotland and for a series of official engagements in Wales. The cost of these longer annual visits, which principally relates to receptions and dinners, amounted to £57,677 in 2007-08, and is included in 'official entertaining' expenditure.

OFFICIAL COSTS ANALYSED BY EXPENDITURE CATEGORY

Expenditure has been analysed and explained in the preceding sections by department. The following table analyses official duties and charitable activities expenditure by category.

Year to 31st March	£000s 2008	£000s 2007
Staff costs	5,444	4,800
Training, recruitment and staff welfare	174	159
Travel and subsistence (including vehicle costs)	227	221
External consultancy and professional fees	125	188
Official entertaining and receptions	416	391
Donations and gifts	40	50
Utilities	139	162
Residences and offices not paid for from the Grant-in-Aid	419	417
Press and information services	112	114
Stationery and office equipment	183	215
Computers and information systems	321	195
Housekeeping and office cleaning	132	106
Insurance	49	46
Gardens	63	41
Depreciation	153	155
Total	7,997	7,260

Some of the differences between current and prior-year expenditure are explained below.

Salaries

The staff costs of £5.444 million relate to the 111 official staff and include salaries, National Insurance contributions, pension contributions (including additional payments in the year to cover a deficit in the pension fund) and other benefits. During the course of the year, additional staff have been employed to strengthen the management team and to staff Clarence House.

External consultancy and professional fees

External consultancy and professional fees include legal and audit fees.

Official entertaining and receptions

Official entertaining includes receptions, lunches and dinners that take place at Clarence House, the Orchard Room at Highgrove, Holyroodhouse and a number of other locations. The costs include the maintenance, upkeep and rent of the Orchard Room.

Computers and information systems

The increase in expenditure in the year is due to additional equipment and servicing.

Utilities

Following value-for-money studies, more cost-effective contracts have been negotiated.

SUSTAINABILITY ACCOUNT

Year to 31st March	2008 £000s	2007 £000s
Operating expenditure (Household only)		
Energy	150	153
Official travel	1,157	1,485
Water	15	13
Waste	_	_
Sustainability expenditure (Household only)		
Reducing CO ₂ equivalent emissions	498	154
Carbon offsets purchased	23	19
Reducing water use	69	_
Reducing waste	7	_
Year to 31st March	2008 tonnes	2007 tonnes
CO ₂ equivalent emissions		
Household		
Official travel	1,428	1,494
Other travel, including staff commuting	711	1,014
Energy – heating, hot water and lighting	<u>656</u> 2,795	917 3,425
Home Farm	2,795	3,423
Energy use	269	294
CH ₄ and N ₂ O from livestock		
and manure management	1,805	1,686
Crops, grassland and other sources	503	452
Forestry	(118)	(118)
Production of artificial fertiliser	2,459 -	2,314 –
Total carbon dioxide equivalent emissions	5,254	5,739
Year to 31st March	2009	2007
Tear to 31st march	2008 MWh	2007 MWh
Energy		
Household	000	00
Electricity from renewable sources	383	29
Other electricity Gas and oil	386 2,100	788 2,125
das and on	2,869	2,942
	2,000	2,0 12
Duchy Home Farm		
Electricity – all sources	212	206
Gas, oil and diesel	849	
	1,061	984
Total energy use	3,930	3,926
Year to 31st March	2008	2007
Other natural resources	2000	2001
Household		
Water, m ³ ('000s litres)	8,113	7,548
Paper use per FTE, kg	44	56
Home Farm		
Water, m³ ('000s litres)	15,692	19,570
water, III (0003 iiii 03)	10,092	19,010

The Household has adopted the recently launched Accounting for Sustainability connected reporting framework and in this first year has increased its level of environmental reporting to include details of greenhouse gas emissions and other key environmental impacts.

Greenhouse gas emissions

5,254 tonnes CO₂e

Carbon dioxide emissions arise as a result of the Household's work in supporting Their Royal Highnesses as well as from as the engagements undertaken by The Prince and The Duchess themselves. There are a wide range of sources such as heating and lighting offices, business travel between properties and staff travel to and from work. Travel throughout the UK and around the world which forms an essential part of Their Royal Highnesses' work and contribution is also included.

This year has seen considerable progress in reducing the Household's carbon footprint, with changes in travel arrangements contributing significantly. The environmental impact is a significant factor in organizing travel arrangements. The Household endeavours to minimise this impact, after taking account of security, logistical, cost and other considerations. The Prince's Jaguar, Audi and Range Rover cars and, since September 2007, the Royal Train, run on used cooking oil. As the oil is left over from its first use, it does not result in additional land in the UK or elsewhere being cultivated for biofuel production. The Prince's Aston Martin runs on bioethanol made from surplus wine.

Savings have also been made in heating, hot water and lighting, with details given in the following section.

Last year the Household set a target to reduce its total carbon dioxide emissions by 12.5 per cent by 2012. While performance will fluctuate from year to year, primarily as a consequence of overseas official travel undertaken at the request of the Foreign and Commonwealth Office, the target for the five-year period was achieved in the first year, with a reduction of 18 per cent.

The reduction target has not to-date included greenhouse gas emissions from farming at Home Farm. These emissions have been estimated for 2007-08 at 2,459 tonnes carbon dioxide equivalent. Further details are given on page 57.

Some of the savings made this year are one-off. A similar level of reduction in future years is not guaranteed, and there may be some years where overall emissions increase. However, various initiatives are under review to ensure that the Household's footprint falls in the long term and in view of increasing concern about climate change the reduction target has been increased from 12.5 per cent to 25 per cent by 2012 compared with 2007 levels. The Household is also working with Forum for the Future to agree appropriate targets for the farm.

The Household's 2008 carbon emissions have been subject to independent assurance.

Reducing greenhouse gas emissions is the first and most important stage in minimising the Household's carbon footprint. Remaining emissions are offset through a range of high quality sustainable development projects in the UK and overseas. This year's expenditure includes offsets for official overseas travel.

Energy 3,930 MWh

Energy use encompasses heating, hot water and lighting for all the offices and residences. Overall use has fallen this year as a result of various measures such as the installation of energy-efficient condensing boilers in Clarence House and the use of energy-saving light bulbs. Sustainably-managed wood is used in place of gas in part of the Highgrove estate and a woodchip boiler has also been installed at Birkhall. We are currently assessing the feasibility of making further use of alternative energy sources at Highgrove. The Household has also continued to increase the proportion of electricity supplies that are derived from renewable and more sustainable sources. On a day-to-day basis, simple but effective steps are taken such as replacing older equipment with energy-efficient models and ensuring staff switch off lights and equipment when not in use.

Other natural resources

Water

As well as the normal day-to-day water use of the offices and residences, there are uses that are more specific to the Household, such as catering for receptions, and the garden and farm at Highgrove.

To help conserve water, several initiatives have been taken. Rainwater from roofs and grey-water from bathrooms is collected for re-use in the gardens in residences, with a new system recently installed at Birkhall. In addition, rainwater is collected to flush the lavatories in the Orchard Room at Highgrove.

In this first year of reporting, water use comprises Clarence House and Highgrove, but not presently other properties that are not metered. During the coming year ways to enhance water use monitoring and to reduce use further will be considered.

Paper and Waste

Paper consumption is monitored as it constitutes one of the most significant uses of natural resources by the Household. Paper use per staff member fell from 56kg to 44kg during 2007-08.

All sheet paper use is included, but other stationery such as envelopes is currently excluded. To help reduce use further, initiatives such as increased use of electronic communications are being put in place, which complement existing measures such as double-sided printing.

A waste audit was undertaken which helped identify priority areas for waste reduction and a greater range of materials is now recycled.

Home Farm

Home Farm at Highgrove has been run as an organic farm since 1996 and includes dairy, beef, sheep and pigs as well as arable and vegetable production.

Among the main benefits of organic farming are not using artificial pesticides and fertilisers, and lower-intensity rearing methods that place greater emphasis on animal welfare.

Leaving strips of grass around fields and planting hedges helps prevent weeds from reaching crops and also provides a valuable habitat for birds, butterflies and other small animals which are natural pest managers. The avoidance of artificial pesticides also facilitates a greater diversity of wildlife, as well as avoiding pesticides in ground water.

The greenhouse gas emissions associated with Home Farm have been estimated for this year at 2,459 tonnes of carbon dioxide equivalent and for 2007 at 2,314 tonnes. These figures have been calculated using a standard methodology for accounting for greenhouse gas emissions from agriculture in the UK using information about livestock numbers, crop production and basic management practices. It is difficult to be accurate when measuring farm emissions and the methodology is designed to provide a reasonable estimate for management purposes. Several simplifying assumptions are made and it does not use detailed measurements from the farm itself. For example, each different class of livestock is taken to release a given amount of methane each year. Methane emissions from livestock are estimated to account for over a third of the total farm footprint.

As the methodology and its use are refined over time some of the underlying calculations, and hence the final footprint, may change.

At present, carbon emissions or additional carbon storage arising from soil management are not fully included in the footprint, but current farming practices on Home Farm could provide a significant way to store carbon and reduce net emissions.

Miscanthus, a woody shrub, has been planted on land unsuitable for crops and this could provide a source of biomass for renewable energy production. Several acres of new woodland have also been created with hazel coppice as a sustainable source of biomass, along with extensive planting of new hedges.

Artificial fertilisers are energy-intensive to produce and transport and by not using them significant energy savings are made. Other steps are also taken at Home Farm to help reduce energy use, such as a solar water-heating panel for the dairy. Further initiatives are being considered, including the use of further alternative energy sources.

APPFNDIX

PORTFOLIOS OF THE SENIOR MANAGEMENT

Sir Michael Peat

Principal Private Secretary

- Overall responsibility for the Household and Office
- Constitutional, state and ceremonial matters
- The Church (including the Roman Catholic Church)
- Chairman of The Prince's Charities Foundation
- The Duchy of Cornwall
- Duchy Originals Limited
- The Private Estates
- The Prince's Rainforests Project

Elizabeth Buchanan

Private Secretary

- Overall supervision of the programme and diary
- Responsible business, including Business in the Community and In Kind Direct
- Responsible business, including Business in the Community and In Kind Direct
- Agriculture and rural affairs
- The natural environment, including The Prince's Business & the Environment Programme, and fishing
- The Police

Richard Pattle

Master of the Household, assisted by Andrew Farquharson, Deputy Master of the Household

- Overall supervision of receptions and entertaining
- Personal and domestic staff
- All residences and gardens
- Security and confidentiality
- Social Responsibility
- Duchy Home Farm

Leslie Ferrar

Treasurer, assisted by Clara Pearce, Financial Controller and Assistant Treasurer, Polly McGivern, Assistant Treasurer (Legal and Commercial), Mimi Watts, Head of Personnel and Administration, and David Hutson, Assistant Treasurer and Records Manager

- Overall responsibility for all financial, accountancy and investment matters
- Personnel
- Information technology
- Inventory
- Archives and records management
- Publishing, commercial, contractual and legal matters
- Chairman of A G Carrick
- Director of Duchy Originals and Traditional Arts Ltd
- Overall financial supervision of The Prince's Charities, with the Director, The Prince's Charities
- US Charitable Foundation

Paddy Harverson

Communications Secretary, assisted by Patrick Harrison, Press Secretary

- All media matters for The Prince of Wales, The Duchess of Cornwall, Princes William and Harry and the Duchy of Cornwall

Sir Tom Shebbeare

Director, The Prince's Charities, assisted by David Evans and Ann Chant, Deputy Directors

- Strategy for and overall co-ordination of The Prince's Charities, including, in particular, fundraising and
- Managing Director of The Prince's Charities Foundation

Jamie Lowther-Pinkerton

Private Secretary to Prince William and Prince Harry

- Advising the Princes on their careers, charitable patronages and other matters, and organizing official engagements

Clive Alderton

Deputy Private Secretary

- Foreign affairs, including overseas tours
- International development, including The Prince of Wales's International Business Leaders Forum
- Ethnic and faith communities
- The Prince's School of Traditional Arts

Mark Leishman

Deputy Private Secretary

- Scotland, including The Prince of Wales's Scottish organizations
- Health, including The Prince's Foundation for Integrated Health
- Education, including The Prince's Teaching Institute
- Disability
- The elderly, including PRIME

Manon Williams

Deputy Private Secretary

- Wales
- The built environment, including The Prince's Foundation for the Built Environment
- Heritage, including The Prince's Regeneration Trust
- The Prince's Drawing School
- The Arts, including Arts & Business and The Prince's Foundation for Children & the Arts
- PRIME-Cymru

Joy Camm

Assistant Private Secretary (part-time)

- Organization and co-ordination of The Duchess of Cornwall's engagements, charitable work and diary

Sophie Densham

Assistant Private Secretary

- Organization and co-ordination of The Duchess of Cornwall's engagements, charitable work and diary

Amanda MacManus

Assistant Private Secretary (part-time)

- Organization and co-ordination of The Duchess of Cornwall's engagements, charitable work and diary

Jonathan Hellewell

Assistant Private Secretary

- The Prince's Trust
- Northern Ireland
- Correspondence Department, managed by Claudia Holloway, Head of Correspondence

Shilpa Sinha

Assistant Private Secretary

- The Commonwealth
- Ethnic and faith communities
- Sustainable development in India, including The Bhumi Vardaan Foundation

Squadron Leader Jayne Casebury (until 27th June 2008) Major Will Mackinlay (from 9th June 2008)

Equerry

- The Armed Forces and Veterans
- Programme, diary, travel and logistics
- Investitures
- The Emergency Services (excluding the Police)
- Sport, explorers and adventurers

Virginia Carington

Assistant Master of the Household

- The Royal Collection
- Personal letters and private engagements

THE PRINCE'S CHARITIES

The Prince's Charities is a group of not-for-profit organizations of which The Prince of Wales is President: 17 of the 19 charities were founded personally by The Prince.

The group is the largest multi-cause charitable enterprise in the United Kingdom, raising over £100 million annually. The organizations are active across a broad range of areas, including opportunity and enterprise, the built environment, responsible business, education and health. Additionally, The Prince has set up six social enterprises whose profits are donated to charity.

The charities reflect The Prince of Wales's long-term and innovative perspective, and seek to address areas of previously unmet need.



OPPORTUNITY AND ENTERPRISE

The Prince's Trust

www.princes-trust.org.uk Tel: +44 (0) 20 7543 1234

Freephone 0800 842 842

The Prince's Scottish Youth Business Trust

www.psybt.org.uk Tel: +44 (0) 141 248 4999

PRIME

www.primeinitiative.org.uk

www.primebusinessclub.com Tel: +44 (0) 20 8765 7833

PRIME-Cymru

www.prime-cymru.co.uk Tel: +44 (0) 1550 721 813

EDUCATION

The Prince's Drawing School

www.princesdrawingschool.org Tel: +44 (0) 20 7613 8568

The Prince's School of Traditional Arts

www.psta.org.uk Tel: +44 (0) 20 7613 8500

The Prince's Teaching Institute

www.princes-ti.org.uk Tel: +44 (0) 20 3174 3106

The Prince's Foundation for Children & the Arts

www.childrenandarts.org.uk Tel: +44 (0) 20 3326 2230

THE BUILT ENVIRONMENT

The Prince's Foundation for the Built Environment

www.princes-foundation.org Tel: +44 (0) 20 7613 8500

The Prince's Regeneration Trust

www.princes-regeneration.org Tel: +44 (0) 20 7462 6440

Turquoise Mountain Foundation

www.turquoisemountain.org Tel: +44 (0) 1764 655 226

The Great Steward of Scotland's Dumfries House Trust

www.dumfries-house.org.uk Tel: +44 (0) 1290 425 959

RESPONSIBLE BUSINESS

Business in the Community

www.bitc.org.uk Tel: +44 (0) 20 7566 8650

Scottish Business in the Community

www.sbcscot.com Tel: +44 (0) 131 451 1100

The Prince of Wales International Business

Leaders Forum

www.iblf.org Tel: +44 (0) 20 7467 3600

In Kind Direct

www.inkinddirect.org Tel: +44 (0) 20 7714 3930

Arts & Business

www.AandB.org.uk Tel: +44 (0) 20 7378 8143

The Prince of Wales's Business & the Environment

Programme

www.cpi.cam.ac.uk/bep Tel: +44 (0) 1223 332 772

HEALTH

The Prince's Foundation for Integrated Health

www.fih.org.uk Tel: +44 (0) 20 3119 3100

SOCIAL ENTERPRISE

Duchy Originals

www.duchyoriginals.com Tel: +44 (0) 20 8831 6800

North Highland Initiative

For enquiries please email:

Robert Gray (argee6@hotmail.com)

www.mey-selections.com (for products)

www.northhighlandsscotland.com (for tourism)

The Highgrove Shop

www.highgroveshop.com Tel: +44 (0) 1666 505 243

Traditional Arts Ltd

www.traditionalarts.co.uk Tel: +44 (0) 20 7033 4950

Turquoise Mountain Arts

www.turquoisemountainarts.af Tel: +93 (0) 799 34 17 25





www.princeofwales.gov.uk

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Paper: 100% post consumer recovered fibre manufactured

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CO₂ emissions: 186Kg and 100% offset 100% made from vegetable oil

Ink: 100% made from vegetable o
Press solvents: 95% cleaned and reused
Dry waste: 94% diverted from landfill

IPA used: 0%

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