



The Prince of Wales and The Duchess of Cornwall  
Annual Review 2007



## ANNUAL REVIEW 2007

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 2007.

The 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](http://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.

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# SUMMARY

This Annual Review covers the year to 31st March 2007. In addition to this introduction and a selection of events from the year, it has four main sections: one devoted to each of the three principal elements of The Prince of Wales's role, and the fourth providing details of how his activities and office are financed and outlining the responsibilities of his senior staff.

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.



PAGE 10  
SUPPORTING THE QUEEN

## 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 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 been prescient in identifying charitable need and setting up and driving forward charities to meet it. Today, The Prince's Charities, as the core group of 18 organisations is known, makes up the largest multi-cause 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.



PAGE 18  
CHARITABLE ENTREPRENEUR

## 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 letters to and meetings with Government Ministers and other people of influence, and by giving speeches and writing articles. In doing so, he is always careful to avoid issues which are politically contentious.



PAGE 36  
PROMOTING AND PROTECTING

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 engagements and events on her own, and conducts charitable and other work in her capacity as Patron or President of charities.

## INCOME AND EXPENDITURE

Year to 31st March	2007 £000s	2006 £000s
Income from Duchy of Cornwall	15,174	14,067
Funding from Grants-In-Aid and Government Departments	2,454	2,073
<b>Total income and funding</b>	<b>17,628</b>	<b>16,140</b>
Official expenditure	9,714	8,660
<b>Surplus after official costs</b>	<b>7,914</b>	<b>7,480</b>
Taxation on surplus	3,434	3,296
Non-official expenditure	2,614	2,181
Capital expenditure (less depreciation), loan repayments and transfers to reserves	1,671	1,867
<b>Net cash surplus</b>	<b>195</b>	<b>136</b>

For historical financial data  
please visit: [www.princeofwales.gov.uk/  
mediacentre/annualreview](http://www.princeofwales.gov.uk/mediacentre/annualreview)

### Summary

Although the way The Prince of Wales fulfils his public duties is largely constant from year to year, three key themes characterised 2006-07. The first was Their Royal Highnesses' overseas work on behalf of the country and the Government, which in an unusually busy 12 months saw The Prince or The Prince and The Duchess together visit Pakistan, four countries in the Gulf region, Sierra Leone, Nigeria and the United States of America. In the broadest terms, the aim of overseas tours is to help foster and strengthen the UK's relations with countries and peoples around the world, and to raise the profile of and cast a spotlight on British excellence and its contributions to the international community.

The second major theme was climate change, an issue to which The Prince has been drawing attention for many years. As well as attending a number of important environment-related events and making several speeches on the subject, in the past year The Prince of Wales's and The Duchess of Cornwall's Household has been undertaking an environmental review of all its activities.

The Prince commissioned the review to determine the 'carbon footprint' of the Household, including residences and offices, taking into account energy and water use, and commuter and other staff travel by car, train and air, as well as Their Royal Highnesses' personal travel. The ways in which carbon and other greenhouse gas emissions will be reduced, and other information about the Household's environmental policy, are explained and given on pages 8 and 9.

The third theme was the built environment. During the year The Prince and his charity, The Prince's Foundation for the Built Environment, continued to encourage, and advise on the creation of more livable and human-scale homes and communities, both in this country and abroad. In 2006-07, the Foundation and other charitable initiatives established by The Prince worked on the development of sustainable communities in places as diverse as Newquay in Cornwall, Kingston in Jamaica, and Kabul in Afghanistan. In addition, following The Prince's visit to Sierra Leone in November 2006, discussions have begun about a possible initiative with the Foreign and Commonwealth Office to help regenerate some of the poorest areas of the country's capital, Freetown.

# ENGAGEMENTS AND ACTIVITIES



ABOVE FROM TOP TO BOTTOM  
The Prince of Wales and The Duchess of Cornwall visit Gower in Wales and enjoy the stunning views over Rhossili beach.  
*Courtesy of Tim Rooke.*

The Prince meets Yeoman Warders at the Tower of London on a visit to support British Tourism Week.

In 2006-07, The Prince of Wales undertook a total of 632 official engagements, of which 86 were overseas, and The Duchess of Cornwall undertook 222 engagements, of which 60 were overseas. The following engagements and activities illustrate the range of Their Royal Highnesses' work during the year.

### **A family dinner to celebrate The Queen's 80th birthday**

In April 2006, The Prince of Wales and The Duchess of Cornwall hosted a family dinner at the newly reopened Kew Palace in London to celebrate The Queen's 80th birthday. The dinner was attended by 27 members of the Royal Family, and included a fireworks display on the lawns of the Palace. On the day of the dinner, a personal tribute to Her Majesty from The Prince was broadcast on television.

### **The Commissioning of Prince Harry and Prince William at Sandhurst**

In April 2006 and in December 2006, Their Royal Highnesses attended the Sovereign's Parades (Commissioning) of Prince Harry and Prince William, respectively, at the Royal Military Academy Sandhurst. The two Princes, who started their 11-month officer training courses at separate times, were both commissioned into The Blues and Royals, and were posted to the Household Cavalry regiment in Windsor.

### **The Prince of Wales addresses the World Health Assembly in Geneva**

In May 2006, The Prince of Wales was invited to address the World Health Organisation's annual assembly in Geneva. In his speech, His Royal Highness said it was important to encourage an integrated and holistic approach to modern medicine, one that considered external factors such as housing, the environment and agriculture when treating illness and promoting good health.

### **Visiting Gower in Wales to celebrate one of the UK's greatest beauty spots**

In July 2006, The Prince and The Duchess visited West Wales to mark the 50th anniversary of Gower being named the first Area of Outstanding Natural Beauty in the British Isles. During the visit, Their Royal Highnesses enjoyed a walk in bright sunshine along the clifftop with its stunning views of Rhossili beach and Worms Head.

### **Unveiling a memorial in Scotland to Queen Elizabeth The Queen Mother**

In August 2006, The Duke and Duchess of Rothesay, as Their Royal Highnesses are known in Scotland, unveiled a memorial to Queen Elizabeth The Queen Mother, which The Prince had commissioned, at the church in Canisbay, Caithness. His Royal Highness's Grandmother, who died in 2002, regularly visited the kirk over a period of 50 years whenever she stayed at the nearby Castle of Mey.



### Meeting British service personnel injured in action in Afghanistan and Iraq

In October 2006, Their Royal Highnesses visited the Royal Centre for Defence Medicine based at Selly Oak Hospital in Birmingham, where most servicemen and women injured overseas are flown for treatment. The Prince met patients on the trauma ward, including men from the Parachute Regiment, while The Duchess talked to outpatients and their families.

### Relaunching The Prince of Wales's official website with an online video

In October 2006, The Prince of Wales appeared in a "Day in the Life" film which was made specifically for the re-launch of his website, [www.princeofwales.gov.uk](http://www.princeofwales.gov.uk). The eight-minute video showed The Prince and The Duchess undertaking a day of engagements in Birmingham and at Highgrove.

### Receiving an award for environmental citizenship at the Harvard Club in New York

In January 2007 at a ceremony in New York, The Prince of Wales was presented with Harvard Medical School's 10th Global Environmental Citizen Award by former US Vice-President Al Gore and the actress Meryl Streep. His Royal Highness accepted the award during a three-day trip to the United States of America which included a visit to Philadelphia.

### Launching the first British Tourism Week with visits to London and Wales

In March 2007, The Prince helped launch the first ever British Tourism Week by visiting the Tower of London and, later in the same week, the National Botanic Garden of Wales. On his journey through Wales, His Royal Highness held a meeting with the country's tourism chiefs on the Royal Train.

CLOCKWISE FROM LEFT TO RIGHT  
Their Royal Highnesses meet enthusiastic children during a day of engagements in Birmingham, filmed for a website video.

The Prince and The Queen enjoy a fireworks display in honour of Her Majesty's 80th birthday at Kew Palace.

The Prince of Wales is presented with the Harvard Medical School's 10th Global Environmental Citizen Award by Al Gore and Meryl Streep in New York.

Prince William is pictured during the Sovereign's Parade at the Royal Military Academy Sandhurst in December 2006.

The Duchess of Cornwall and Princes William and Harry attend a Thanksgiving Service for Queen Elizabeth II's 80th birthday at St George's Chapel, Windsor Castle.

# DUCHY OF CORNWALL

The Duchy of Cornwall is the private estate which funds the public, charitable and private activities of The Prince of Wales and his family. It consists of around 54,650 hectares of land in 20 counties, mostly in the South West of England, and includes agricultural, residential and commercial property holdings, in addition to a financial 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.



ABOVE  
The Prince of Wales meets Neil Turner (right) and his son James (centre) during a visit to a housing development in Truro which has been built on land previously owned by The Duchy of Cornwall.

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. The Prince chooses to use the majority of the income from the Duchy of Cornwall to meet the cost of his public and charitable work.

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 £200,000 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.

Each year The Prince and The Duchess of Cornwall make regular visits to regions where the Duchy owns land and properties, and in June 2006 His Royal Highness visited a development project near Truro which had been built on former Duchy land. Acting on the principles of good stewardship and sustainable development, the Duchy retained a close interest in the design and construction of the homes, some of which are managed by the Guinness Trust, the affordable homes charity of which The Prince is Patron.



With the purchase of the 900-acre Harewood End Estate in 2000, the Duchy of Cornwall was given an opportunity to breathe new life into a corner of Herefordshire where buildings had lain empty and derelict for 30 years.

The Duchy's objective throughout has been for sympathetic and sustainable regeneration, creating live/work units, offices and homes, while saving the structures from decay and regenerating a rural area. In the past year, the second phase of the redevelopment has been completed at Grange Farm, where live/work and office units now occupy once-derelict farm buildings.

Barrie West, a graphic designer who rents one of the units, says the Duchy has provided him with the perfect place to run his business. He says: "There is a real feeling of peace and tranquillity here and the quality of workmanship is outstanding."

It was on the same two-day visit to the South West that His Royal Highness officially opened the Duchy Originals bakery in Launceston, the company's first production facility. The bakery has already started producing Cornish pasties, savoury flans and tarts.

The Duchy actively encourages its tenants to practise conservation alongside commercial farming. It does this by providing information on best practice and responsibilities under environmental legislation, encouraging high levels of biodiversity, and raising awareness of the principles of organic farming, and the potential of other agri-environmental schemes. The estate also works in partnership with a number of environmental organisations such as the Farming and Wildlife Advisory Group, Forum for the Future, the Soil Association, Friends of the Earth and English Nature.

In seeking to reduce its carbon footprint, some of the Duchy's heating systems are being changed (in Herefordshire, for example, geo-thermal heating has been installed), all electricity is from renewable sources, and a home working policy is being developed to reduce staff commuting. Also, in the Duchy office at Newton St Loe near Bath, a tank for biodiesel made from used cooking oil has been installed to provide fuel for suitable staff cars and estate vehicles. At the end of each year, all remaining carbon emissions are offset via woodland planting and investment in UK and overseas projects.

ABOVE  
Harewood End, part of the  
Duchy of Cornwall estate.

The Prince of Wales ensures that sustainable development is at the heart of the Duchy of Cornwall's management approach.

Further information about the Duchy of Cornwall can be found at:  
[www.duchyofcornwall.org](http://www.duchyofcornwall.org)

# ENVIRONMENTAL AND SOCIAL RESPONSIBILITY

“We are consuming the resources of our planet at such a rate that we are, in effect, living off credit and living on borrowed time... It is our children and grandchildren who will have to pay off this debt and we owe it to them – and to ourselves – to do something about it before it is too late.”

For the past 20 years The Prince of Wales has been doing what he can to raise awareness of the impact of mankind’s activities on the environment, and in December 2006, at the launch of his Accounting for Sustainability project, His Royal Highness warned that time was running out in the race to counter the harmful effects on the planet of climate change.



## Greenhouse gas emissions

### Policy

The Prince of Wales’s Household has a policy of reducing its carbon and wider greenhouse gas emissions to the greatest extent possible, and to the extent that reductions cannot be achieved, offsetting the emissions. As a result of this policy, since 2005 The Prince’s Household – which is made up of his London home and office at Clarence House, his residences at Highgrove in Gloucestershire and Birkhall in Scotland, as well as the official activities of his staff, and the official (excluding overseas travel) and private activities of The Prince and The Duchess of Cornwall – has been carbon neutral. To measure the Household’s carbon footprint more precisely and to understand how to reduce it, His Royal Highness commissioned an environmental review in 2005. Undertaken with Forum for the Future, the review was completed in early 2007, and a new long-term environmental strategy drawn up.



### Reduction

Reducing the use of carbon-based fuels and improving efficiency are central to reducing carbon emissions, and a number of measures have been taken or are being introduced to cut the Household’s emissions. They include: the conversion at Birkhall and Highgrove to ‘green’ electricity from sustainable sources (Clarence House’s electricity is sourced by Buckingham Palace from the national grid); the installation of woodchip boilers at both residences; the installation of new, more efficient boilers at Clarence House; the installation of solar panels at Home Farm and Highgrove; and a host of smaller, energy-efficiency actions.

Travel emissions make up a large part of the Household’s carbon footprint, and 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 more use, where practical and possible, of scheduled flights. In addition, in accepting and arranging engagements, more consideration is being given to reducing travel distances; and, in order to reduce net emissions from car travel, The Prince’s Jaguar and Land Rover have been converted to run on 100 per cent biodiesel from used cooking oil. Measures are also being taken to reduce staff commuter and work travel, and the Household has a policy of buying regional and organic food to reduce ‘food miles’ (and to support local farmers and biodiversity).

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 continue to require the use of private aircraft.

#### ABOVE FROM TOP TO BOTTOM

The Prince of Wales launches the Accounting for Sustainability project at St James’s Palace. The initiative will help organizations measure more effectively the wider environmental and social costs of their actions.

The reed bed sewage system at Highgrove.  
*Courtesy of Andrew Lawson.*

In addition, the requirements 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 on Government business to foreign and Commonwealth countries.

As a result of the measures already taken, in 2006-07 the Household's carbon emissions fell by 9 per cent to 3,425 tonnes CO<sub>2</sub>. This figure does not include emissions from the Home Farm at Highgrove. There are still uncertainties with respect to the calculation of greenhouse gas emissions for the Farm, but it is hoped that a figure can be included in the 2008 Annual Review.

While these figures have been prepared in conjunction with the Household's advisers, they have not been audited by a formally recognised third party. It is planned that the figures will be audited in the future.

#### Offset

In addition to enhancing energy efficiency, and reducing carbon emissions as a result, The Prince has offset his Household's carbon emissions since 2005, excluding those from official overseas travel before 2007. The offsets are achieved by investing, via Climate Care, a specialist agency, in sustainable energy projects and energy efficiency initiatives. However, this is an evolving area, and the best way to achieve sustainable and effective offsetting is under continuing review by the Household and its advisers.

#### The future

While it is encouraging that emissions have been reduced by 9 per cent in the past year, more work needs to be done with the Household's advisers to identify where further reductions can be achieved. Despite the need for this further work, the Household is confident that it can exceed the UK's Kyoto target of reducing emissions by 12.5 per cent between 2008-2012; although, as mentioned previously, the achievement of this target will be determined to a significant extent by the amount of overseas travel required by the Foreign and Commonwealth Office.

#### Water and waste

Reducing water usage and improving waste management are also important to minimising the Household's impact on the environment. Various measures have been introduced to reduce water use, including the use of a reed bed sewage system at Highgrove and a roof-harvested rainwater irrigation system for the gardens. Household waste from residences and offices is recycled, and is used, for example, for compost in the gardens where possible. More action can be taken to reduce waste and to improve recycling, and this will be a major objective of 2007-08 once more precise measurement of the Household's waste has been undertaken.

#### The Duchy of Cornwall, Duchy Originals and The Prince's Charities

The Prince of Wales's Household makes up just one part of the overall environmental footprint of His Royal Highness's interests. Like his Household, the Duchy of Cornwall and Duchy Originals are working hard to improve their carbon efficiency and their sustainability. All three organisations work together wherever possible. In addition, in 2006 The Prince requested that each of his core 18 charities undertake their own environmental review and establish their own targets for reducing their impact on the environment.



ABOVE  
The organic compost being turned at Highgrove.  
*Courtesy of Andrew Lawson.*

Further details on The Prince of Wales's environmental initiatives can be found on:  
[www.princeofwales.gov.uk](http://www.princeofwales.gov.uk)