

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 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. 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 18 SUPPORTING THE QUEEN



PAGE 24 CHARITABLE ENTREPRENEUR



PAGE 38 PROMOTING AND PROTECTING



INCOME AND EXPENDITURE

Year to 31st March	2008 £000s	2007 £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](http://www.princeofwales.gov.uk/mediacentre/annualreview)

SUSTAINABILITY ACCOUNT

Year to 31st March	2008 tonnes	2007 tonnes
CO₂ 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.

ENGAGEMENTS 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 "super-sub" 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 Pötering during a two-day 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.

ENVIRONMENTAL 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 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

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

Household carbon emissions reduction targets

INITIAL TARGET

2007-2012 12.5%

ACHIEVED

2007-2008 18.4%

NEW TARGET

2007-2012 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 pedestrian-orientated 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 Llwynywmod, 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 Llwynywmod 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.