

SUMMARY

This Annual Review covers the year to 31st March 2009. In addition to this introduction and a selection of events from the year, it has six 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; one introducing the new Household of Prince William and Prince Harry; and a sixth providing details of how The Prince of Wales's 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 and The Duchess 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 20 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 reports 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.

ABOVE FROM TOP TO BOTTOM

The Prince of Wales at Copehill Down urban operations training village with the 3rd Battalion, The Mercian Regiment (Staffords) in November 2008.

The Duchess of Cornwall meets well-wishers as she attends The National Veterans' Day in Blackpool in June 2008.

INCOME AND EXPENDITURE

Year to 31st March	2009 £000s	2008 £000s
Income from Duchy of Cornwall	16,458	16,273
Funding from Grants-In-Aid and Government Departments	3,033	2,454
Total income and funding	19,491	18,727
Official expenditure	12,513	10,451
Surplus after official costs	6,978	8,276
Taxation	3,093	3,429
Non-official expenditure	1,710	2,217
Capital expenditure (less depreciation), loan repayments and transfers to reserves	2,018	2,436
Net cash surplus	157	194

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

SUSTAINABILITY ACCOUNT

Year to 31st March	2009 tonnes	2008 tonnes
CO₂ equivalent emissions		
Household	2,601	2,795
Home Farm	2,341	2,378

Prince William and Prince Harry also conduct public engagements and support charities and other organizations.

Prince William and Prince Harry also conduct public engagements and support charities and other organizations, although the main way in which they currently serve the nation is as members of the Armed Services. The growing role and public prominence of the two Princes was underlined last year with the establishment of their own Household based at St James's Palace.

Summary

The way The Prince of Wales fulfils his public duties is largely constant and in 2008-09 the key themes were unchanged from the previous year. They were the environment and climate change, 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 the British Government on overseas visits.

The Prince has been drawing attention to the ever more challenging problems of climate change for many years, and in 2008-09 his Rainforests Project continued to help to find a solution to tropical deforestation, a major contributor to carbon emissions and global warming. An important milestone for the Project was the historic meeting on 1st April 2009 at St James's Palace chaired by The Prince at which world leaders and senior officials from international institutions agreed to set up an International Working Group to address the problem (more details of the Project's work are on pages 12 and 13).

With British Forces operating around the world, in particular in Iraq and Afghanistan, Their Royal Highnesses and Prince William and Prince Harry continue to highlight the work and sacrifice of servicemen and women and their families.

The past year has been especially busy in terms of overseas visits on behalf of the British Government, with official tours to Japan, Brunei and Indonesia in October 2008, and Chile, Brazil and Ecuador in March 2009.

ENGAGEMENTS AND ACTIVITIES



ABOVE FROM TOP TO BOTTOM
Prince William receiving his
RAF pilot's wings from his father,
The Prince of Wales, at RAF
Cranwell in Lincolnshire in
April 2008.

The Prince of Wales gets off
a train at Ebbw Vale Station
in October 2008.

In 2008-09, The Prince of Wales undertook a total of 658 official engagements, of which 83 were overseas, and The Duchess of Cornwall undertook 225 engagements, of which 56 were overseas. The following engagements and activities illustrate the range of Their Royal Highnesses' work during the year.

Celebrating the 90th anniversary of the Royal Air Force

In April 2008, The Prince of Wales and The Duchess of Cornwall visited RAF Cranwell in Lincolnshire to mark the 90th anniversary of the formation of the Royal Air Force. The occasion also saw His Royal Highness present RAF pilot's wings to his eldest son, Prince William, on his completion of an intensive 12-week flying course at the base.

Visiting Northern Ireland to meet servicemen and women returning from a tour of duty in Afghanistan

In May 2008, The Prince of Wales and The Duchess of Cornwall visited 2 Mercian Regiment at Palace Barracks, near Belfast, during a two-day trip to Northern Ireland. The Prince is Colonel-in-Chief of the Mercian Regiment, and during the visit Their Royal Highnesses met servicemen and women who had just returned from Afghanistan, where nine members of the Battalion had been killed in action.

Prince Harry receives his Afghanistan medal from The Princess Royal

In May 2008, Prince Harry received a campaign medal for his military service in Afghanistan from his aunt, The Princess Royal, Colonel of The Blues and Royals, at Combermere Barracks in Windsor, and in the presence of his father.

The opening of Dumfries House to the public

In June 2008, The Prince of Wales opened Dumfries House to the public for the first time in 250 years and said he hoped its acquisition and opening to the public would help to regenerate a particularly deprived part of East Ayrshire. The Georgian house and its unique collection of Chippendale and other furniture were saved from sale in 2007 after a group headed by The Prince bought them for the Nation.

The Prince of Wales attends a service celebrating 60 years of the NHS

In July 2008, The Prince of Wales joined hundreds of former and serving staff at a service of celebration to mark 60 years of the National Health Service (NHS) at Westminster Abbey.

Visiting Gwent and Monmouthshire

In October 2008, The Prince of Wales joined commuters on a train service established to help regenerate a community in Wales during a visit to Gwent and Monmouthshire. The Prince caught the link between Ebbw Vale and Cardiff, which was reopened following substantial public investment to help the people of Blaenau Gwent and beyond find work.

Prince William celebrates Centrepoint's 40th anniversary

In November 2008, Prince William helped youth homelessness charity, Centrepoint, launch its 40th anniversary year with a dinner at St James's



ABOVE FROM TOP TO BOTTOM
The Duchess of Cornwall presents the inaugural Duchess of Cornwall Award to Professor Cyrus Cooper during a visit to the National Osteoporosis Society Headquarters in Bath in February 2009.

The Prince of Wales and The Duchess of Cornwall look at the giant tortoises at the Charles Darwin Foundation in the Galapagos National Park, Ecuador in March 2009.

Palace. In his capacity as Patron, Prince William praised Centrepoin as representing to homeless young people “the difference between misery and dejection and a sense of hope and renewed self-confidence.”

Visiting two of The Prince's Charities on His Royal Highness's 60th birthday

In November 2008, on His Royal Highness's 60th birthday, The Prince of Wales and The Duchess of Cornwall visited projects run by two of The Prince's Charities. Their Royal Highnesses travelled to Beckton Community Centre in East London to meet young people helped by The Prince's Trust, and afterwards visited the Royal Opera House to meet children helped by The Prince's Foundation for Children and the Arts.

The Prince of Wales returns to a steelworks in Sheffield damaged by flooding

In November 2008, The Prince of Wales returned to one of the country's biggest steelworks in Sheffield to see how the company had recovered from the devastating floods the year before. After the floods, The Prince had helped the company, through his Business in the Community charity, with an insurance claim that enabled Forgemasters to survive the temporary crisis.

The Duchess of Cornwall becomes President of Maggie's Cancer Caring Centres

In November 2008, The Duchess of Cornwall visited the first Maggie's centre in London as their new President. Maggie's London, at Charing Cross Hospital in Hammersmith, is one of six centres across the country which aim to keep the minds and bodies of cancer patients as healthy as possible by helping them participate actively in their treatment.

The Duchess of Cornwall presents the inaugural Duchess of Cornwall Award

In February 2009, The Duchess of Cornwall presented the inaugural Duchess of Cornwall Award for work in the field of osteoporosis to Professor Cyrus Cooper. In a speech Professor Cooper praised Her Royal Highness for the “tremendous work” she had done to raise the profile of the disease.

Unveiling a memorial to Queen Elizabeth, The Queen Mother, in London

In February 2009, Their Royal Highnesses joined Her Majesty The Queen, The Duke of Edinburgh and other Members of the Royal Family at a ceremony on The Mall to unveil a national monument dedicated to Queen Elizabeth, The Queen Mother, who died aged 101 in 2002. The Prince of Wales oversaw the design of the monument, and in a personal tribute to his “darling grandmother”, he spoke of her “vitality, unbounded courage... and irresistible and irrepressible sense of mischievous humour.”

Visiting the remote Galapagos Islands in Ecuador

In March 2009, The Prince of Wales and The Duchess of Cornwall visited the Galapagos Islands in Ecuador to mark the 200th anniversary of the birth of Charles Darwin and to highlight the work done to conserve the fragile environment of the islands. The visit was part of a 10-day official tour of South America.

ENVIRONMENTAL RESPONSIBILITY



ABOVE
Clarence House and Highgrove,
where a number of energy-saving
measures have been introduced.

The Prince of Wales has been an environmental leader for nearly 40 years, working with businesses, governments and other national and international organizations to help protect the environment and tackle climate change.

Their Royal Highnesses' Household strives to minimize its carbon emissions, which arise primarily from travel, heating and lighting, and from the farm at Highgrove. This is achieved by reducing energy consumption and by greater use of renewable energy.

In 2008-09 fossil fuel use is estimated to have fallen by 15 per cent, which contributed to a seven per cent reduction in total greenhouse gas emissions. This took the total reduction in greenhouse gas emissions over the past two years to 24 per cent, just short of the target the Household has set itself to cut emissions by 25 per cent by 2012.

As well as reducing his Household's carbon footprint, The Prince has continued to help address the challenge of climate change through the work of his various environmental initiatives and projects, often in partnership with governments, the private sector and Non-Governmental Organizations (NGOs). Among them are The Prince's Rainforests Project, which aims to reduce carbon emissions from tropical deforestation (and secure a range of other benefits) by curbing rainforest destruction, several sector-based initiatives such as the "ClimateWise" group of leading insurance companies, the "P8" group of leading pension funds and the Legal Sector Alliance, and The Prince's May Day Network of over 1,100 UK businesses committed to taking action on climate change.

Further information about some of the projects are given elsewhere in this Review, and the Sustainability Account on pages 54 to 57 provides more detail about the Household's own sustainability performance.

Among the factors behind the reduction in the Household's emissions last year were greater use of biodiesel, made from used cooking oil, in the Royal Train and The Prince's cars, the installation of energy-efficient boilers at Clarence House, which significantly reduced gas consumption despite the colder winter, and the use of woodchip boilers at Highgrove, Birkhall and Llwynywermod, which replace fossil fuel with sustainably-managed wood. In addition, the Household further increased the proportion of its electricity derived from renewable or sustainable sources, and benefitted from the use of electricity monitoring devices in office areas to help identify further opportunities for efficiency savings.

These initiatives were all in areas that the Household controls directly. In contrast, official overseas travel undertaken at the request of the Government is not under the Household's direct control. These international tours represent the largest single source of greenhouse gas emissions each year, and in 2008-09 accounted for almost 50 per cent of the total. This is a larger figure than for previous years due to two long-haul tours: in October and November 2008 to Japan, Brunei and Indonesia, and in March 2009 to Chile, Brazil and Ecuador.

Further details of the Household's environmental impacts are given on pages 54 to 57.

However, the increase in emissions from overseas travel on behalf of the Government was more than offset by a reduction in emissions from energy use and other travel. As a matter of policy, all Household carbon emissions are offset.

The emissions at the Home Farm at Highgrove continue to be monitored and analysed separately with a view to achieving long-term reductions. Run as an organic farm since 1985, Home Farm aims to promote sustainable farming practices, and in 2008-09 the greenhouse gas emissions associated with the farm were 2,341 tonnes (see page 57 for further details).

With respect to The Prince's more general work to address the challenges of climate change, in December 2008, as part of The Prince's Corporate Leaders Group on Climate Change, business leaders of over 140 global companies issued the "Poznan Communiqué" to world leaders setting out what they believed should be the key elements of an international deal on climate change.

The Prince, through his May Day Network, also continues to engage the broader business community in the UK by encouraging firms to measure and reduce their carbon footprints. The second May Day Summit, held on 1st May 2008, brought together over 1,600 business leaders at 13 events across the country to discuss progress made since the first event in 2007 and to share solutions to climate change. The Prince's Charities have all joined the May Day Network.

The Prince's Accounting for Sustainability Project established the Accounting for Sustainability Forum in 2008 which brings together for the first time the finance and accounting community within business, Government, and professional practice and academia from around the world to address sustainability issues. The Forum held its first meeting at St James's Palace in December, inviting over 200 leaders to identify ways to integrate sustainability into decision-making, accounting and reporting processes more effectively.

The Connected Reporting Framework, one of the tools developed by The Prince's Accounting for Sustainability Project, has been adopted by the Household and a number of other organizations, and is being considered by HM Treasury for use by the public sector in the UK. A case study booklet on the Framework has been published which highlights how it can benefit both sustainability and financial performance.

Finally, since its launch in October 2007, The Prince's Rainforests Project has worked with environmental and economic experts and convened leaders from governments, businesses, non-governmental organizations and indigenous peoples to find practical solutions to halt tropical deforestation. A more detailed explanation of the Project's work is on pages 12 and 13.

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 54,424 hectares of land in 23 counties, mostly in the South West of England, including over 27,000 hectares on Dartmoor. 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 to provide income for future beneficiaries. The Duchy is not subject to corporation tax as it is not a company (i.e. 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 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.

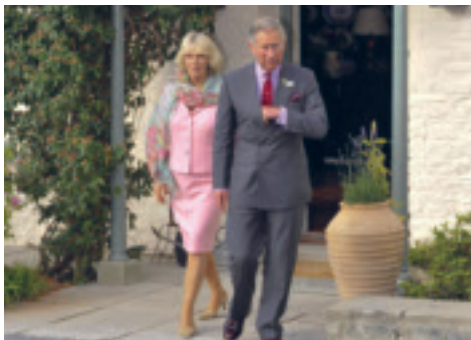
The Duchy of Cornwall's annual surplus has increased by one per cent to £16.5 million. In the current economic climate these results are encouraging and show the strength and quality of the Duchy's diversified property portfolio and the value of its long-term management objectives. In the capital account, residential and commercial values have reduced, but agricultural values have held up well. Generally fluctuations in property values are less volatile than have been reported for the market generally.

One of the Duchy's biggest projects is Poundbury, the development on Duchy land of an urban extension to Dorchester in Dorset. Despite the economic climate, construction work continues including a group of sustainable homes and offices with a biomass district heating system, a development of flats above offices on the south side of Queen Mother Square and a number of developments on the north side of the Bridport Road.

ABOVE FROM TOP TO BOTTOM

The Prince of Wales during a visit to Poundbury where he opened the new Dorset Fire and Rescue HQ in March 2009.

A new home being built in Poundbury, the urban extension to Dorchester.



ABOVE FROM TOP TO BOTTOM
The Prince of Wales and The Duchess of Cornwall visit the Thomas Hardy School in Dorchester, near Poundbury, in Dorset in December 2008.

The Prince of Wales and The Duchess of Cornwall exit the private residence section of their new property in Llwynywermod, near Llandovery in June 2008.

Other highlights at Poundbury during the year included the opening of the new headquarters for Dorset Fire & Rescue Service employing around 120 people, a visit to the nearby Thomas Hardy School and the relocation of Weymouth College's Centre of Vocational Excellence in Stonemasonry Skills to the new B2 craft centre South of Middle Farm Way.

Last year saw Their Royal Highnesses' first stay at Llwynywermod in Wales, the three-bedroom cottage and farm purchased by the Duchy in 2007 and carefully renovated using local Welsh materials and craftsmen. During their stay, The Prince and The Duchess held a series of meetings and dinners at the house, and a reception for local residents and people who had worked on the property.

The renovated holiday cottages that adjoin Llwynywermod became available for short-term let in February 2009. As with all Duchy properties sustainability was of paramount importance in the renovation. Sheep's wool insulation, hemp plaster, natural materials and paints were all used. Heating and hot water are supplied from a woodchip boiler.

Another significant development for the Duchy last year was the approval in January 2009 by Restormel Borough Council of three outline planning applications at Newquay in Cornwall. The proposed developments will create 700 new homes and support almost 600 jobs. All three mixed-use projects have been designed in accordance with the Duchy's comprehensive sustainability strategy, and aim to set new standards for sustainable development in Cornwall. With outline consent now granted the Duchy will spend the next nine to 12 months working up detailed plans, including further public consultation.

The past year has seen considerable capital investment by the Duchy in the village of Princetown on Dartmoor. Key projects have included the building of the Duchy Square Arts and Crafts Centre in conjunction with Devon County Council, and further contributions towards the building of a new village centre.

The Duchy has also continued its active involvement with Dartmoor's agricultural community. As part of The Prince's Farmers' Marketing Initiative, the Dartmoor Farmers' Association has now been established to market locally produced beef and lamb directly to the end user.

The Duchy remains committed to promoting sustainability, and while it has no direct control over the emissions from its over 1,000 residential properties and 100 rural workshops, it has a shared responsibility with tenants for addressing the environmental impact of these buildings. With this in mind, the Duchy continues to develop a number of initiatives to reduce emissions, including biomass boilers, such as those installed at Llwynywermod in Wales, Harewood End in Hertfordshire and Restormel Manor in Cornwall, ground and air source heat pumps and insulation – over 150 properties on the Isles of Scilly had their roof insulation enhanced during 2008-09.