

**THE AWARD SCHEME LTD**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 MARCH 2004**

**Company Number: 2173914**



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## **THE AWARD SCHEME LIMITED**

**DIRECTORS:** Michael Kingshott (resigned 29 September 2003)  
Lady Ryder, MBE (resigned 29 September 2003)  
Michael Gretton CB  
Graham Deverill  
Janet Shepherd (resigned xx April 2004)

**COMPANY SECRETARY:** Graham Deverill

**COMPANY NUMBER:** 2173914

**REGISTERED OFFICE:** Gulliver House  
Madeira Walk  
Windsor  
Berkshire  
SL4 1EU

**AUDITORS:** PricewaterhouseCoopers LLP  
Southwark Towers  
32 London Bridge Street  
London  
SE1 9SY

# **THE AWARD SCHEME LIMITED**

## **DIRECTORS' REPORT**

The directors submit their annual report together with the audited financial statements for the year ended 31<sup>st</sup> March 2004 .

## **PRINCIPAL ACTIVITIES**

The company's principal activities are the production, distribution and sale of publications concerned with the promotion and operation of The Duke of Edinburgh's Award and its related activities.

## **BUSINESS REVIEW**

The company continues to support the parent charity by providing a high quality distribution service for publications.

## **RESULTS**

A profit after interest, but before donations to the Duke of Edinburgh's Award, of £ 121,337 (2003: £ 38,089) was achieved on the year's trading. £ 121,337 has been distributed under the terms of gift aid to the charity, The Duke of Edinburgh's Award.

## **FUTURE**

The company will continue to carry out trading activities in support of the Duke of Edinburgh's Award.

## **DIRECTORS**

The directors are as stated on page 1 .

## **DIRECTORS' RESPONSIBILITIES**

The directors are required by UK company law to prepare financial statements for each financial year to give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that period.

The directors confirm that suitable accounting policies have been used and applied consistently and that reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 31<sup>st</sup> March 2004 . The directors also confirm that applicable accounting standards have been followed and that the financial statements have been prepared on the going concern basis.

The directors are responsible for ensuring that proper accounting records are kept, and for taking reasonable steps to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

## **AUDITORS**

The company has elected to dispense with the appointment of auditors annually pursuant to the provisions of the Companies Act 1985 (s386) .

By order of the board



Graham Deverill  
Secretary

Registered Office:  
Gulliver House  
Madeira Walk  
Windsor  
Berkshire  
SL4 1EU

# THE AWARD SCHEME LIMITED

## REPORT OF THE AUDITORS TO THE MEMBERS OF THE AWARD SCHEME LIMITED

We have audited the financial statements which comprise the profit and loss account, the balance sheet and the related notes.

### Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This report including this opinion has been prepared for and only for the company's members in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or in to whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises the Directors' Report and the Statement of Directors' Responsibilities.

### Basis of audit opinion

We conducted our audit in accordance with auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 March 2004 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers LLP  
Chartered Accountants and Registered Auditors  
London, ~~22~~

8 October 2004

# THE AWARD SCHEME LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2004

	NOTE	2004 £	2003 £
<b>TURNOVER</b>	2	1,037,292	625,714
Cost of sales		(588,499)	(298,970)
<b>GROSS PROFIT</b>		448,793	326,744
Distribution costs	2	(58,767)	(62,650)
Administrative expenses	2	(38,611)	(20,000)
Other operating costs	2	(231,288)	(206,376)
<b>OPERATING PROFIT FOR THE YEAR</b>		120,127	37,718
Interest receivable		1,210	371
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE GIFT AID</b>		121,337	38,089
Profit gifted to The Duke of Edinburgh's Award		(121,337)	(38,089)
<b>RETAINED PROFIT / (LOSS) FOR THE YEAR</b>		-	-

The company has no recognised gains and losses other than the profits above and therefore no separate statement of gains and losses has been presented.

The accounts are prepared under the historical cost convention and represent only continuing operations.

There is no difference between the operating profit for the year and the relevant profit for the year stated above, and their historical cost equivalents.

# THE AWARD SCHEME LIMITED

## BALANCE SHEET AT 31<sup>ST</sup> MARCH 2004

	NOTE	2004 £	2003 £
<b>FIXED ASSETS</b>	3	1,805	6,494
<b>CURRENT ASSETS</b>			
Stocks		143,194	126,329
Debtors: amounts falling due within one year	4	191,833	246,850
Cash at bank and in hand		39,415	93,222
		<hr/> 374,442	<hr/> 466,401
<b>CURRENT LIABILITIES</b>			
Creditors: amounts falling due within one year	5	(249,559)	(346,207)
		<hr/> 124,883	<hr/> 120,194
<b>NET CURRENT ASSETS</b>			
		<hr/> 126,688	<hr/> 126,688
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
		<hr/> 126,688	<hr/> 126,688
<b>NET ASSETS</b>			
		<hr/> 126,688	<hr/> 126,688
<b>CAPITAL AND RESERVES</b>			
Called up and paid share capital	6	2	2
Revenue reserve	7	126,686	126,686
		<hr/> 126,688	<hr/> 126,688
<b>TOTAL SHAREHOLDER FUNDS</b>			
		<hr/> 126,688	<hr/> 126,688

The financial statements on pages 4 to 10 were approved by the board of directors on 23rd September 2004 and were signed on its behalf by:



DIRECTOR

30th September 2004

# THE AWARD SCHEME LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2004

### 1 ACCOUNTING POLICIES

(a) **Basis of Accounting**

The financial statements have been prepared under the historical cost convention in accordance with applicable accounting standards in the United Kingdom.

(b) **Turnover**

Turnover comprises the value of goods sold and income received from sponsorship. It also includes raffle ticket sales which are accounted for when received.

(c) **Stocks**

Stocks of products are held at the lower of cost and net realisable value.

(d) **Depreciation**

Depreciation of fixed assets is charged on a straight-line basis on cost or valuation as follows;

Fixtures and fittings      25% per annum

Computer equipment      33% per annum

(e) **Leased Assets**

Annual rentals are charged to the profit and loss account on a straight-line basis over the lease term.

(f) **Cash Flow Statement**

The company qualifies as a small company under the terms of Section 247 of the Companies Act 1985. As a consequence it is exempt from the requirement to publish a cash flow statement.

(g) **Related Parties**

The company is a wholly owned subsidiary of The Duke of Edinburgh's Award, and therefore is exempt under FRS8, Related Parties Transactions, from disclosing transactions with the Award.

(h) **Pension Costs**

The cost of providing pension and related benefits is charged to the Profit and Loss Account over the employees' service lives on the basis of a consistent percentage of earnings which is an estimate of the regular cost.

(i) **Expenditure**

All expenditure is accounted for on an accruals basis.

(j) **Deferred Taxation**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

The tax assessed in each year varies from the standard rate of corporation tax in the UK in the relevant years. However, there is no material difference between the profit on ordinary activities before tax and the current tax charge for the year and the company's intended gift aid payments will eliminate any corporation tax charge arising on taxable profits of the year.

# THE AWARD SCHEME LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2004 (CONTINUED)

### 2 TURNOVER AND PROFIT FOR THE YEAR

	TURNOVER	GROSS PROFIT	TURNOVER	GROSS PROFIT
	2004	2004	2003	2003
	£	£	£	£
Raffle	92,358	2,713	-	-
Sale of goods	944,934	446,080	625,714	326,744
	<hr/>	<hr/>	<hr/>	<hr/>
	1,037,292	448,793	625,714	326,744
	<hr/>	<hr/>	<hr/>	<hr/>

Operating profit is stated after charging:

	2004 £	2003 £
Lease rental	17,120	17,120
Management charge	38,611	20,000
Depreciation	3,033	4,501

The directors are grateful to the auditors who waived their fees.

The management charge is made to the company by The Duke of Edinburgh's Award in respect of the provision of accommodation, staff services and sundry office services.

Other operating charges include staff costs which comprise:-

	2004 £	2003 £
Wages and salaries	90,786	86,758
Social security costs	7,609	6,622
Other pension costs	4,991	4,221
	<hr/>	<hr/>
	103,386	97,601
	<hr/>	<hr/>

The average full time equivalent number of employees during the year was 6 (2003: 6) all of whom are engaged in operational activities and are located in the UK.



# THE AWARD SCHEME LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2004 (CONTINUED)

### 3 FIXED ASSETS

	FIXTURES & FITTINGS £	COMPUTER EQUIPMENT £	TOTAL £
Cost at 1 <sup>st</sup> April 2003	13,042	26,232	39,274
Additions in the year	-	-	-
Disposals in the year	(2,944)	-	(2,944)
Cost at 31 <sup>st</sup> March 2004	10,098	26,232	36,330
Depreciation at 1 <sup>st</sup> April 2003	10,991	21,789	32,780
Charge for the year	395	2,638	3,033
Eliminated on disposal	(1,288)	-	(1,288)
Depreciation at 31 <sup>st</sup> March 2004	10,098	24,427	34,525
Net book value at 31 <sup>st</sup> March 2003	2,051	4,443	6,494
Net book value at 31 <sup>st</sup> March 2004	-	1,805	1,805

### 4 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2004 £	2003 £
Trade debtors	160,598	194,517
Other debtors	14,477	45,571
Accrued income	10,558	-
Prepaid expenses	6,200	6,762
	191,833	246,850

# THE AWARD SCHEME LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2004 (CONTINUED)

### 5 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2004 £	2003 £
Trade creditors	(43,554)	(35,844)
Amounts due to parent undertaking	(162,072)	(249,705)
Other creditors	(48)	(7,760)
Accrued expenses	(8,948)	(15,193)
Deferred income	(34,937)	(37,705)
	(249,559)	(346,207)
Movements on deferred income		
Balance at 1 <sup>st</sup> April	(37,705)	(6,280)
Released to Profit and Loss Account	37,705	6,280
Amount deferred during year	(34,937)	(37,705)
	(34,937)	(37,705)

### 6 CALLED UP SHARE CAPITAL

	2004 £	2003 £
Authorised: 1,000 ordinary shares of £1 each	1,000	1,000
Allotted, called up and fully paid: 2 ordinary shares of £1 each	2	2

### 7 REVENUE RESERVE

	2004 £	2003 £
Balance at 1 <sup>st</sup> April	126,686	126,686
Retained profit/(loss) for the year	-	-
Balance at 31 <sup>st</sup> March	126,686	126,686

### 8 DIRECTORS' EMOLUMENTS

None of the directors received any fees or emoluments in respect of their services to the company.

## **THE AWARD SCHEME LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2004 (CONTINUED)**

#### **9 LEASE COMMITMENT**

	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
For less than one year being the annual rental on leased property	-	-
For between 2 - 5 years being the annual rental on leased property	17,120	17,120

#### **10 CONTINGENT LIABILITIES**

There were no contingent liabilities or significant financial commitments (2003: £Nil).

#### **11 PARENT UNDERTAKING**

The Duke of Edinburgh's Award (a registered charity) is the ultimate parent. Copies of the Charity's consolidated accounts may be obtained from the Company Secretary at Gulliver House, Madeira Walk, Windsor, Berkshire, SL4 1EU.

#### **12 PENSION SCHEME**

The company participates in The Pensions Trust (part of the Group Scheme) a defined contribution pension scheme for employees, membership of which is open to all employees over 18 who have completed a specified term of employment.

The cost of contributions during the year was £4,991 (2003: £4,221) which has been charged to the profit and loss account.