

THE AWARD SCHEME LTD

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2006**

Company Number: 2173914

SATURDAY



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COMPANIES HOUSE

THE AWARD SCHEME LIMITED

DIRECTORS: Michael Gretton CB (Resigned 31 January 2005)
David Scott (Appointed 31 January 2005)
Graham Deverill (Resigned 31 August 2005)
Kenneth Coppock (Appointed 12 September 2005)
Peter Westgarth (Appointed 11 August 2005)

COMPANY SECRETARY: Graham Deverill (Resigned 31 August 2005)
Kenneth Coppock (Appointed 12 September 2005)

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 March 2006.

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 £4,286 (2005: £18,735) was achieved on the year's trading. £4,286 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.

DIVIDEND

No dividend is proposed to be paid by the company

DIRECTORS

The directors are as stated on page 1.

No directors have any interest in the company

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 March 2006. 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.

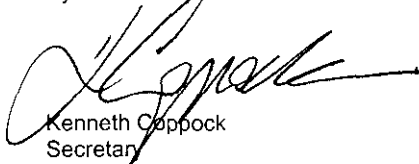
Each director confirms that

- a) insofar as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- b) the director has taken all the steps that he/she ought to have taken as a director in order to make himself / herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

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



Kenneth Coppock
Secretary

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

THE AWARD SCHEME LIMITED

Independent auditors' report to the members of Award Scheme Limited

We have audited the financial statements which comprise the profit and loss account, the balance sheet and the related notes which have been prepared under the historical cost convention and the accounting policies set out in the statement of accounting policies.

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 International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the company's members as a body 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 into 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 whether the directors' report is not consistent with the financial statements. We also report to you if, in our opinion, 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 directors' report and consider the implications of our report if we become aware of any apparent misstatement within it.

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 only the directors' report. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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.

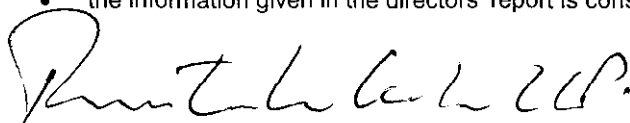
It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

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 and the auditable part of the directors' remuneration report 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs at 31 March 2006 and of its profit for the year then ended;
- the financial statement have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London
Date

12 December 2006

THE AWARD SCHEME LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2006

	NOTE	2006 £	2005 £
TURNOVER	2	407,893	580,572
Cost of sales		(146,027)	(284,673)
GROSS PROFIT		261,866	295,899
Distribution costs		(37,007)	(47,958)
Administrative expenses		(18,310)	(22,013)
Other operating costs		(204,101)	(209,136)
OPERATING PROFIT FOR THE YEAR		2,448	16,792
Interest receivable		1,838	1,943
PROFIT ON ORDINARY ACTIVITIES BEFORE GIFT AID		4,286	18,735
Profit gifted to The Duke of Edinburgh's Award		(4,286)	(18,735)
RETAINED PROFIT / (LOSS) FOR THE YEAR		-	-

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 notes on pages 6 to 10 form part of these financial statements.

THE AWARD SCHEME LIMITED

BALANCE SHEET AT 31 MARCH 2006

	NOTE	2006 £	2005 £
FIXED ASSETS	3	23,008	103
CURRENT ASSETS			
Stocks		118,205	84,191
Debtors: amounts falling due within one year	4	351,586	360,228
Cash at bank and in hand		134,806	50,613
		<hr/> 604,597	<hr/> 495,032
CURRENT LIABILITIES			
Creditors: amounts falling due within one year	5	(500,917)	(368,447)
		<hr/> 103,680	<hr/> 126,585
NET CURRENT ASSETS			
		<hr/> 126,688	<hr/> 126,688
TOTAL ASSETS LESS CURRENT LIABILITIES			
		<hr/> 126,688	<hr/> 126,688
NET ASSETS			
		<hr/> 126,688	<hr/> 126,688
CAPITAL AND RESERVES			
Called up and paid share capital	6	2	2
Revenue reserve	7	126,686	126,686
		<hr/> 126,688	<hr/> 126,688
TOTAL SHAREHOLDER FUNDS		<hr/> 126,688	<hr/> 126,688

The financial statements on pages 4 to 10 were approved by the board of directors on 6 December 2006 and were signed on its behalf by:



DIRECTOR

THE AWARD SCHEME LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2006

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. The turnover for 2004/05 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 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 has not prepared a cash flow statement as this is included in the consolidated cash flow statement of The Duke of Edinburgh's Award.

(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 Award Scheme Limited contributes to The Pension Trust Growth Plan pension scheme. The Pension Trust Growth Plan scheme is a defined benefit scheme. However, because the scheme is a multi-employer scheme, it is not possible for the Award to identify its share of the underlying assets and liabilities. The scheme has therefore been accounted for as a defined contribution scheme, in accordance with FRS17 – Retirement Benefits.

(i) Expenditure

All expenditure is accounted for on an accruals basis. A management fee is charged to the company by The Duke of Edinburgh's Award to cover financial and administration support. The fee is calculated based on the number of employees working on Award Scheme Limited business.

(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 MARCH 2006 (CONTINUED)

2 TURNOVER AND PROFIT FOR THE YEAR

	TURNOVER	GROSS PROFIT	TURNOVER	GROSS PROFIT
	2006	2006	2005	2005
	£	£	£	£
Raffle	-	-	25,099	(3,248)
Sale of goods	407,893	261,866	555,473	299,147
	407,893	261,866	580,572	295,899

Operating profit is stated after charging:

	2006 £	2005 £
Lease rental	17,735	17,120
Management charge	18,310	22,013
Depreciation	761	1,702

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

Other operating charges include staff costs which comprise: -

	2006 £	2005 £
Wages and salaries	86,969	81,617
Social security costs	7,533	7,052
Pension costs	5,805	5,409
Other staff costs	934	3,649
	101,241	97,727

The average full time equivalent number of employees during the year was 5 (2005: 5) all of whom are engaged in operational activities and are located in the UK. ASL employees hold The Duke of Edinburgh's Award employment contracts and their costs are recharged to ASL by The Duke of Edinburgh's Award.

THE AWARD SCHEME LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2006 (CONTINUED)

3 FIXED ASSETS

	FIXTURES & FITTINGS £	COMPUTER EQUIPMENT £	TOTAL £
Cost at 1 April 2005	10,098	26,232	36,330
Additions	-	23,666	23,666
Cost at 31 March 2006	10,098	49,898	59,996
Depreciation at 1 April 2005	10,098	26,129	36,227
Charge for the year	-	761	761
Depreciation at 31 March 2006	10,098	26,890	36,988
Net book value at 31 March 2005	-	103	103
Net book value at 31 March 2006	-	23,008	23,008

4 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2006 £	2005 £
Trade debtors	272,809	320,261
Other debtors	86	16,994
Prepaid expenses	60,505	3,726
Amount due from connected company	5,016	5,967
Amount due from group company	13,170	13,280
	351,586	360,228

THE AWARD SCHEME LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2006 (CONTINUED)

5 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2006 £	2005 £
Trade creditors	(45,913)	(18,404)
Amounts due to parent company	(363,930)	(205,167)
Other creditors	(18,640)	(22,776)
Accrued expenses	-	(3,900)
Deferred income	(72,434)	(118,200)
	(500,917)	(368,447)

6 CALLED UP SHARE CAPITAL

	2006 £	2005 £
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

	2006 £	2005 £
Balance at 1 April	126,686	126,686
Retained profit/(loss) for the year	-	-
Balance at 31 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 MARCH 2006 (CONTINUED)

9 LEASE COMMITMENT

	2006	2005
	£	£
For between 2 - 5 years being the annual rental on leased property	17,960	17,120

10 CONTINGENT LIABILITIES

There were no contingent liabilities or significant financial commitments (2005: £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.