

The Award Scheme Limited

Directors' Report and Financial Statements for the Year Ended 31 March 2012

Company Number 2173914

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The Award Scheme Limited

Directors

The Directors of the company who were in office during the year and up to the date of signing the financial statements were

David Scott
Kenneth Coppock
Peter Westgarth

Company Secretary

Kenneth Coppock

Company Number.

2173914

Registered Office

Gulliver House
Madeira Walk
Windsor
Berkshire
SL4 1EU

Auditors

PricewaterhouseCoopers LLP
7 More London Riverside
London
SE1 2RT

Bankers

Lloyds TSB
8-10 Waterloo Place
London SW1Y 4BE

Solicitors:

Clarion Solicitors LLP
Britannia Chambers
Oxford Place
Leeds LS1 3AX

The Award Scheme Limited

Directors' Report

The Directors submit their annual report together with the audited financial statements for the year ended 31 March 2012. This report has been prepared in accordance with the Companies Act 2006 for small companies.

Principal Activities

The company's principal activities are the sale and distribution of participant log books, publications concerned with the promotion and operation of The Duke of Edinburgh's Award (also referred to as The DofE) and the collection of licence fees from Operating Authorities and commercial licencees.

Directors

The Directors are as stated on page 1. No Director had any financial interest in the company.

Review of the Year to March 2012

Business Review

The company continues to support the parent charity, The Duke of Edinburgh's Award by providing a high quality distribution service for publications.

Results

The Award Scheme Limited had a successful year. A profit after interest but before donations of £3.4 million (2011: £3.0 million) was achieved on a turnover of £4.4 million (2011: £4.0 million). Profits of £3.4 million were gift aided to The DofE and £15,100 donated to The Duke of Edinburgh's Award International Foundation (The Foundation).

Turnover for the year includes:

- Sales of participant log book, operational material and commercial goods - £3.1 million (2011: £2.6 million),
- Licence Fees - £1.0 million (2011: £0.9 million), and
- Commercial income activity (delivery of expeditions and sales of merchandise) - £0.4 million (2011: £0.5 million).

Refer to note 2 for details of turnover and profit for the year.

Future

The company will continue to carry out trading activities in support of The DofE and The International Foundation.

Dividend

No dividend is proposed to be paid by the company (2011: nil).

Directors' Statement

The Directors are responsible for the preparation of financial statements for each financial year which gives a true and fair view of the company's financial activities during the year and of its financial position at the end of the year. In preparing those financial statements, the Directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in operation.

The Award Scheme Limited

The Directors are responsible for keeping accounting records which disclose, with reasonable accuracy, the financial position of the company and enable the Directors to ensure that the financial statements comply with applicable law

The Directors are responsible for safeguarding the company's assets, taking reasonable steps for the prevention and detection of fraud and other irregularities

Statement of disclosure of information to auditors

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

The Directors confirm that these financial statements are in accordance with relevant legislation and the Companies Act 2006

The Directors are responsible for the maintenance and integrity of the DofE website, the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions

Auditors

The company has elected to dispense with the appointment of auditors annually pursuant to the provisions of the Companies Act 2006 (484-488)

By order of the board



Kenneth Coppock
Secretary

Date *20/9/12*

Registered Office
Gulliver House
Madera Walk
Windsor
Berkshire, SL4 1EU

The Award Scheme Limited

Independent Auditors' Report to the Members of The Award Scheme Limited

We have audited the financial statements of The Award Scheme Limited for the year ended 31 March 2012 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors. This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, 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.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies, we consider the implications for our report.

Opinion on financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of Directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.



Liz Hazell (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors, London
Date 9 October 2012

The Award Scheme Limited

Profit and Loss Account for the Year Ended 31 March 2012

	Note	2012 £	2011 £
Turnover	2	4,416,117	3,993,124
Cost of sales		(555,239)	(572,845)
Gross Profit	2	3,860,878	3,420,279
Distribution costs		3,727	(1,760)
Administrative expenses		(35,000)	(26,000)
Other operating costs		(398,489)	(348,046)
Profit on Ordinary Activities before Gift Aid		3,431,116	3,044,473
Profit gifted to The Duke of Edinburgh's Award and donated to The Duke of Edinburgh's Award International Foundation		(3,431,116)	(3,044,473)
Retained Profit 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 7 to 11 form part of these financial statements


The Award Scheme Limited

Balance Sheet at 31 March 2012

Company Number 2173914

	Note	2012 £	2011 £
Fixed Assets			
Tangible assets	3	1,286	2,786
Intangible assets	4	-	-
		<u>1,286</u>	<u>2,786</u>
Current Assets			
Stocks		60,397	135,279
Debtors amounts falling due within one year	5	458,322	550,066
Cash at bank and in hand		897,538	549,841
		<u>1,416,257</u>	<u>1,235,186</u>
Total Current Assets			
		1,416,257	1,235,186
Current Liabilities			
Creditors amounts falling due within one year	6	(1,329,347)	(1,149,776)
		<u>86,910</u>	<u>85,410</u>
Net Current Assets			
		86,910	85,410
Total Assets less Current Liabilities			
		<u>88,196</u>	<u>88,196</u>
Total Net Assets			
		<u>88,196</u>	<u>88,196</u>
Capital and Reserves			
Called up and paid share capital	7	2	2
Revenue reserve	8	88,194	88,194
		<u>88,196</u>	<u>88,196</u>
Total Shareholders' Funds			
		<u>88,196</u>	<u>88,196</u>

The financial statements on pages 5 to 11 were approved by the board of directors on and were signed on its behalf by


 Kenneth Coppock
 Director
 Date 29/9/12

The Award Scheme Limited

Notes to the Financial Statements for the Year Ended 31 March 2012

1 Accounting Policies

(a) Basis of Accounting

These financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006, and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year are set out below.

(b) Turnover

Turnover comprises the value of goods sold and licence fee income.

(c) Stocks

Stocks of products are held at the lower of cost and net realisable value. Stocks relate to finished products only.

(d) Tangible Fixed Assets and Depreciation

Computer systems, PCs, laptops and networks are capitalised on initial purchase. Replacement systems are capitalised, replacement parts are expensed. Other tangible fixed assets costing more than £1k, including incidental expenses of acquisition are capitalised. Tangible assets costing under £1k are expensed in the year they are incurred.

Depreciation of fixed assets is charged on a straight-line basis on cost as follows:

Fixtures and fittings	25% per annum
Computer licences, systems and equipment	33% per annum

(e) Intangible Fixed Assets and Amortisation

Software licences and packaged software systems under development are capitalised as intangible assets. Internally developed and bespoke systems developed specifically for the DoFE are expensed in the year they are incurred.

(f) Leased Assets

Annual rentals on operating leases are charged to the profit and loss account on a straight-line basis over the lease term. The company has no finance leases.

(g) Cash Flow Statement

The company qualifies as a small company under the terms of Section 383 of the Companies Act 2006. As a consequence it is exempt from the requirement to publish a cash flow statement under the provisions of FRS1.

(h) 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 DoFE. The Duke of Edinburgh's Award International Foundation (the Foundation) is a connected charity of the Company, and a donation of profits is made annually to the Foundation.

(i) Pension Costs

Employees of The Award Scheme Limited are employed by The Duke of Edinburgh's Award (the parent) which contributes to The Pension Trust Growth Plan pension scheme on the company's behalf. The Pension Trust Growth Plan scheme is a hybrid scheme. As the scheme is a multi-employer scheme, it is not possible for the DoFE 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.

The Award Scheme Limited

(j) 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.

(k) VAT

Expenditure is recorded net of VAT to the extent that it is recoverable.

2 Turnover and Profit for the Year

	Turnover	Gross Profit	Turnover	Gross Profit
	2012	2012	2011	2011
	£	£	£	£
Sale of goods	3,078,026	2,829,053	2,603,217	2,366,353
Licence fees	967,142	967,142	922,785	922,785
Commercial income	370,949	64,683	467,122	131,141
	<u>4,416,117</u>	<u>3,860,878</u>	<u>3,993,124</u>	<u>3,420,279</u>

	2012	2011
	£	£
Other operating costs include recharged staff costs which comprise		
Wages and salaries	217,258	148,678
Social security costs	21,902	13,546
Pension costs	13,590	10,858
Other staff costs	2,552	4,852
	<u>255,302</u>	<u>177,934</u>

The average full time equivalent number of staff during the year was 7 (2011: 7) 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

3 Tangible Assets

	Fixtures & Fittings £	Computer Equipment £	Computer Software £	Total £
Cost at 1 April 2011	10,098	6,326	-	16,424
Disposals and transfers	-	(512)	23,008	22,496
Cost at 31 March 2012	<u>10,098</u>	<u>5,814</u>	<u>23,008</u>	<u>38,920</u>
Depreciation at 1 April 2011	(10,098)	(3,540)	-	(13,638)
Charge for the year	-	(1,159)	-	(1,159)
Eliminated on disposals and transfers	-	171	(23,008)	(22,837)
Accumulated depreciation at 31 March 2012	<u>(10,098)</u>	<u>(4,528)</u>	<u>(23,008)</u>	<u>(37,634)</u>
Net book value at 31 March 2012	<u>-</u>	<u>1,286</u>	<u>-</u>	<u>1,286</u>
Net book value at 31 March 2011	<u>-</u>	<u>2,786</u>	<u>-</u>	<u>2,786</u>

4 Intangible Assets

	Software Development £
Cost at 1 April 2011	23,008
Transferred to Tangible Assets	(23,008)
Cost at 31 March 2012	<u>-</u>
Amortisation at 1 April 2011	(23,008)
Transferred to Tangible Assets	23,008
Accumulated amortisation at 31 March 2012	<u>-</u>
Net book value at 31 March 2012	<u>-</u>
Net book value at 31 March 2011	<u>-</u>

The Award Scheme Limited

5 Debtors: Amounts falling due within one year

	2012	2011
	£	£
Trade debtors	411,373	379,918
Prepaid expenses	5,974	127,900
Accrued income	40,975	42,248
	<hr/>	<hr/>
	458,322	550,066

6 Creditors: Amounts falling due within one year

	2012	2011
	£	£
Trade creditors	45,063	25,393
Amounts due to parent company	1,039,248	692,012
Other creditors and accruals	28,314	30,000
Deferred income	141,622	350,866
Amounts due to The International Foundation	15,100	18,000
Received on behalf of parent company	60,000	33,505
	<hr/>	<hr/>
	1,329,347	1,149,776

The amount owed to the parent company for gift aid is not secured on the assets of the company. It is payable within 9 months of the year end. The remaining amount owed to the parent company is the balance on the intercompany accounts. The intercompany balance does not attract interest.

7 Called up Share Capital

	2012	2011
	£	£
Authorised 1,000 ordinary shares of £1 each	1,000	1,000
	<hr/>	<hr/>
Allotted, called up and fully paid 2 ordinary shares of £1 each	2	2

8 Revenue Reserve

	2012	2011
	£	£
Balance as at 1 April	88,194	88,194
Retained profit for the year	-	-
	<hr/>	<hr/>
Balance at 31 March	88,194	88,194

The Award Scheme Limited

9 Directors' Emoluments

None of the directors received any fees or emoluments in respect of their services to the company (2011 £nil)

10 Lease Commitment

The annual commitment as at 31 March 2012 under non-cancellable operating leases was

	2012	2011
	£	£
Land and buildings		
2-5 years	22,400	18,960

11 Contingent Liabilities

There were no contingent liabilities or significant financial commitments (2011 £Nil)

12 Taxation

The tax charge for ordinary activities is £nil (2011 £nil)

In assessing the tax charge management take account of the fact that

- (a) The tax assessed in each year varies from the standard rate of corporation tax in the UK in the relevant years
- (b) There is no material difference between the profit on ordinary activities before tax and the profit chargeable to corporation tax
- (c) 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

Deferred tax is not recognised as it is considered to be immaterial

13 Related Party Transactions

The company is exempt under FRS8, Related Parties Transactions, from disclosing transactions with The Duke of Edinburgh's Award

The parent company has a connected charity, The Duke of Edinburgh's Award International Foundation. During the year sales of £29,404 were made to that connected charity. A donation of £15,100 was gift aided (2011 £18,000), however this amount was still outstanding at the year end.

14 Parent Undertaking

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