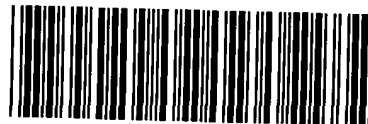


# **The Award Scheme Limited**

## **Directors' Report and Financial Statements for the Year Ended 31 March 2015**

Company Number: 2173914

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## ***The Award Scheme Limited***

Directors' Report and Financial Statements for the Year Ended 31 March 2015

### **Directors:**

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

Peter Westgarth  
Malcolm Offord (appointed 11<sup>th</sup> June 2014)  
George Jenkins (appointed 30<sup>th</sup> September 2014)  
Philip Treleven (appointed 2<sup>nd</sup> October 2014)  
Kenneth Coppock (resigned 30<sup>th</sup> September 2014)

**Company Secretary:** George Jenkins

**Company Number:** 2173914

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

**Independent auditors:** PricewaterhouseCoopers LLP  
1 Embankment Place  
London  
WC2N 6RH

**Bankers:** Lloyds Bank  
8-10 Waterloo Place  
London SW1Y 4BE

**Solicitors:** Farrer & Co  
66 Lincoln's Inn Fields  
London  
WC2A 3LH

## ***The Award Scheme Limited***

Directors' Report and Financial Statements for the Year Ended 31 March 2015

### **Directors' Report for the Year ended 31 March 2015**

The Directors submit their annual report together with the audited financial statements for the year ended 31st March 2015. This report has been prepared in accordance with the Companies Act 2006 for small companies.

#### **Principal Activities**

The Award Scheme Limited (ASL) principal activities are the sale and distribution of participant places, 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 licensed operators and commercial licensees.

#### **Directors**

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

### **Review of the Year to March 2015**

#### **Business Review**

The company supports The Duke of Edinburgh's Award through licensing, the sale of Welcome Packs to participants and through the provision of information and material to the Charity's licensed operators, volunteers and participants.

#### **Results**

ASL achieved income growth of 9% in 2014. Growth was predominately achieved in licensing and participation place income, with total growth of 12%. A profit after interest but before gift aid of £5.4 million (2014: £4.8 million) was achieved on a turnover of £6.4 million (2014: £5.9 million). Profits of £5.4 million were gift aided to The DofE and £3,300 gift aided to The Duke of Edinburgh's International Award Foundation (IAF).

Turnover for the year is analysed as follows:

- Licensing and Participation – Licensed operator fees and sales of welcome packs - £5.3 million (2014: £4.8 million);
- Operational Income – DofE Business licensing and expedition fees, activity provider licences, marketing and operating material sales, - £0.6 million (2014: £0.6 million); and
- Commercial Income – Brand licence fees and other commercial activity - £0.5 million (2014: £0.5 million).

Turnover and profit for the financial year under each category are detailed in Note 2 of the financial statements.

Technical guidance was issued by the ICAEW in October 2014 requiring that, where a wholly owned trading subsidiary gift aids its profits to its parent charity, the payments are treated as distributions in the same way as dividends. Award Scheme Limited has previously entered into a deed of covenant to transfer profits to its parent, The Duke of Edinburgh's Award. As such, Award Scheme Limited has an obligation to make this distribution at 31 March 2015 and has recognised this obligation within its financial statements and correctly recognised this as an expense.

#### **Future**

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

#### **Dividend**

No dividend is proposed to be paid by the company (2014: nil).

## ***The Award Scheme Limited***

Directors' Report and Financial Statements for the Year Ended 31 March 2015

### **Directors' Report for the Year ended 31 March 2015 (continued)**

#### **Directors' Statement**

##### **Statement of directors' responsibilities**

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

##### **Statement of disclosure of information to auditors**

In the case of each director in office at the date the directors' report is approved, they confirm that:

- (a) so far 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.

#### **Independent 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



George Jenkins  
Secretary  
15 September 2015

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

## ***The Award Scheme Limited***

Directors' Report and Financial Statements for the Year Ended 31 March 2015

### **Independent auditors' report to the members of Award Scheme Limited**

#### **Report on the financial statements**

##### **Our opinion**

In our opinion, Award Scheme Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 March 2015 and of its result 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 requirements of the Companies Act 2006.

##### **What we have audited**

The financial statements comprise:

- the Balance Sheet as at 31 March 2015;
- the Profit and Loss Account for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

##### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion, the information given in the Directors' Report and Financial Statements for the Year Ended 31 March 2015 for the financial year for which the financial statements are prepared is consistent with the financial statements. The directors have taken advantage of the small companies' exemption to prepare a strategic report.

#### **Other matters on which we are required to report by exception**

##### **Adequacy of accounting records and information and explanations received**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

##### **Directors' remuneration**

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

#### **Responsibilities for the financial statements and the audit**

##### **Our responsibilities and those of the directors**

As explained more fully in the Statement of Directors' Responsibilities 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.

## **The Award Scheme Limited**

Directors' Report and Financial Statements for the Year Ended 31 March 2015

### **Independent auditors' report to the members of Award Scheme Limited (continued)**

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) ("ISAs (UK & 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.

#### **What an audit of financial statements involves**

We conducted our audit in accordance with ISAs (UK & Ireland). 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Directors' Report and Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Kevin Lowe (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London  
15 September 2015

## ***The Award Scheme Limited***

Directors' Report and Financial Statements for the Year Ended 31 March 2015

### **Profit and Loss Account for the Year Ended 31 March 2015**

	Note	2015 £	2014 £
Turnover	2	6,380,147	5,851,150
Cost of Sales		(502,989)	(546,468)
Gross Profit	2	5,877,158	5,304,682
Distribution Costs		(66,016)	(66,326)
Administrative Expenses		(19,000)	(20,000)
Other Operating Costs		(428,708)	(391,594)
Operating Profit		5,363,434	4,826,762
Interest Receivable		-	-
Taxable profit on ordinary activities before donations		5,363,434	4,826,762
Profit gifted to The Duke of Edinburgh's Award and donated to the Duke of Edinburgh's International Award Foundation	1	(5,363,434)	(4,826,762)
Result for the financial year	7	-	-

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 financial statements are prepared under the historical cost convention and represent only continuing operations.

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

The notes on pages 8 to 11 form part of these financial statements.

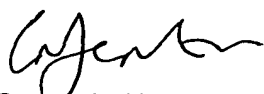
## ***The Award Scheme Limited***

Directors' Report and Financial Statements for the Year Ended 31 March 2015

### **Balance Sheet as at 31 March 2015**

	Note	2015 £	2014 £
<b>Fixed Assets</b>			
Tangible assets	3	7,743	5,361
<b>Current assets</b>			
Stocks		147,965	131,658
Debtors	4	780,173	672,109
Cash at bank and in hand		621,884	751,693
<b>Total Current Assets</b>		<b>1,550,022</b>	<b>1,555,460</b>
Creditors: amounts falling due within one year	5	(1,469,569)	(1,472,625)
<b>Net current assets</b>		<b>80,453</b>	<b>82,835</b>
<b>Net Assets</b>		<b>88,196</b>	<b>88,196</b>
<b>Capital and Reserves</b>			
Called up share capital	6	2	2
Revenue reserve	7	88,194	88,194
<b>Total shareholders' funds</b>		<b>88,196</b>	<b>88,196</b>

The financial statements on pages 6 to 11 were approved by the board of directors on 15 September 2015 and were signed on its behalf by:



George Jenkins  
Director



# ***The Award Scheme Limited***

Directors' Report and Financial Statements for the Year Ended 31 March 2015

## **Notes to the Financial Statements for the Year Ended 31 March 2015**

### **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 goods 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, including incidental expenses of acquisition are capitalised. Consumable items 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) 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.

#### **(f) 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.

#### **(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 DoE.

#### **(h) Pension Costs**

On 1<sup>st</sup> April 2014 the Duke of Edinburgh's Award introduced a new defined contribution pension scheme for its employees, managed by Scottish Widows.

#### **(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) VAT**

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

#### **(k) Gift Aid**

Technical guidance was issued by the ICAEW in October 2014 requiring that, where a wholly owned trading subsidiary gift aids its profits to its parent charity, the payments are treated as distributions in the same way as dividends. Award Scheme Limited has previously entered into a deed of covenant to transfer profits to its parent, The Duke of Edinburgh's Award. As such, Award Scheme Limited has an obligation to make this distribution at 31 March 2015 and has recognised this obligation within its financial statements and correctly recognised this as an expense.

## **The Award Scheme Limited**

Directors' Report and Financial Statements for the Year Ended 31 March 2015

### **Notes to the Financial Statements for the Year Ended 31 March 2015 (continued)**

#### **2 Turnover and Gross Profit for the Year**

	Turnover 2015	Gross Profit 2015	Turnover 2014	Gross Profit 2014
	£	£	£	£
Licensing and Participation	5,341,435	5,180,390	4,753,284	4,627,048
Operational Income	562,594	256,005	622,198	246,231
Commercial Income	476,118	440,763	475,668	431,403
	<u>6,380,147</u>	<u>5,877,158</u>	<u>5,851,150</u>	<u>5,304,682</u>

Other operating costs include recharged staff costs which comprise:

	2015	2014
	£	£
Wages & salaries	267,930	244,140
Social security costs	26,754	24,177
Pension costs	28,368	24,383
Other staff costs	1,812	1,360
	<u>324,864</u>	<u>294,060</u>

The average monthly full time equivalent number of staff during the year was 8 (2014: 8) 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 audit fees for The Award Scheme Limited are borne by The Duke of Edinburgh's Award and disclosed in the group financial statements. For the year ended 31 March 2015 the fees for the group were £40,000 (2014: £39,030).

#### **3 Tangible Assets**

	Fixtures, Fittings & Equipment	Computer Equipment	Computer Software	Total
	£	£	£	£
Cost at 1 April 2014	15,816	5,814	23,008	44,638
Additions	4,048	910	-	4,958
Cost as at 31 March 2015	<u>19,864</u>	<u>6,724</u>	<u>23,008</u>	<u>49,596</u>
Accumulated Depreciation at 1 April 2014	(10,455)	(5,814)	(23,008)	(39,277)
Charge for the year	(2,475)	(101)	-	(2,576)
Accumulated Depreciation as at 31 March 2015	<u>(12,930)</u>	<u>(5,915)</u>	<u>(23,008)</u>	<u>(41,853)</u>
Net book value at 31 March 2015	<u>6,934</u>	<u>809</u>	<u>-</u>	<u>7,743</u>
Net book value at 31 March 2014	<u>5,361</u>	<u>-</u>	<u>-</u>	<u>5,361</u>

## ***The Award Scheme Limited***

Directors' Report and Financial Statements for the Year Ended 31 March 2015

### **Notes to the Financial Statements for the Year Ended 31 March 2015 (continued)**

#### **4 Debtors**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Trade debtors	588,965	550,190
Prepaid Expenses	91,598	24,431
Accrued income	99,610	97,488
	<u>780,173</u>	<u>672,109</u>

#### **5 Creditors: Amounts falling due within one year**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Trade creditors	27,497	14,726
Amounts owed to group undertakings	1,031,794	1,173,349
Other creditors	3,306	17,000
Received on behalf of parent company	87,640	76,855
Accruals and deferred income	319,332	190,695
	<u>1,469,569</u>	<u>1,472,625</u>

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.

#### **6 Called up Share Capital**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Authorised:		
1000 ordinary shares of £1 each	1,000	1,000
Allotted, called up and fully paid:		
2 ordinary shares of £1 each	2	2
	<u>2</u>	<u>2</u>

#### **7 Profit & Loss Reserve**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Balance as at 1 April	88,194	88,194
Result for the financial year	-	-
	<u>88,194</u>	<u>88,194</u>

#### **8 Directors' Emoluments**

None of the directors received any fees or emoluments in respect of their services to the company (2014: £nil).

## ***The Award Scheme Limited***

Directors' Report and Financial Statements for the Year Ended 31 March 2015

### **Notes to the Financial Statements for the Year Ended 31 March 2015 (continued)**

#### **9 Lease Commitment**

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

	2015 £	2014 £
Land & Buildings		
Less than 1 year	-	22,400
2 to 5 years	22,400	-
After 5 years	-	-
	<u>22,400</u>	<u>22,400</u>

The lease for the office premises was renewed on 8<sup>th</sup> July 2014 for a further five years.

#### **10 Contingent Liabilities**

There were no contingent liabilities or significant financial commitments (2014: £Nil).

#### **11 Taxation**

The tax charge for ordinary activities is £nil (2014: £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 taxation 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.

#### **12 Related Party Transactions**

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

During the year The Duke of Edinburgh's International Award Foundation ceased to be classed as a connected charity with the parent charity for financial reporting purposes.

The Award Scheme Limited has donated £3,306 (2014: £17,000) to The Duke of Edinburgh's Award International Award Foundation this year, but this amount was withstanding at year end.

#### **13 Parent Undertaking**

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