



Annual Report and Financial Statements

for the year ended 31 March 2019



INVESTOR IN PEOPLE



The Duke of Edinburgh's Award is a Registered Charity No: 1072490, and in Scotland No: SC038254,
and a Royal Charter Corporation No: RC000806.

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

CONTENTS

Overview	3
Chairman's Report	4
Achievements to date and setting our new horizon	7
Risk Management	8
Financial Performance	9
Trustees' Commitment	12
Thank You	12
Independent Auditor Report	13
Statutory Accounts	15
Appendices	34

The Trustees present their report and the financial statements of the Royal Charter Corporation, The Duke of Edinburgh's Award, for the year ended 31 March 2019. In preparing this report the Trustees have complied with the Charities Act 2011, the Accounting and Reporting by Charities: Statement of Recommended Practice (revised 2015) ("SORP"), applicable accounting standards and the provisions of the Memorandum and Articles of Association for The Duke of Edinburgh's Award. This report has been prepared with regard to Charity Commission guidance on public benefit.

The Duke of Edinburgh's Award
Head Office: Gulliver House,
Madeira Walk, Windsor,
Berkshire, SL4 1EU
Tel: 01753 727400
E: info@dofe.org
W: DofE.org

OVERVIEW

Who we are

The Duke of Edinburgh's Award (DofE) is a charity with more than 60 years' experience of developing young people for life and work. Our goal is to enable young people of every background to do their DofE and succeed, regardless of any barriers they may face in their life.

What we do

We are the UK's leading youth achievement award. Through achieving their Bronze, Silver or Gold DofE Awards, 14-24 year olds have a unique opportunity to grow as young adults, gaining valuable life experience whilst developing essential work-ready skills and attributes such as resilience, confidence, commitment, team working and determination.

Young people's DofE programmes take them on a life-changing journey where they set their own challenges; learning practical skills, improving their fitness, volunteering in their community, planning and going on an adventurous expedition and also, for Gold, spending time away from home with people they've never met, completing a shared residential activity.

These are the activities that are undertaken to meet our public benefit requirement.

Our guiding principles

At the DofE we strive to achieve our mission through offering personal development programmes and the assessment and presentation of Awards.

All our programmes are driven by the following ten guiding principles, which are at the heart of everything we do:

- Non-competitive
- Achievable by all
- Voluntary
- Personal development
- Personalised
- Balanced
- Progressive
- Achievement focused
- Demand commitment
- Enjoyable

Our Vision

To reach more young people from diverse backgrounds and equip them as individuals to succeed in life.

Our Mission

To inspire, guide and support young people in their self-development and recognise their achievements.

CHAIRMAN'S REPORT

Yet another great year of growth to celebrate, making this our fourth consecutive year of record activity and achievement. With the numbers of disadvantaged young people doing their DofE increasing at an even faster rate than our overall growth (by “disadvantaged” we mean those living in, or doing their DofE at centres in areas of economic deprivation or those that have highlighted a personal disadvantage on their eDofE record).

The primary aim of our charity is to support as many young people as possible to achieve a Duke of Edinburgh's Award and it is very gratifying and fulfilling to see this opportunity being extended much more widely through the dedication and commitment of our supporters, staff and volunteers. From our research, we know the many benefits the Award can bring to the life of a young person and our focus remains on making these even more accessible, encouraging greater participation by those from all backgrounds, and improving the DofE experience for both the participant and those who support them.



The figure of 153,284 young people achieving their Award this year is accordingly a matter of immense pride to all of us and is an increase of 7.2% on our last reported figures. The number of young people starting a DofE programme during the year rose by 4.3% to 287,937. This means that, in total at the year end, there were 461,563 active DofE participants in the UK. With the great effort of the young people, plus the fantastic support of adult Leaders and Assessors, completion rates are improving even further, consequently our hopes are high that the coming year will see yet another record number of young people achieving their Award.

The specific growth in the number of participants from disadvantaged backgrounds taking part in the Award is even stronger, at 9%. The 68,744 disadvantaged young people who started their DofE journey this year represented 23.9% of all new starters. This too is a record number and I would like to thank all of those who raised additional money in our 60th anniversary year in 2016 to create our Diamond Fund, specifically planned to help us extend our reach. That Diamond Fund was matched by the #iwill Fund in England, and by our own development funds in Scotland, Wales and Northern Ireland. We have received hundreds of applications to the Fund from DofE centres for support to enable them to help more disadvantaged young people to begin and to complete a DofE programme. Our impressive statistics indicate that the Fund really is making a positive difference.

As in previous years, we have seen further challenges to the infrastructure and financial resources available to local authority youth services, historically a mainstay of the DofE. We remain incredibly grateful to the army of volunteers and helpers throughout the network who have worked tirelessly to ensure that we continue to grow the number of opportunities available in spite of these challenges, and also to the generous partners and donors who have helped to provide valuable funding to maintain and grow our worthy Charity. Through this support, the increasing awareness of the benefits of a Duke of Edinburgh's Award, and the growing demand from young people, I am delighted in the extreme to confirm that we now have over 3,500 Licensed Organisations operating the DofE throughout the UK.

Finances

As our charity expands, with a higher number taking part and the costs of our support infrastructure increasing, it is very important to ensure that we maintain appropriate reserves to support this growth. I am therefore pleased to report that we generated a surplus of £0.5m during the financial year; these additional funds that can be applied in future years to target further participation and achievement, particularly amongst disadvantaged groups.

The income generated in the financial year grew to £17.7m, compared with £16m in the previous financial year. The majority of this additional income generated by the higher volume of operational activity and increased participation.

Importantly, expenditure on our charitable activities has increased by £2m compared to the previous year. Most of this additional expenditure has been targeted at increasing the resources to support Licensed Organisations and extend the reach of the DofE, within existing centres and in new organisations and locations. It has also helped finance an additional 13 staff members, of whom 12 are in operational roles supporting schools and youth organisations.

The investment market has seen much volatility during 2018/19 and our year ended with a small loss on our portfolio of £0.1m. The investments are held in three funds designed to generate steady growth over a five year period. Although we are disappointed with this loss the funds have generated positive returns over the longer term and we are still confident in the current investment strategy, although we anticipate reviewing this again in the coming year.

The overall surplus of £0.5m created in the year means that we have a firm base to build on and continue to work towards our strategic objectives in 2020/21.

Fundraising activities

The fundraising team continues to look at ways of involving and engaging participants and supporters from the entire network. This year saw the second DofE Adventure, a mass participation countryside hike and overnight camp, based in the Cotswolds. The event was a huge success and was widely taken up by our corporate partners with many teams of participants from their ranks as well as parents and carers, DofE volunteers and staff participating and raising valuable sponsorship funds.

We are particularly grateful to HRH The Earl of Wessex, who completed a personal challenge of playing on every real tennis court across the globe during the course of the calendar year. Each event gave us the opportunity to invite young people to take part and to discuss and involve local communities in the work of the DofE.

In addition, I would like to give a huge personal thank you for the continued support of our corporate partners, particularly our strategic partners – Heathrow, Amey, British Gas and St James's Place Wealth Management – and our major supporters Pears Foundation, The Gosling Foundation and RSM. Their vital help provide us with the invaluable financial reassurance that we need to continue to grow the charity, while also striving to ensure that affordability is not a barrier to participation.

Other developments

We are delighted to see that Ofsted now recognises the importance of extracurricular activities in its new inspection framework, and we believe that the DofE is a proven tool that schools and academies in England can use to address this need. We know from research that taking part in a DofE programme is transformational for young people, undoubtedly improving prospects for society, family, work and life generally.

Removing barriers is ongoing while maintaining the standards that give the DofE Award its credibility and status. Following a successful pilot, we have now made a permanent change to allow any young person to begin their Bronze Award in the school year in which they turn 14 so that participants can do their DofE with their classmates. Bronze participation is growing significantly, and we hope and anticipate that young people will now have more time to complete Silver before diverting their efforts to important exams.

The DofE is aware that participation is more common in schools and clubs than at colleges, and we want to ensure that students everywhere can take part. To address this, we are examining the specific challenges in the Further Education environment and training our staff to help tutors overcome them.

Listening to our network of providers about some of the challenges of managing expeditions has encouraged us to introduce system improvements and clarify rules around Bronze expeditions.

Also, in response to feedback, we are improving the materials available to attract young people to the DofE and working to modernise their experience. Investment has been made in nine new promotional films and this autumn will see the launch of our first app to present a more user-friendly approach for participants, freeing time

for the benefits of active participation. In addition, we have enhanced our guidance to Award achievers on how to make the best of their experiences at interviews for jobs or for places in further and higher education.

To maintain the credibility of a DofE achievement certificate, we have introduced extra safeguards on the certificate itself, and have created an online authentication system for use by admissions tutors and for recruiters who see DofE on a CV.

Taking part in a DofE programme unquestionably enhances the skills of a young person. Helping at a DofE centre we also know improves the skills of adults, consequently we are piloting DofE management foundation courses and looking at ways to build DofE into broader teacher management development programmes.

At the start of the year we made an important transition to our retail partnership with JD Group, including Go Outdoors and other outdoor retail brands. We believe that the increased range of stores and products available, plus the additional discounts for participants and the wider network, provide an important benefit for those involved.

Our thanks

I would like to extend my thanks to Peter Westgarth, our retiring Chief Executive, who has recently stepped down after almost 14 years of dedicated, passionate commitment to our great charity. We now look forward to the appointment of his permanent successor to continue to build on Peter's successes and excellent work. Thank you so much Peter.

After 10 years as a DofE trustee and member of the Audit and Investment Committee, Ruth Anderson is retiring from our board. I would like to take this opportunity to thank her for her invaluable contribution to our charity. As we say goodbye to Ruth, I am delighted to introduce Jenny Morgan to the board, who will follow in Ruth's footsteps joining the Audit & Investment Committee too.

Undoubtedly this has been another hugely successful year and I thank every one of our tremendous supporters for their unqualified commitment to help us in our aim of improving the lives of young people through the achievement of their Duke of Edinburgh's Award and associated experiences.

The Lord Kirkham CVO

Chair of Trustees

The Duke of Edinburgh's Award



ACHIEVEMENT TO DATE

Our 5-year objectives set challenging new targets to be achieved by 2020/21.

Our targets are:

Awards started 350,000 per annum by 2021

287,937 started on their Award this year

Disadvantaged participants 70,000 per annum representing 20% of Awards started

68,774 disadvantaged young people started their Award, representing 23.9%

Awards achieved 210,000 per annum representing 60% of Awards started

153,284 achieved their Award, representing 55.5% achievement rate in 2018/19.

(Traditionally this rate has been calculated by dividing the current year completions into last year's starters. However, we hope that the development of our Business Information systems will allow for a more sophisticated cohort view of completion to be established for future years)

To achieve our 2021 objectives, we are working to:

1. Optimise the reach of each DofE centre, increasing the average number of participants.

To achieve this, we are investing in the training and support of DofE managers and their teams.

(We are piloting a DofE Manager Foundation course and looking at ways to build DofE into broader teacher management development programmes.)

2. Improve the proportion of participants progressing through the Award levels.

(By allowing young people to start their Bronze DofE in the school year in which they turn 14, we are giving them more time to complete Silver before they have to sit important exams. Changes to the Bronze expedition make it a great introduction to the outdoor world, with Silver and Gold adding progressive challenges.)

3. Optimise staff team performance, delivering maximum value for the fees and donations that fund all staff posts.

(We are running formal training courses for our staff to help them understand the operating environment of schools and colleges, and the challenges and opportunities when delivering the DofE. We will be seeking to renew our Investors In People accreditation and will be holding a staff conference early in 2020.)

4. Implement a range of key development initiatives including:

i. Campaigns highlighting the positive benefits of a DofE Award for employability

(We developed and released a story about the changing face of leadership, highlighting the DofE as a way for young people to develop respected modern-day leadership attributes such as empathy and listening. We shared this across our social media and email channels and released it to the media, resulting in social media engagement and coverage in publications such as City AM.)

ii. Continuous improvement of IT systems and mobile access

(We have developed an app for participants which will be launched in the autumn of 2019.)

iii. Build on our positive brand position, refreshing and updating all materials

(We have developed and launched nine new promotional films.)

iv. Focused support and resources to engage with at risk and disadvantaged young people

(We are now in year two of the expenditure of the Diamond Fund which is dedicated to projects seeking to improve our reach. We are delighted with the 9% increase in Awards started in 2018/19 by young people facing disadvantage.)

RISK MANAGEMENT

Managing risk

Effective risk management is key to delivering the charity's strategy and objectives and so considerable time is devoted by the trustees in reviewing the major risks to which the charity is exposed. In order to support their review, and the charity's management of risk, there is a comprehensive risk register. This is regularly reviewed and updated by the executive team and reviewed annually by the trustees, who have satisfied themselves that systems have been established to manage those risks.

The charity categorises the risks faced into 5 major topics; Governance, Operational, Financial, External and Compliance. The trustees believe the major risks facing the organisation remain similar to those identified last financial year and continually review the likelihood and impact and the how the risks are being managed and mitigated.

GDPR, data collection and use

The charity performed a thorough review of the GDPR compliance within the regions and departments and appropriate policies and retention documents were updated prior to GDPR legislation coming in and continue to be reviewed accordingly. Ongoing compliance is monitored and enforced through automated system changes, e.g. opt in requirements and data retention compliance with ISO 27001.

Security and stability of internal and external accessed IT systems

The DofE maintains a strict adherence to ISO 27001 requirements, including a register of all considered IT risks as well as a number of considerations about data and physical system access. This is reviewed internally on a regular basis and reviewed annually by an external auditor.

Recognising the issue that even the best protected systems are not impregnable, the charity ensures that, in the event of a breach, there is a full communication and business continuity plan ready for implementation. This plan is flexible dependent on the systems unavailable.

Safeguarding

The risks relating to safeguarding continue to be a major focus this year for many charities and our charity takes them very seriously. As a result, the charity has initiated an independent review of its safeguarding policies and procedures with Barnado's during the Autumn of 2018 and the DofE is in the process of implementing all recommendations that transpired as a result of this review.

The charity has a unique relationship with organisations licensed to run the DofE Award and as part of the licence and/or licence process renewal it requires assurances that the licencees have a current appropriate safeguarding policy in place. The DofE regularly reviews its own safeguarding code of behavior and ensures that any staff or direct volunteers that work directly with young people have appropriate training and checks.

Financial risks are considered in the section on Financial Performance.



FINANCIAL PERFORMANCE

The DofE has followed a number of successful years with another strong financial performance in 2018/19, with income increasing by £1.7m compared to the previous financial year (2017/18), however investment in our staff and expenditure also increased by more than £2m showing our dedication to reaching our strategic targets and enabling more young people to have the opportunity to complete their Award.

Income

Total income increased by 10% or £1.7 million to £17.7 million.

Donations of £5.3 million were received from individual and corporate donors and from grant making organisations in 2018/19; this was £0.5m higher than the donations received in 2017/18. This was supported by a special one-off challenge that HRH Earl of Wessex undertook during the calendar year 2018 where he raised funds for both The Duke of Edinburgh's Award and The International Award Foundation by playing every real tennis court across the globe.

Other trading activities, comprising licensing activity, sales of literature, fundraising event income and chargeable administrative support, increased by £1.3 million to £11.4 million. The main driver behind this was the number of organisations that hold a licence to offer DofE programmes increasing by 485 or 16% which, in turn, meant the number of young people starting their Award during the reporting period was a record 287,937.

The majority of our investment portfolio is held in total return funds which do not generate income. £11,000 interest was received on our cash balances and £19,000 was received from the sublet of part of our freehold Windsor property which is explained in more detail in the notes to the financial statements.

Expenditure

Total resources expended increased by £2.2 million to £17.1 million compared to the previous year.

Due to the #iWill grant received that was matched funded by our own fund-raising in the Diamond Anniversary year, we have spent an additional £1 million in extending the reach of the DofE. This grant is specifically targeted towards disadvantaged groups and we are in the 2nd year of a 3-year commitment.

Our head count has increased by 13 full time equivalent members of staff, which is reflected in an 8.5% or £0.78 million increase in employee related costs. These additional employees are required to support delivery of DofE in the increased number of Licensed Organisations, but with the implementation of operational efficiencies this increase has slowed compared to previous years.

We are continuing to invest in eDofE, our portal for DofE participants to record their progress of their Award with an additional £0.1million being spent on further developments and enhancements. As in previous years, this has been treated as operating expenditure rather than capital expenditure.

Governance costs comprise audit fees and the governance activities of management. Governance costs in 2019 were £0.4m, an increase of £80,000 on 2018.

Fixed assets and investments

As at 31 March 2019 the DofE held tangible assets of £3.8 million; this was £0.1 million lower than 2017/18 due to depreciation incurred during the year. There were no material fixed asset purchases in 2018/19.

The value of our investment portfolio reduced to £12.1 million from £12.3 million in 2017/18. This was due to our main investment vehicles decreasing in value by £161,000, with only one of the three selected funds reporting a gain during the year reflecting a challenging year for the global financial markets. Performance of the funds is regularly monitored and reviewed by the Audit and Investment Committee with a view to targeting an optimum balance of value retention and growth.

Current assets

At the year-end the DofE had net current assets of £6.6 million; this was £0.8 million higher than 2018/19. The majority of this increase is down to our cash and cash equivalents which contributed £1m, the remaining constituents (stock, debtors, and creditors) remained broadly in line with the previous year.

Reserves

At 31 March 2019 the DofE held reserves of £22 million, of which £2.3 million related to funds given to the DofE with specific restrictions as to their use; £20 million was held as unrestricted reserves. Total reserves are £0.5m higher than in 2017/18, driven by the continued growth in DofE participation.

Within the unrestricted reserves, specific funds are designated to provide funding for particular purposes or projects. These funds are therefore not readily available for other purposes. As at 31 March 2019 the DofE held designated funds of £5 million, covering the value of our donated offices in Windsor, funds set aside to support the delivery of our strategic objectives and to provide direct support to individual participants or groups that otherwise would not be able to access the DofE.

Given the opportunities and challenges ahead, the trustees believe that the charity should maintain a level of reserves of between nine and eighteen months' operating expenditure (£12.8 million to £25.6 million, based on 2019 expenditure). Excluding those funds given with specific restrictions and funds designated for particular purposes, total funds available to support the operations of the DofE were £15 million, the equivalent of 11 months expenditure.

Financial Risks

As well as its operational risks, the DofE manages a number of key financial risks. The trustees consider that the following summarises those financial risks and the DofE's management of those risks.

Donor income risk

Charitable donations, from business and individuals, represent a significant element of the DofE's income. In order to develop long lasting (and mutually beneficial) relationships with its donors the charity's fundraising team maintains close contact with all donors, involving many with the work undertaken by the DofE and the benefits the DofE delivers to the lives of young people.

Investment risk

The DofE holds investments, the values of which are inevitably subject to market movements. In order to manage risk of a sustained fall in the value of its investment portfolio, the Audit and Investment Committee monitors the performance of the charity's investments with advice from its investment managers and structures the investment portfolio for long term sustainability.

Cash flow risk

With the exception of major projects, the DofE seeks to balance its expenditure with income flows generated by voluntary, operational and commercial activities.

The charity seeks to ensure that funding for all major projects is either specifically identified or obtained in advance of costs being incurred.

Subsidiary undertakings

The DofE's subsidiary company, The Award Scheme Ltd (ASL) sells and distributes the DofE's publications and commercial products and its performance is reported in note 15 to the financial statements. During the financial year ASL made a profit of £9.6 million (2018: £8.4 million). In accordance with its objectives ASL donated its profits to the DofE.

Investment policy

The DofE's constitution contains general powers for the trustees to invest funds at their discretion. The trustees' policy is to protect and, over the long term, increase the value of the investment portfolio in real terms whilst at the same time ensuring availability of funds for capital investment and funding development opportunities.

In 2011/12 the trustees reviewed the charity's investment strategy and determined that these objectives would be better served if the portfolio was moved into less volatile total return funds. Following this decision, the investments were moved into three total return funds. Rather than generating income, the objective for these funds is to deliver average annual growth of inflation plus 5% over a rolling three-year period. Against an ambitious target, the actual returns have underperformed with an average 1.7% annualised return over three years (3.5% annualised return over five years). The Audit and Investment Committee continues to monitor the performance of the funds to determine the appropriate investment strategy for the charity.



TRUSTEES' COMMITMENT

The Trustees confirm that these financial statements have been produced in accordance with relevant legislation and the Royal Charter. Each Trustee confirms that:

- a) Insofar as the Trustee is aware, there is no relevant audit information of which the charity's auditor is unaware.
- b) The Trustee has taken all steps that he/she ought to have taken as a Trustee in order to make himself/herself aware of any relevant audit information and to establish that the charity's auditor is aware of that information.
- c) The Trustee acts in accordance with the Trustee Responsibilities set out within the Appendices on pages 36-38.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

THANK YOU...

We are grateful to the DofE's many benefactors: the local authorities, schools, other Licensed Organisations and the many thousands of volunteer helpers; our funding partners who support individually or through their businesses or trusts and foundations, DofE Development Group, DofE volunteer committees and other generous donors.

They have continued to be wonderfully generous in supporting our efforts to develop the DofE and help young people.

The Trustees would particularly like to thank all the staff for their continuing hard work, loyalty and support during the year.

Malcolm Offord
Trustee
Date



INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE DUKE OF EDINBURGH'S AWARD

Opinion

We have audited the group and charity financial statements of The Duke of Edinburgh's Award ("the charity") for the year ended 31 March 2019 which comprise the Consolidated Statement of Financial Activities, Group and Parent Charity Balance Sheets, Consolidated Cash Flow Statement and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the charity's affairs as at 31 March 2019 and of the group's and charity's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

We have been appointed as auditor under section 144 of the Charities Act 2011 (or its predecessors) and section 44 (1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report to you in accordance with the regulations made under those Acts.

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

The impact of uncertainties due to the UK exiting the European Union on our audit

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the trustees and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the group's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the group's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a charity and this is particularly the case in relation to Brexit.

Going concern

The trustees have prepared the financial statements on the going concern basis as they do not intend to liquidate the group or the charity or to cease their operations, and as they have concluded that the group and charity's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the trustees' conclusions, we considered the inherent risks to the group's business model, including the impact of Brexit, and analysed how those risks might affect the group and charity's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the group or the charity will continue in operation.

Other information

The trustees are responsible for the other information, which comprises the Trustees' Annual Report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. We are required to report to you if:

- based solely on that work, we have identified material misstatements in the other information; or
- in our opinion, the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements.

We have nothing to report in these respects.

Matters on which we are required to report by exception

Under the Charities Act 2011 and the Charities Accounts (Scotland) Regulations 2006 (as amended) we are required to report to you if, in our opinion:

- the charity has not kept sufficient and proper accounting records; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Trustees' responsibilities

As explained more fully in their statement set out on page 36, the trustees are responsible for: the preparation of financial statements which give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the group and the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the group or the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the charity's trustees as a body, in accordance with both section 144 of the Charities Act 2011 (or its predecessors) and regulations made under section 154 of that Act and section 44 (1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Lynton Richmond
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL
September 2019

KPMG LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

STATUTORY FINANCIAL STATEMENTS

Consolidated Statement of Financial Activities (incorporating the Income and Expenditure account) for the year ended 31 March 2019

	Note	Unrestricted Funds 2019 £000	Restricted & Endowed Funds 2019 £000	Total Funds 2019 £000	Total Funds 2018 £000
Income and endowments from:					
Donations and legacies	2	3,635	1,709	5,344	4,870
Charitable activities	3	487	440	927	1,013
Other trading activities	4	11,408	-	11,408	10,063
Investments	5	30	-	30	26
Income and endowments		15,560	2,149	17,709	15,972
Expenditure on:					
Raising funds		(3,587)	-	(3,587)	(3,390)
Charitable activities		(11,217)	(2,273)	(13,490)	(11,535)
Total expenditure	6	(14,804)	(2,273)	(17,077)	(14,925)
Net operating income/(expenditure)		756	(124)	632	1,047
(Losses)/Gains on investments	8	(129)	-	(129)	231
Net movement in funds		627	(124)	503	1,278
Reconciliation of funds for year ended 31 March 2019					
Fund balances at 1 April		19,508	2,472	21,980	
Fund balances at 31 March		20,135	2,348	22,483	
Reconciliation of funds for year ended 31 March 2018					
Fund balances at 1 April		19,502	1,200	20,702	
Fund balances at 31 March		19,508	2,472	21,980	

All gains and losses recognised in the year are included above; therefore, a separate statement of recognised gains and losses has not been prepared.

As permitted by the charity SORP, a separate Statement of Financial Activities (SOFA), dealing with the results of the parent charity only, has not been presented. The individual charity net surplus for the year was £0.5 million (2018: £1.3 million). Details of the subsidiary company's profit and loss accounts for the year are summarised in note 15.

Group and parent charity balance sheets as at 31 March 2019

	Note	Group 2019 £000	Group 2018 £000	Charity 2019 £000	Charity 2018 £000
Fixed assets					
Tangible assets	7	3,752	3,850	3,751	3,850
Investments	8	12,096	12,257	12,096	12,257
Total fixed assets		15,848	16,107	15,847	16,107
Current assets					
Stock		141	194	-	-
Debtors	9	1,996	1,609	3,740	3,103
Cash at bank and in hand		6,526	5,476	4,411	3,640
Total current assets		8,663	7,279	8,151	6,743
Current liabilities					
Creditors – amounts falling due within 1 year	10	(2,028)	(1,406)	(1,603)	(958)
Net current assets		6,635	5,873	6,548	5,785
Total assets less current liabilities		22,483	21,980	22,395	21,892
The funds of the charity					
Unrestricted general fund		15,053	13,894	15,053	13,894
Unrestricted designated fund		4,994	5,526	4,994	5,526
Non charitable trading funds		88	88	-	-
Total unrestricted income funds		20,135	19,508	20,047	19,420
Restricted & Endowed Funds		2,348	2,472	2,348	2,472
Total funds	12	22,483	21,980	22,395	21,892

The financial statements set out on pages 15-33 were approved by the Trustees on 17 September 2019 and signed on their behalf by:

Malcolm Offord
Trustee

Consolidated cash flow statement for the year ended 31 March 2019

	Note	Group 2019 £000	Group 2018 £000
Cash flows from operating activities:			
Net cash provided by operating activities	16	1,185	1,611
Cash flows from investing activities:			
Dividends, interest and rents from investments	5	30	26
Write-off of book value on disposal of fixed assets	7	1	-
Purchase of property, plant and equipment	7	(198)	(65)
Cash receipts from the sale of investments	8	32	263
Net cash flows from investing activities		(135)	224
Change in cash and cash equivalents in the reporting period		1,050	1,835
Cash and cash equivalents at 1 April		5,476	3,641
Cash and cash equivalents at 31 March		6,526	5,476
Analysis of cash and cash equivalents shown in the balance sheet			
		2019 £000	2018 £000
Cash at bank and in hand		4,763	3,723
Notice deposits (less than two months)		1,763	1,753
		6,526	5,476



Notes to the Financial Statements for the year ended 31 March 2019

1. Accounting policies for the year ended 31 March 2019

a: Basis of preparation of financial statements

The accounts (financial statements) have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Practice as it applies from January 2015.

The accounts (financial statements) have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to have extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The Trustees have reviewed the future activities and planned performance of the Group and confirm that it remains appropriate to prepare the financial statements on a going concern basis. This is based on the ongoing demand from young people to participate in the Duke of Edinburgh's Award, the operating income generated from this, combined with the financial reserves that exist to support the operations of the Group. The financial statements do not include the financial statements of any Operating Authority operations, local Award Committees or Forums, as these are independent of the charity and in some cases are charities in their own right.

b: Fund accounting

Funds held by the charity are either:

- Unrestricted general funds – These are funds which can be used in accordance with the charitable objects at the discretion of the Trustees.
- Unrestricted designated funds – These are funds set aside at the discretion of the Trustees for specific purposes.
- Restricted and Endowed funds – These are funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

c: Income and Endowments

Income, including donations under deed of covenant or gift aid and income from investments, is recognised when there is entitlement, probability of receipt and measurability. All other income is accounted for when received or when it is assured with reasonable certainty by the Balance Sheet date.

- Donations and legacies include donations, gifts, legacies and grants receivable. The specific bases used for recognition of such income are as follows:
- Donation income, assets and legacies are recognised where there is entitlement, receipt is probable and there is measurability.

- Donated facilities and services are included at the value to the charity where there this can be quantified, and a third party is bearing the cost. An equivalent expenditure amount is included in the financial statements at the same time as the income is recognised. No amounts are included in the financial statements for services donated by volunteers.
- Grants (including Government grants) are recognised when the entitlement to the grant is established and confirmed by both parties.

Income generated through other trading activities includes licence fee income, sales of goods and literature, delegate fees and income from fundraising events. Trading and merchandising income is accounted for when earned. Fundraising income is shown gross of any associated expenditure. Income received in advance of an event taking place is deferred until the entitlement to that income has arisen (i.e. the event occurs), at which time it is credited to the SOFA. Where income is raised through fundraising events held jointly with DofE connected charities only the share of that income which is attributable to the charity is recognised. Investment income is accounted for on an as received basis.

d: Expenditure

Expenditure is recognised when it is incurred and is reported gross of related income on the following bases:

- Expenditure on raising funds comprises the costs associated with attracting voluntary income and the costs of other income generation, e.g. the costs associated with the investment portfolio.
- Charitable expenditure, including expenditure associated with long-term contracts, comprises direct expenditure including direct staff costs attributable to its activities. Where costs cannot be directly attributed, they have been allocated to activities on a basis consistent with the use of those resources, largely staff time spent. General management costs, excluding costs associated with governance, have been allocated in the same way.
- Governance costs include those incurred in the governance of the charity's assets and are associated with constitutional and statutory requirements.

e: Tangible fixed assets and depreciation

Freehold and leasehold properties are capitalised at the lower of cost and fair value. PCs, laptops and networks are capitalised on initial purchase. Replacement systems are capitalised; replacement parts are expensed. Other tangible fixed assets costing more than £1,000, including incidental expenses of acquisition are capitalised.

Tangible fixed assets costing under £1,000 are expensed in the year of purchase.

Donated assets are included in incoming resources and fixed assets at an estimate of their value to the charity at the date of receipt.

Depreciation of those assets is charged in accordance with the policies shown below.

Other than freehold land, which is not depreciated, depreciation of fixed assets is charged on a straight-line basis on deemed cost as follows:

- Freehold buildings: *2% per annum*
- Long and short leasehold property: *Straight-line basis over the remaining length of the lease*
- Fixtures & fittings: *10% per annum*

- Furniture & office equipment: *25% per annum*
- Computer hardware, software and equipment: *20-33% per annum/or economic life of asset whichever is shorter*
- Motor vehicle: *25% per annum*

Other IT development costs are expensed in the year in which they are incurred.

f: Investments

Except as stated, listed investments are held at market value at the balance sheet date and the SOFA includes the realised and unrealised investment gains/losses for the year. Realised gains and losses on investments, calculated as the difference between the sales proceeds and the market value at the start of the year, or subsequent cost, are credited or charged to the SOFA in the year of gain or loss. Unrealised gains and losses representing the movement in market values during the year are credited or charged to the SOFA in the year of gain or loss.

g: Investments in subsidiary companies

The DofE's shareholding in its subsidiary company, ASL, is held at the cost of the investments (£2).

h: Inventories

An inventory of training information, publicity material and products for resale is held by ASL. This inventory is maintained on the FIFO basis and is valued at the lower of cost and fair value.

i: Pension costs

From 1 April 2014 the charity contributed to a defined contribution scheme administered by Scottish Widows. This cost (2019: £613k, 2018: £466k) is included within total staff costs and is expensed in the year it was incurred.

j: Operating leases

Rental paid under operating leases is charged to the SOFA on a straight-line basis over the life of the lease.

k: VAT

Income and expenditure are recorded net of VAT to the extent that it is recoverable.

l: Financial Instruments

The Charity has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are recognised at transaction value and subsequently measured at their settlement value. The Charity does not hold any assets which would qualify as a complex financial instrument.

m: Significant accounting estimates and judgements

- Accrual of costs for annual leave not taken

It is the opinion of the management of the charity that the holiday pay accrued by employees but not taken at 31 March is not a material cost. This is reviewed annually to check that the judgement of management is valid. Therefore, we have not included an accrual of the cost of annual leave not taken in the Statement of Financial Activities.

- Freehold Property classification

As disclosed in note 7: Income from Investments, The DofE rents part of their freehold property, Swan House, Windsor, to a charity outside our Group. The management do not consider this to be classified as an investment property as the fair value of the mixed use cannot be reliably measured without undue cost or effort. The property was purchased originally to accommodate the employees of the charity that administer the South East Region of the UK and the area leased to the third party is minimal in comparison to the total square footage.

n: Exemptions

The Group has taken advantage of the exemption under FRS 102 'Related Party Transactions' that permit non-disclosure of transactions with wholly-owned Group undertakings that are eliminated on consolidation. The charity prepares a consolidated cash flow statement and the consolidated accounts, in which the charity's results are included, are available to the public. It has therefore taken advantage of the exemption conferred by FRS102 Section 1 not to prepare a cash flow statement.



2. Donations and legacies

a: Income from donations and legacies

		Unrestricted Funds 2019	Restricted Funds 2019	Total Funds 2019	Unrestricted Funds 2018	Restricted Funds 2018	Total Funds 2018
	Note	£000	£000	£000	£000	£000	£000
Donations		3,438	989	4,427	3,563	837	4,400
Donations in kind	2b	135	-	135	183	-	183
Grants	2c	62	720	782	10	277	287
		3,635	1,709	5,344	3,756	1,114	4,870

b: Donations in kind

The material donations in kind received during the year are estimated to be valued as follows:

- Fundraising direct costs
- Accommodation
- Other

Note	2019 £000	2018 £000
	74	84
	31	37
	30	62
2a	135	183

These have been included in the SOFA resources as follows:

• Cost of generating funds:

- Fundraising direct costs

• Resources expended on charitable activities:

- Supporting Licensed Organisations
- Supporting volunteers
- Participant support

	2019 £000	2018 £000
	74	85
	1	2
	1	2
	59	94
	135	183

c: Grant income

- Supporting Licensed Organisations
- Supporting volunteers
- Supporting participants
- Extending the reach of the DofE

	2019 £000	2018 £000
	62	10
	6	-
	9	-
	705	277
2a	782	287

Grant income is received from various bodies including government departments. This income is used to fund activities undertaken by the DofE in the United Kingdom.

3. Charitable activities

	Unrestricted Funds 2019 £000	Restricted Funds 2019 £000	Total Funds 2019 £000	Unrestricted Funds 2018 £000	Restricted Funds 2018 £000	Total Funds 2018 £000
Supporting Licensed Organisations	39	-	39	33	-	33
Supporting volunteers	232	-	232	182	-	182
Supporting panels	216	-	216	219	-	219
Extending the reach	-	440	440	3	571	574
Participant support	-	-	-	5	-	5
	487	440	927	442	571	1,013

4. Other trading activities

	Unrestricted Funds 2019 £000	Restricted Funds 2019 £000	Total Funds 2019 £000	Unrestricted Funds 2018 £000	Restricted Funds 2018 £000	Total Funds 2018 £000
Licence income	3,828	-	3,828	3,293	-	3,293
Sales of literature & other goods	6,778	-	6,778	5,882	-	5,882
Fundraising events	664	-	664	573	-	573
Administrative support	138	-	138	310	5	315
	11,408	-	11,408	10,058	5	10,063

5. Investments

	Note	2019 £000	2018 £000
Investment income			
Investment income arises from:			
• Interest on other cash balances		11	7
• Rental income from Freehold Property	15	19	19
		30	26

For the duration of the reporting period the charity rented part of the ground floor of Swan House, Windsor (our freehold property) to another charity, Round Square. This lease was entered into on 22 July 2014 for an annual rental amount of £16,300 (excl. VAT). This asset is held for the DofE's own use. Additional costs of £2,365 (2018: £2,759) were borne by Round Square which included monthly rental of a car parking space, secure internet usage and works to extend office space. Round Square gave notice and terminated the lease as of 31 March 2019.

The value of the office rented to Round Square cannot be reliably valued without incurring additional cost; we therefore do not recognise this as an investment property.

6. Expenditure on charitable activities

a: Expenditure on charitable activities	Directly Charged costs	Staff costs	Allocated overhead	Total	Directly Charged costs	Staff costs	Allocated overhead	Total
	2019	2019	2019	2019	2018	2018	2018	2018
	£000	£000	£000	£000	£000	£000	£000	£000
Expenditure on raising funds								
Cost of fundraising	727	1,409	69	2,205	798	1,352	78	2,228
Cost of sales of literature & goods	951	431	-	1,382	747	414	-	1,161
Investment management fee	-	-	-	-	1	-	-	1
	1,678	1,840	69	3,587	1,546	1,766	78	3,390
Expenditure on charitable activities								
Supporting programmes:								
- Supporting Licensed Organisations	872	4,035	197	5,104	875	3,599	210	4,684
- Supporting volunteers	455	1,288	63	1,806	282	1,045	63	1,390
- Participant support	383	515	25	923	344	574	33	951
Extending the reach of the DofE	1,798	1,830	89	3,717	1,036	1,513	88	2,637
Developing the DofE infrastructure	1,143	401	20	1,564	893	646	38	1,577
Governance costs	291	85	-	376	225	71	-	296
	4,942	8,154	394	13,490	3,655	7,448	432	11,535
Total Expenditure on charitable activities	6,620	9,994	463	17,077	5,201	9,214	510	14,925

Staff costs include those charged directly to a charitable activity and some allocated centrally on the basis of staff time. Overhead costs not directly charged to a charitable activity are allocated using the same staff time proportions.

b: Net income before investment gains is stated after charging:	2019	2018
	£000	£000
Depreciation	295	318
Operating leases	756	766
Auditor's remuneration – audit services	39	38
Auditor's remuneration – VAT & tax advice	5	5
Auditor's remuneration – grant audit services	4	4

c: Staff costs

	2019	2018
	£000	£000
Wages and salaries	8,076	7,421
Social security costs	887	870
Pension costs	613	567
Other staff costs	418	356
	9,994	9,214

Staff costs include £254,460 (2018: £0) of ex-gratia payments.

d: Staff numbers

	2019	2018
	Numbers	Numbers
Generating funds	30	30
Charitable activities	202	190
Governance	2	2
Average full-time equivalent number of staff	234	222

e: Staff whose emoluments (excluding pension contributions) were in excess of £60,000

	2019	2018
	Numbers	Numbers
£60,001-£70,000	6	3
£70,001-£80,000	2	3
£80,001-£90,000	3	3
£90,001-£100,000	1	1
£140,001-£150,000	-	-
£150,001-£160,000	-	1
£350,001-£360,000	1	-
	13	11

f: Total paid to key personnel

2019	2018
£000	£000
1,647	1,276

Note: Key personnel have been defined as the 14 employees who were in post at 31 March 2019 who make up the UK Executive team, as disclosed on page 42.

7. Tangible fixed assets – Group

	Freehold Land & Building	Long leasehold property	Fixtures, fittings & equipment	Computer equipment	Trade marks	Total
	£000	£000	£000	£000	£000	£000
Cost at 1 April 2018	800	2,600	1,237	712	27	5,376
Additions	-	-	137	61	-	198
Disposals	-	-	(26)	(54)	-	(80)
Cost at 31 March 2019	800	2,600	1,348	719	27	5,494
Depreciation at 1 April 2018	(64)	(78)	(788)	(596)	-	(1,526)
Disposals	-	-	26	53	-	79
Charge for the year	(16)	(25)	(158)	(93)	(3)	(295)
Depreciation at 31 March 2019	(80)	(103)	(920)	(636)	(3)	(1,742)
Net book value at 31 March 2018	736	2,522	449	116	27	3,850
Net book value at 31 March 2019	720	2,497	428	83	24	3,752

The freehold land and building is Swan House, Madeira Walk, Windsor which houses the charity's South East Regional Office. The long leasehold property relates to the DofE head office in Windsor, Gulliver House.

Two assets with a cost of £262,083 (net of VAT), classified above as computer equipment, are for servers purchased during the year ended 31 March 2014 for the sole use of eDofE. These are capitalised over 60 months as this is a more appropriate term than the 36 months policy for depreciation of Computer Equipment and are now fully depreciated.

All tangible fixed assets of the parent charity are held for charitable use. The net book value of assets held by the subsidiary company is £684 (2018: £644).



8. Investments - Group and Charity

	2019	2018
	£000	£000
Investment at 1 April	12,257	12,289
Disposals proceeds – capital repayment	(32)	(263)
Net Investment (loss)/gain	(129)	231
Investment at 31 March	12,096	12,257

Investment portfolio

Investment portfolio at 31 March comprises:

- International property unit trusts - ML Real Euro Property
- Standard Life Global Absolute Return Fund
- Barings Dynamic Asset Allocation Fund
- Ruffer Absolute Return Fund

Market Value of investment portfolio at 31 March

	2019	2018
	£000	£000
	15	174
	3,769	3,790
	4,086	4,026
	4,226	4,267
	12,096	12,257

9. Debtors

	Group 2019 £000	Group 2018 £000	Charity 2019 £000	Charity 2018 £000
Trade debtors	1,201	1,000	136	169
Other debtors	61	60	61	61
Accrued income	214	140	36	8
Prepayments	520	409	484	356
Amounts due from subsidiary	-	-	3,023	2,509
	1,996	1,609	3,740	3,103

The amount due from subsidiary company is the balance owed on the gift aid at the end of the year. Gift aid payments are made from the subsidiary company throughout the financial year. It is not secured on the assets of the company and is payable within 9 months of the year end. The intercompany balance does not attract interest and is repayable on demand.

10. Creditors – amounts falling due within one year

a: Creditors: Amounts falling due within one year	Group 2019 £000	Group 2018 £000	Charity 2019 £000	Charity 2018 £000
Trade creditors	635	466	493	261
Other creditors	163	212	137	182
Deferred income	488	432	247	270
Accrued expenses	742	296	726	245
	2,028	1,406	1,603	958

b: Deferred income

Balance at 1 April

Released to SOFA during the year

Deferred during the year

Balance at 31 March

Group 2019 £000	Group 2018 £000	Charity 2019 £000	Charity 2018 £000
432	606	270	419
(432)	(606)	(270)	(419)
488	432	247	270
488	432	247	270

Deferred income includes monies for fundraising events that have not taken place as at 31st March 2019, or licence fees paid by Approved Activity Providers that covers a period after the balance sheet date.

11. Taxation

The tax charge for ordinary activities is £nil (2018: £nil). The charity is a registered charity, and as such is entitled to certain tax exemptions on income and profits from investments, and surpluses on any trading activities carried on in the furtherance of the charity's primary objectives, if these profits and surpluses are applied solely for charitable purposes.

12. Funds**a: Movements in reserves - Group**

Balance at 1 April 2018 - Group

Net incoming resources

Loss investments

Balance at 31 March 2019 - Group

Represented by:

Balance at 31 March 2019 – Charity

Non charitable trading funds

Unrestricted 2019 £000	Restricted 2019 £000	Total funds 2019 £000
19,508	2,472	21,980
756	(124)	632
(129)	-	(129)
20,135	2,348	22,483
20,047	2,348	22,395
88	-	88
20,135	2,348	22,483

b: Movements in reserves – Charity

Balance at 1 April 2018 – Charity

Net incoming resources

Loss on investments

Balance at 31 March 2019 – Charity

Unrestricted 2019 £000	Restricted 2019 £000	Total funds 2019 £000
19,420	2,472	21,892
756	(124)	632
(129)	-	(129)
20,047	2,348	22,395

c: Net Assets - Group

Tangible assets

Investment portfolio

Current assets

Current liabilities & provisions

Net assets at 31 March 2019

Unrestricted 2019 £000	Restricted 2019 £000	Total funds 2019 £000
3,752	-	3,752
12,096	-	12,096
6,315	2,348	8,663
(2,028)	-	(2,028)
20,135	2,348	22,483

d: Net Assets - Charity

	Unrestricted 2019 £000	Restricted 2019 £000	Total funds 2019 £000
Tangible assets	3,751	-	3,751
Investment portfolio	12,096	-	12,096
Current assets	5,697	2,348	8,045
Current liabilities and provisions	(1,497)	-	(1,497)
Net assets at 31 March 2019	20,047	2,348	22,395

e: Designated funds

The charity sets aside unrestricted funds to provide funding for particular purposes and projects.

These funds are therefore not readily available for other purposes. During the year the DofE utilised designated funds to fund the development of the IT systems supporting DofE programmes (eDofE) and to support the delivery of DofE programmes.

As at 31 March 2019 funds had been set aside

- For the charity's property fixed asset
- To provide direct support to individuals and groups that otherwise would not be able to access the programme
- To Undertake development of the IT systems supporting the DofE online system (eDofE)
- To Fund operational initiatives

	1st April 2018 £000	Incoming resources £000	Outgoing resources £000	31st March 2019 £000
Tangible fixed assets	2,562	-	(91)	2,471
Change programme and direct support funds	533	6	(72)	467
Development and other funds	2,431	15	(390)	2,056
	5,526	21	(553)	4,994

f: Restricted and endowed funds

Income received from donors and grantors which have restrictions placed on them are held as restricted funds. Such restrictions are primarily limitations to where the funds may be used or directions to the type of activity that may be supported by the funds.

	1st April 2018 £000	Incoming resources £000	Outgoing resources £000	31st March 2019 £000
Supporting licensed organisations	19	8	(16)	11
Supporting volunteers	68	21	(43)	46
Extending the reach of the DofE	2,252	1,816	(1,940)	2,128
Participant support	133	106	(76)	163
Developing infrastructure	-	200	(200)	-
	2,472	2,151	(2,275)	2,348

13. The Duke of Edinburgh's International Award Foundation

In the opinion of the Trustees it is not appropriate to aggregate the financial statements of the DofE and The Duke of Edinburgh's International Award Foundation (IAF) as the activities of the two charities are quite separate and the IAF no longer meets the SORP definition of a connected charity. The IAF encourages the establishment and administration of Award programmes worldwide, whilst the DofE administers in the UK one of such programmes. As such separate financial statements have been prepared for the IAF, and copies are available from The Secretary General, Award House, 7/11 St Matthew Street, London SW1P 2JT.

14. Related party transactions

- Five Trustees, or companies connected with Trustees, made donations or paid to attend DofE fundraising events, which in aggregate totalled £44,837.20 (2018: Five Trustees - £63,250.46).
- Trustees do not receive any remuneration for their service as Trustees and no monetary value is included in these financial statements for time spent by Trustees in the affairs of the DofE. Out of pocket expenses incurred by Trustees while carrying out their duties are reimbursed by the DofE when claimed. No Trustees claimed expenses during the period ending 31-Mar-19 (2018: None).
- Two companies connected with the one Trustee, received £174,000 inclusive of applicable VAT for services provided to the DofE (2018: None - £nil).
- The Trustees have reviewed the related party connections of themselves, their close families and other connected persons and report that no disclosable transactions with the DofE other than those described above arose during the period from these connections.

Seven members of the UK Executive Team have declared interests in the following organisations with whom the DofE had financial transactions during the year:

- The Director of the DofE in Wales is also a Director of Mountain Training Trust whose trading subsidiary is an Approved Activity Provider of the DofE and who have paid the DofE for participants using their services £186 (2018: £115). In addition, Mountain Training Limited were paid £6,000 (2018: £14,594) to provide private instructors for the Welsh region "Expedfest", a chance for DofE Leaders to get together and learn more expeditions and opportunities in the locality. Stephanie Price also holds a seat on the Board of the Council for Wales Voluntary Youth Services (CWVYS). The DofE paid CWVYS £350 for a membership fee for the period 01-Apr-18 to 31-Mar-19.
- The Director of the DofE for the Scottish region sits on the Board of Ocean Youth Trust Scotland, which is an Approved Activity Provider of the DofE (2019: £518, 2018: £683). In no instance has the Scotland Director had any involvement in the financial transactions with these organisations.
- The Director of the DofE in London (appointed in July 2018) sits on the Local Academy Committee of Wandle Learning Trust, which is made up of Chesterton Primary and Chestnut Grove Academy. Chestnut Grove Academy is a directly licensed centre and during the period paid ASL £3,533 (exc VAT as applicable) for their operating licence and participation places. They also attended The DofE London Regional Conference 2018 for a price of £12.
- The DofE rented office space in our freehold property to Round Square until 31-Mar-2019, a charity managed by the wife of the CEO of the DofE, (2019: £13,694 exc VAT, 2018: £19,059 exc VAT). The annual rent for this space was £16,300 per annum (plus VAT) and invoiced a quarter in advance.

Round Square incurred some additional fees relating to the rental of a car parking space for part of the financial year as well as some secure internet usage charges.

- The Director of our Northern Irish Region is an Honorary Ambassador for the Belfast Activity Centre. The Belfast Activity Centre hold an Approved Activity Provider licence for the DofE. For this they have been charged £405 exclusive of applicable VAT (2018: £332)
- The Director of the North of England Region, as part of his DofE role, holds a seat on the Board of Mountain Training England Ltd. The DofE paid to attend various courses run by Mountain Training England at a cost of £3,065 (2018: £2,900).
- The Director of the UK Services has recently taken a position on the National Trust Governing Council. The National Trust is an Approved Activity Provider and has been invoiced a licence fee of £250 excluding applicable VAT in the reported financial year. In addition, The DofE paid The National Trust £1,491 for campsite fees.
- With reference to the above related party disclosures the following were outstanding or unpaid at year end and included in either the Trade Debtors or Trade Creditors ledger. All debts or balances have been settled post 31st March 2019

Trade Debtors	Belfast Activity Centre	£300 (inc VAT)
Trade Creditors	Mountain Training England	£150 (inc VAT)

15. Subsidiary Undertaking

The DofE has one wholly owned trading subsidiary, The Award Scheme Ltd (ASL), which is registered in England. ASL produces and sells a variety of publications and transfers any taxable profit by gift aid to the charity, in line with the existing deed of covenant. A summary of the results of ASL and of its balance sheets is shown below. Full financial statements will be filed with the Registrar of Companies where appropriate.

Profits and loss accounts	The Award Scheme Ltd	The Award Scheme Ltd
	2019 £000	2018 £000
Turnover	11,049	9,543
Cost of sales	(748)	(537)
Distribution costs	(88)	(85)
Administrative expenses	(15)	(14)
Other operating costs	(535)	(516)
Profit for the financial year	9,663	8,391
Profit gifted to The Duke of Edinburgh's Award	(9,653)	(8,382)
Charitable donation made to The International Award Foundation	(10)	(9)
Retained profit	-	-

The DofE's subsidiary company, The Award Scheme Ltd (ASL) distributed a stock of international branded products on behalf of the IAF. A charitable donation was made to the IAF by ASL of £9,676 (2018: £9,495) reflecting the benefit accrued from the distribution activities of that company.

Summarised balance sheet

Fixed Assets
Current Assets
Current Liabilities
Net Assets

Called up and paid share capital
Profit and loss reserve
Shareholder funds

2019 £000	2018 £000
1	1
3,432	3,017
(3,345)	(2,930)
88	88
88	88
88	88

16. Notes to the consolidated cash flow statement for the year ended 31 March 2019

Reconciliation of net income to net cash flow from operating activities

Net income for the reporting period (as per the statement of financial activities)

Adjustments for:

- Depreciation and amortisation charge
- (Gains) on investments

Changes in working capital:

- Decrease/(Increase) in stocks
- (Increase)/Decrease in debtors
- Increase/(Decrease) in creditors

Net cash provided by operating activities

2019 £000	2018 £000
632	1,047
295	319
(30)	(26)
53	(23)
(387)	309
622	(15)
1,185	1,611



17. Leases

DofE Group annual commitments under operating leases to pay rentals during the year following the year of these financial statements

	2019 £000	2018 £000
Land and buildings		
• Expiring within 1 year	229	207
• Expiring during years 2 to 5	394	467
• Expiring thereafter	62	91
Other assets		
• Expiring within 1 year	436	459
• Expiring during years 2 to 5	414	460
	1,535	1,684
Total rentals under operating leases charged as expense in the SOFA	756	766

18. Capital commitments

The DofE Group had no outstanding capital commitments as at 31 March 2019 (2018: £Nil).

19. Pension schemes

The charity contributes to a defined contribution pension scheme for its employees, managed by Scottish Widows. This cost £613,000 (2018: £567,000) is included within total staff costs.

20. Status of Corporation and Members

The DofE is a Royal Charter Corporation. The members of the Corporation are the Trustees named on page 39. They have no entitlement to a distribution on dissolution of the Corporation.



APPENDICES

Structure, governance and management

Reference and administration details

The Patron, the Trustees and senior executives are listed on pages 39-42 together with advisors to the charity. Details of the charity numbers and the registered office can be found on the front page of this document.

Structure of the charity

The Duke of Edinburgh's Award was established in 1956 under a deed of trust and registered as a charity. In 1998 it transferred its assets and business to a company limited by guarantee, registered as a charity. In 2006* The Duke of Edinburgh's Award was granted a Royal Charter and in October 2007 the Royal Charter Corporation took over the assets and undertakings of the company limited by guarantee with the latter being wound up in 2008.

The DofE has a subsidiary company, Award Scheme Ltd (ASL).

The DofE has a network of Regional/ Country Chairs and Ambassador Networks that support the DofE in Northern Ireland, Scotland, and Wales and in each of the five English Regions.

The Expedition section of the DofE is monitored by an Advisory Panel of experts.

**The Royal Charter was granted on 14 December 2005 and came into effect on 1 April 2006.*

The Duke of Edinburgh's International Award Foundation

The Award programme continues to develop internationally under The Duke of Edinburgh's International Award Foundation which was established in 1986 with specific responsibility for facilitating the development of the Award internationally. It operates through licensing agreements with National Award Operators and Independent Award Centres in over 140 countries and territories.

The UK Award is one of these and to the great benefit of many of its participants, works in close association with The Duke of Edinburgh's International Award Foundation. The Trustees see this relationship as important and continue with the help of donors and the efforts of the Joint Funding Board to support the International Award Foundation's work. The UK Award has a Trustee who is a Trustee of both the UK Award and The Duke of Edinburgh's International Award Foundation, as is provided in The Duke of Edinburgh's International Award Foundation's constitution.

Joint Advisory Committee

The Joint Advisory Committee, consisting of the President's Award in the Republic of Ireland and The Duke of Edinburgh's Award in Northern Ireland, exists to advise the Council of The President's Award and the Trustees of The Duke of Edinburgh's Award on matters relevant to the operation of the DofE both in Ireland and Northern Ireland and for establishing ways of building upon existing co-operation.

Joint Funding Board

An advisory committee with representation from The Duke of Edinburgh's Award and The Duke of Edinburgh's International Award Foundation operates to ensure that fundraising initiatives organised by the two organisations do not compete with each other.

Governance

The DofE is a registered charity whose board of Trustees takes all decisions collectively. All Trustees are equal in the duties and responsibilities that they owe to stakeholders, and accordingly they work together as one body within which the Chairman takes the lead.

The Trustees are responsible for determining all important matters of policy. They meet formally four times each year and whenever necessary to carry out their responsibilities. They review strategy and performance annually and approve budgets and operating plans in line with strategy.

In addition to the main board meetings, governance of the DofE is exercised through a number of committees which hold responsibility for specific areas of governance activity as follows:

- The **Audit and Investment Committee** oversees the charity's relationship with the external auditor, determines the integrity of the financial statements, and reviews the business risk management framework including compliance and internal controls. The committee also oversees the charity's external relationship with its investment managers, reviews investment strategy and monitors the performance of the investment portfolio.
- The **Nomination Committee** makes recommendations to the board for senior appointments, including new Trustees, after considering a wide variety of possible candidates. It meets when circumstances require.
- The **Remuneration Committee** sets the Chief Executive's salary and approves his recommendation for staff salaries.
- The **Development Group** supports the DofE Fundraising team in the development of donor contacts and the raising of voluntary income.

Membership of these bodies is set out on page 40.

The corporate governance of the DofE is monitored against guidelines for best practice as set by the Charities Commission in their framework for sound governance and accountability (Hallmarks of an Effective Charity) and it is the Trustees' practice to develop the DofE's corporate governance procedures whenever appropriate.

There is a maximum of 12 Trustees. With two exceptions, Trustees serve for a period of five years, and are eligible for re-appointment for further periods subject to a maximum of ten consecutive years. The Earl of Wessex has no limit to his term, subject to confirmation by the Trustees of his position every five years. The Chairman can serve for a period of up to ten years, regardless of prior service as a Trustee.

The Trustees are all non-executive, have no financial interest in the charity, remuneration or other benefits and give freely of their time and, in many cases, financial support. Trustee independence is not considered to be an issue.

Induction and training of Trustees

Through the Nomination Committee, Trustees identify candidates to be future Trustees.

The Trustees as a body are responsible for their appointment. The induction and familiarisation process of new Trustees may start years before their appointment, depending on their background and experience of the DofE or of the context in which the DofE operates.

The induction process when a new Trustee is appointed contains certain common elements, including information about the DofE and about the responsibilities of Trustees, but the extent of development and familiarisation is necessarily flexible. Further induction and training are provided for Trustees during their term of office as necessary.

Statement of responsibilities of the Trustees of The Duke of Edinburgh's Award in respect of the Trustees' annual report and the financial statements

Under charity law, the trustees are responsible for preparing the Trustees' Annual Report and the financial statements for each financial year which show a true and fair view of the state of affairs of the group and the charity and of the group's and the charity's excess of income over expenditure for that period. The trustees have elected to prepare the financial statements in accordance with UK Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

In preparing these financial statements, generally accepted accounting practice entails that the trustees:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the recommendations of the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- state whether the financial statements comply with the trust deed;
- assess the group and the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the group or the charity or to cease operations or have no realistic alternative but to do so.

The trustees are required to act in accordance with the trust deed of the charity, within the framework of trust law. They are responsible for keeping proper accounting records, sufficient to disclose at any time, with reasonable accuracy, the financial position of the charity at that time, and to enable the trustees to ensure that, where any statements of accounts are prepared by them under the Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005, those statements of accounts comply with the requirements of regulations under those Acts. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charity and to prevent and detect fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the financial and other information included on the charity's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Management

The Trustees review strategy and performance and approve budgets and operating plans in line with strategy.

Authority to implement the strategies and policies on behalf of the Trustees and to conduct the day-to-day operations of the DofE is delegated to the Chief Executive.

The Chief Executive is accountable to the Trustees for the efficient running of the DofE with the help of the Directors of Finance, Fundraising, UK Services, IT, Commercial and the Regional and Country Directors.

As well as implementing the Trustees' approved strategy for the DofE, and ensuring the operational efficiency of programmes, the Chief Executive and his management team are responsible for promoting the benefits of DofE programmes to the widest possible audience, raising the funds necessary to support the programmes, administering the DofE's finances, and making the Trustees aware of the need for any changes to DofE programmes and delivery arrangements.

In order to ensure consistency of approach by those to whom DofE programmes are licensed, to promote and develop DofE programmes in new organisations and different groups of young people, and to maintain and enhance the quality of delivery of DofE programmes, there is a Country Director in each of Northern Ireland, Scotland and Wales and a Regional Director in each of five English Regions.

They report to the Chief Executive and are available to guide and advise all those responsible for the operation of DofE programmes within their area.

At the end of the financial year the DofE had 234 full or part time employees. Those to whom the DofE is licensed and who deliver programmes to young people work closely with DofE staff, but they employ their own staff for the purpose. In the delivery of DofE programmes to young people, around 50,000 volunteers are engaged in various capacities by those to whom the DofE is licensed.

The DofE carries out quality assurance procedures on the delivery of DofE programmes but is not responsible for the licensees' employees or for their volunteers.

Employee involvement and employment of disabled people

The DofE continues to develop its employment policies to be consistent with best practice. In accordance with the DofE's equal opportunities policy, the DofE operates fair employment practices in the recruitment, selection, retention and training of disabled staff.

Employees are consulted on issues of concern to them by means of regular staff meetings and are kept informed on specific matters directly by management. The DofE carries out exit interviews for all staff leaving the organisation and has developed its appraisal process.

Social responsibility statement

The DofE is committed to ensuring that it is a socially responsible organisation.

As part of this commitment the DofE seeks to integrate social and environmental concerns in its business strategy and operations. The DofE addresses its social responsibility in six key areas; employees, environment, stakeholders, resources, community and suppliers, as follows:

Workplace

The DofE aims to offer a workplace that encourages personal development, allows for free communication and provides a positive work/life balance. It supports volunteer work, both in the organisation and through charitable projects.

The DofE has clear and accessible employee policies relating to equal opportunities, maternity and paternity leave, lone working, grievances etc.

All employees are encouraged to act in a socially responsible manner and respect the environment in which they operate.

Environment

The DofE actively seeks ways to reduce the impact of its activities on the environment.

It seeks to achieve this through policies to minimise the local impact of DofE activities whilst enabling the enjoyment of such spaces by DofE participants; to educate Leaders and participants about the environment; to promote the sustainable use of the outdoor environment and to encourage sustainable environmental policies within the workplace.

Stakeholders

The charity's stakeholders are the young people who undertake a DofE programme, our donors, its volunteer network, its licensed operators, its staff and its Trustees.

To all of these groups the DofE aims to be an organisation that is open, responsive and aware of their particular interests and needs. To achieve this, it encourages participation by way of consultation, provides feedback through regular publications, and ensures the charity's website is kept up-to-date and is accessible to all.

Use of resources

The DofE receives money from many sources to help young people gain a positive experience in working

towards their Award. The DofE therefore aims to minimise support service expenditure and so maximise the resources available to extend access to DofE programmes to all areas of the community.

To this end, the management ensures that all staff are aware of the financial procedures and all monies are accurately accounted for.

Together with its investment management advisors the DofE aims to maximise the return on its resources whilst periodically considering the social, environmental and ethical implications of the portfolio.

Community

The DofE operates as a UK-wide charity; however, structuring its operations on a regional basis ensures strong ties in local communities throughout the country.

All staff are encouraged to become involved with local DofE groups.

Suppliers

Where practicable the DofE purchase Fair Trade and recycled products.

It constantly reviews its position to ensure that its key suppliers share its social responsibility philosophy.



TRUSTEES

The Trustees of The Duke of Edinburgh's Award represent a wide range of backgrounds, experiences and skills and meet regularly to help steer the development of the charity.

The Trustees review strategy and performance and approve budgets and operating plans in line with this strategy. Authority to implement the strategies and policies on behalf of the trustees and to conduct the day-to-day operations of the DofE is delegated to the Chief Executive.

The Chief Executive is accountable to the trustees for the efficient running of the DofE, supported by the Directors of Finance, Fundraising, UK Services, IT, Commercial and the Regional and Country Directors and their respective staff teams



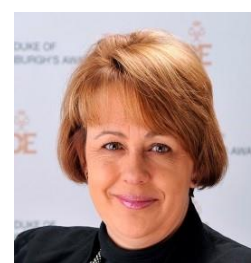
The Lord Graham
Kirkham
CVO (Chair)



HRH Earl of
Wessex
KG GCVO



Ruth Anderson
(Retired 12th
March 2019)



The Baroness
Tanni Grey-
Thompson DBE



Malcolm Offord



Patricia Tehan



Mel Ewell



Julian Hough



John Amaechi



Jenny Morgan
(appointed June
2019)

Committees of the Board:

Audit and Investment Committee

- Malcolm Offord
- Ruth Anderson (retired 12th March 2019)
- Mel Ewell
- Jenny Morgan (appointed June 2019)

Nomination Committee

- The Lord Kirkham CVO
- HRH The Earl of Wessex KG GCVO
- Patricia Tehan

Remuneration Committee

- The Lord Kirkham CVO
- Malcolm Offord

Development Group

- HRH The Earl of Wessex KG GCVO
- Ruth Anderson
- Patricia Tehan

UK Trustees on Women in Business Committee

- Ruth Anderson
- Patricia Tehan

UK Trustees on The Duke of Edinburgh's International Award Foundation Board

- HRH The Earl of Wessex KG GCVO

Other Representative Bodies:

Joint Funding Board

The Joint Funding Board (JFB) brings together the Chief Executive of the DofE in the UK and the Secretary General of the International Award Foundation (IAF) under an independent chairman to ensure there are no conflicting fundraising interests hindering the development of the IAF or the DofE in the UK.

The Chairman JFB is appointed by the Founder under the guidance of the trustees of both organisations. The current Chairman is Ashok Rabheru CVO, DL, a former trustee of The Duke of Edinburgh's Award in the UK. The Chairman is invited to attend and report to the Trustee Meetings of both organisations as appropriate.

- Ashok J Rabheru
- John May
- Peter Westgarth (retired 28th June 2019)

UK Executive Team:

Peter Westgarth	Chief Executive	Retired 28 th June 2019
David Oates	Finance & HR Director	
Phil Treleven	UK Services Director	
Jenni Anderson	Fundraising Director	Resigned 7 th February 2019
Caroline Glen	Fundraising Director	Appointed 1 st February 2019
Peter Schooling	Commercial Director	
Andrew Logie	IT Director	
Barry Fisher	Scotland Director	
Stephanie Price	Wales Director	
Kate Thompson	Northern Ireland Director	
Robert Johnston	North of England Director	
Jackie Bull	Central England Director	
Peter Singleton	South East Director	
Heather Thompson	South West Director	
Clare Argar	London Director	Appointed 2 nd July 2018



Bankers:

Lloyds, 8-10 Waterloo Place, London SW1Y 4BE

Investment Managers:

- Ruffer LLP, 80 Victoria Street, London SW1E 5JL
- Standard Life Investments (Mutual Funds) Limited, 1 George Street, Edinburgh EH2 2LL
- Baring Assets Management (London), 155 Bishopsgate, London EC2M 3XY
- BlackRock Investment Management (UK) Limited, 33 King William Street, London EC4R 9AS

Independent auditor:

KPMG LLP, 15 Canada Square, London, E14 5GL

Solicitors:

Farrer & Co, 66 Lincoln's Inn Fields, London WC2A 3LH

facebook.com/theDofE

[#DofE @DofE](https://twitter.com/DofE)

youtube.com/theDofEUK

linkedin.com/company/the-duke-of-edinburgh's-award

instagram.com/dofeuk

The Duke of Edinburgh's Award is a Registered Charity
No: 1072490 and in Scotland No: SC038254,
and a Royal Charter Corporation RC000806.
Registered Office: Gulliver House, Madeira Walk,
WINDSOR, Berkshire SL4 1EU

