

Annual Report and Financial Statements

for the year ended
31 March 2020





“

DofE has reinvigorated and cemented my purpose and drive in life. It showed me that I am more capable than I believe and can do anything I put my mind to.”

Sam, Gold Award holder

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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 2020. 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.

Objectives

The DofE charity exists to help young people gain the essential skills, experience, confidence and resilience they need to successfully navigate adult life.

Our mission is to inspire, guide and support young people in their self-development and recognise their achievements. We achieve this through a structured development programme that's personalised to each individual.

Any young person aged 14-24 can do their DofE – regardless of ability, gender, background or location. Through their DofE, they complete a programme of varied activities which leads to a Bronze, Silver or Gold Duke of Edinburgh's Award.

The DofE has a positive effect on those who do a programme. They have fun, make friends, improve their self-esteem and build confidence. They gain essential skills for work and life such as resilience, problem-solving, team-working, leadership, communication and drive. They also enhance their CVs and university and job applications. Doing DofE has been shown to be a great help towards improving the mental health of young people.

DofE also delivers a broader public benefit through developing confident, healthy, socially conscious and employable young people. It encourages them to engage in high levels of volunteering and social action.

The DofE licenses organisations such as schools, colleges, youth groups and young offender institutions to deliver DofE.

By 2020/21 our ambition is to:

- Extend our reach, by increasing the number of young people starting a DofE programme each year to 350,000, with 20% from disadvantaged backgrounds.
- Inspire and enable achievement, ensuring an average completion rate of 60+%.

Led by our new CEO, the DofE is working on its next five-year strategy. Our goal will be to continue to expand the availability of DofE programmes to as many young people as possible of all backgrounds, but with an emphasis on reaching an even greater proportion of disadvantaged young people.

We've referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aim and objectives and in planning our future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set.



Achievements and performance

As we share our 2019/20 results, more than ever, young people need their DofE. Due to the coronavirus pandemic, young people's education has been disrupted, their mental health has been compromised and their employment prospects are bleak.

So, it's uplifting news that 2019/20 saw record-breaking numbers of young people doing DofE; 295,490 started, up 2.6% on last year and 159,051 achieved their Award, up 3.9%. All these young people will gain the benefits that DofE brings – including the structure, focus and goals to get through the current crisis and the resilience, adaptability, confidence and empathy to get ahead in the next chapter of their lives.

Throughout 2019/20, we focused on reaching more young people and we were delighted that we had our highest level of participation ever. Last year a priority was also to diversify our reach, so more young people facing disadvantage can access a DofE experience. This focus is having an impact: 72,577 disadvantaged young people started their DofE in 2019/20 representing an incredible 25% of all new starts, a 6% rise on the previous year and exceeding our strategic target of 20%. For these young people, a DofE Award can be a game-changer, providing invaluable development and a recognised achievement that levels the playing field and unlocks education and job opportunities.

Vital support from our corporate partners and individual supporters has been fundamental in enabling us to reach more young people who find it harder to access the DofE. The £3 million Diamond Fund, consisting of donations from supporters as well as match funding from the #iwill Fund, a joint investment from The National Lottery Community Fund and the Department for Digital, Culture, Media and Sport (DCMS), has helped to fund

bursaries, expedition equipment, volunteer training and a diverse range of projects that support at risk and marginalised young people to take part.

The DofE's continuing growth also bring benefits to communities across the UK. With 490,535 young people doing their DofE during 2019/20 their contribution through volunteering is a huge force for good. In the last year alone, DofE participants gave a staggering 3.4 million hours to support a range of community causes. In monetary terms, this amounts to more than £14m net worth of time given in support of others.

Bronze Award holder and Silver participant Hussein said:

“I've learnt from my volunteering that helping other people gives you a different kind of reward. We organised a cake sale to raise money for Unicef and smashed our target!”

And finally, let's not forget the inspiring organisations and individuals we work with to make all this possible. The 3,937 Licensed Organisations, including schools, colleges, local authorities, youth groups, young offender institutions and businesses, along with tens of thousands of volunteers, dedicate their time, day in, day out, to champion young people and support their development, helping to give them the best chances in life.

Megan, a proud Bronze, Silver and Gold Award holder, said:

“The DofE has changed my life. It made me the person I am today. It gave me the experience and confidence to talk to new people. It made me realise how resilient and strong I am.”

Activities

In 2019/20 we launched several pilot projects to boost participation from under-represented groups of young people, including:

Extending our reach

Boosting participation

- In Central England, we've been working to identify and support new organisations to deliver the DofE outside of the education system. The pilot activity focuses on community-based youth groups and charitable groups who work with young people who are more marginalised and excluded.

Our aim through this work is to understand how we can assist these types of local organisations to give the young people they work with access to DofE in a way that complements their existing programmes. So far, we've licensed four new organisations, who've all enrolled young people on their DofE this calendar year (2020) and have two organisations in the process of being licensed.

- In South East England, we're working with eight schools in Kent and East Sussex, mostly in deprived areas, to promote DofE to their students and to support the schools to build their capacity to widen access to DofE. A dedicated Project Officer supports these pilot schools directly, helping them build their capacity, train staff and engage young people and parents, so that DofE delivery can be sustained by the school at the end of the pilot.

The first year of the pilot is yielding positive results with 286 Year 9s starting their DofE programmes compared to 40 Year 9s forecast in the same schools before the pilot began.

- In London, we piloted a new development model to license new organisations in deprived areas so they can offer DofE to more young people across the capital. Overall, 14 new organisations began offering DofE to their young people for

the first time, with a number of schools planning a full year group enrolment from September 2020. As part of the project, we engaged both school and non-school settings, including Harlequins RFC, which had adopted the DofE as part of its Hitz programme which engages NEET young people within the community.

- In Northern Ireland, we were delighted that the Ulster Gaelic Athletic Association (Ulster GAA) Board demonstrated inspiring leadership in our divided community by agreeing to pilot the Joint Award Initiative within Ulster GAA. Leaders within Ulster GAA have benefited from a range of training courses. To date, 34 young people have achieved their Bronze Award through the partnership which is enabling new communities to participate in Award programmes and ensuring young people benefit from internationally recognised accreditation.

Curriculum alignment

In 2020/21 we continued to raise education professionals' awareness of the value of DofE and the many ways in which it can support the delivery of a broad and balanced curriculum for young people.

For example:

- In England, we demonstrated how DofE programmes meet the character development requirements which are part of the revised Ofsted inspection framework, launched in September 2019.
- In Wales, we identified synergies with the new Curriculum for Wales 2022 and increased head teachers', teachers', parents'/carers' and young people's understanding of how doing DofE supports young people's education and achievement in Wales.

The Experience List

In 2019/20 we started to comment publicly on issues relevant to young people. To complement the focus on character education in England, we launched The Experience List – a set of character-building activities every teenager should have access to. The List offered tangible support to young people, provided a platform to share our views and positioned the DofE as progressive and relevant. It also received media attention, attracting over 80 pieces of overwhelmingly positive coverage.

Diamond Fund for young people facing disadvantage

Our commitment to ensuring that all young people can access the benefits of a DofE Award continued in 2019/20 and we used our Diamond Fund to fund 333 projects to enable young people who face disadvantage or barriers to participation to start their DofE journey. Young people facing disadvantage includes young people living in poverty, young people with SEN and disabilities, looked after young people, young people in the secure estate and young people who are not in employment, education or training (NEET). The Diamond Fund comprises donations from DofE supporters as well as match funding from the #iwill Fund, a joint investment from The National Lottery Community Fund and the Department for Digital, Culture, Media and Sport (DCMS). In total we invested £646,860 in 2019/20 in supporting activities and we were delighted that record number of young people facing disadvantage did their DofE this year, representing 25% of all our participants.

Secure estate

We licensed more centres in the secure estate to run the DofE, including our first women's prison. We also piloted a virtual expedition model in London to enable young people to complete their expedition without leaving the prison grounds, which will enable many more young people in custody to achieve their Award.

We explored delivering the DofE to young prison officers too, with a view to improving staff-prisoner relationships and prison officer retention within the sector.



Inspiring and enabling achievement

DofE app

In autumn 2019 we launched the very first DofE app, to enable young people to track and record their DofE progress easily via their smartphone. Since launching in September 2019 we've had over 190,000 app downloads and in October 2019, we were rated the fourth most popular lifestyle app in the Apple store.

Regional Youth Ambassadors

In 2019/20 we expanded the Regional Youth Ambassador (RYA) programme across the UK, encouraging participants to act as volunteers in their own Licensed Organisations and become longer term advocates and spokespeople for our charity. Through the initiative we've enabled young people to develop their leadership capabilities; encouraging their peers to try DofE and supporting regional and national activity across DofE.

In Scotland our annual Leader conference was hosted entirely by young people and in Wales our Young Ambassadors have acted as spokespeople for our charity and represented DofE on national coalition projects with the wider youth sector.

Financial Review

Total income increased in the year to £18.3m (2019 £17.7m) reflecting the increased reach of the DofE both in terms of the number of Licensed Organisations and the number of participants. In addition, thanks to the generous support of our partners and donors, fund raising income increased to £5.7m (2019 £5.3m) including a generous legacy gift from our long-term partner, the Gosling Foundation.

The total expenditure at £17.0m remained broadly in line with the prior year (2019 £17.0m) resulting in an increased operating income to £1.3m (2019 £0.6m). Due to significant reductions in investment valuations in March due to the COVID-19 pandemic, the investments suffered a full year loss of £0.4m (2019 -£0.1m) leaving an addition to net funds of £0.9m.

The Duke of Edinburgh's Award raises funds from its network of established supporters, including individuals, trusts, foundations and corporate partnerships via appeal letters, emails and telephone. It also undertakes fundraising activity via fundraising events and dinners, including mass participation.

The DofE's corporate partners are also engaged through implementing the Gold DofE Award for their young talent, mass participation events for their colleagues, communications opportunities and bespoke partnership activity. The DofE does not contract professional fundraisers or commercial participators to undertake its fundraising or partnership activities.

The DofE is a member of the Fundraising Regulator and adheres to its Code of Fundraising Practice and its associated rulebooks for fundraising activities. Additional guidance and information are sought from the Institute of Fundraising in order to inform best practice.



The DofE has developed trusted and long-term relationships and partnerships with its supporters. It is compliant with the General Data Protection Regulator and will only contact prospective and existing supporters in line with its Privacy policy and Data Protection statement and will not sell or swap their personal data.

The DofE welcomes feedback on its fundraising activities and has a complaint policy which outlines how the charity will react should a complaint be received regarding its fundraising methods.

Reserves and investment policy

The charity reserves increased from £22.5m to £23.4m, of which £2m related to funds given to the DofE with specific restrictions as to their use.

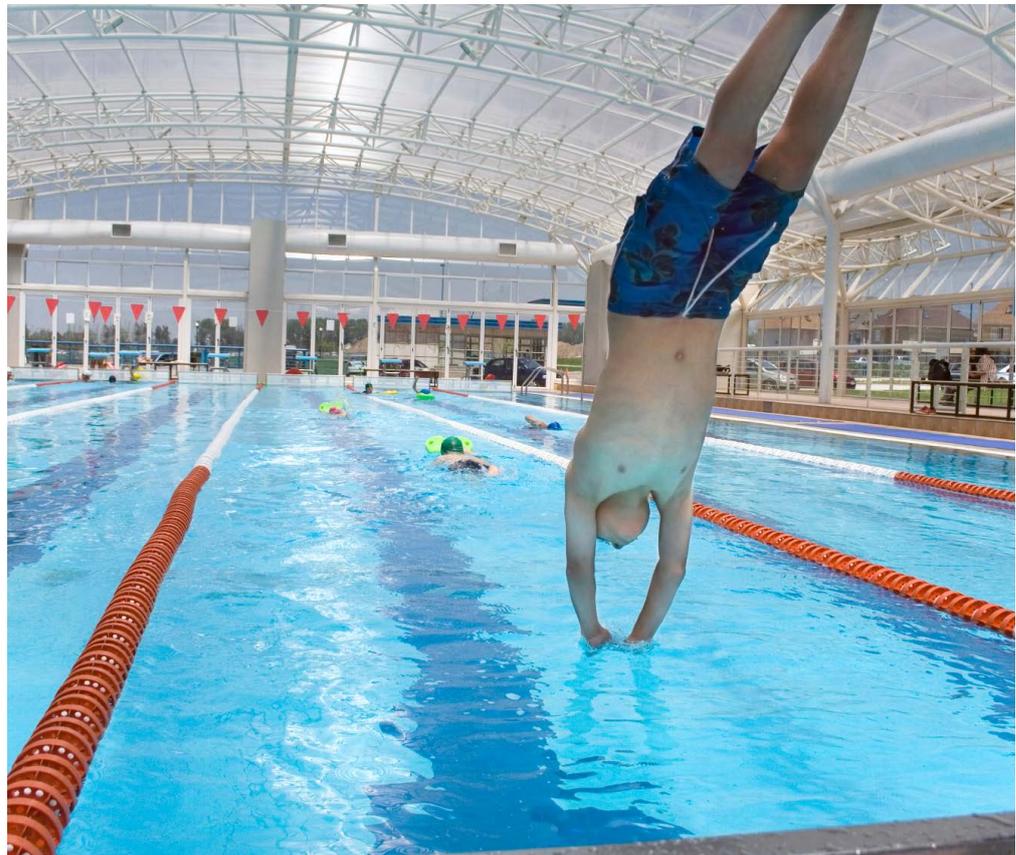
Within the unrestricted reserves, specific funds are designated to provide funding for particular purposes or projects. These funds are therefore not readily available for other purposes. As at 31 March 2020 the DofE held designated funds of £5 million, covering the value of our donated offices in Windsor, 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 (£12.7 million to £25.5 million, based on 2020 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 £16 million, the equivalent of 11 months expenditure if restricted expenditure was maintained at the current levels.

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 -0.8% annualised return over three years (0.2% annualised return over five years) net of fees. The Audit and Investment Committee continues to monitor the performance of the funds to determine the appropriate investment strategy for the charity.

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 five 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.

The Trustees have identified the following key risks as part of their risk management process: The impact of COVID-19; security and stability of internal and external accessed IT systems and safeguarding. Further details on the risks and the internal controls to mitigate the inherent risks are included in the paragraphs below.

The Impact of COVID-19

The global pandemic, whilst having limited impact on the operational results for the year ended 31st March 2020, will clearly have an impact on the overall economic outlook for the UK and the financial and operational performance of the charity in the year ending 31 March 2021. The disruption to education and youth services caused by the pandemic will negatively impact participation in the Award and levels

of achievement, particularly amongst those from the most disadvantaged backgrounds.

To mitigate the impact of this, the DofE has worked with its Licensed Organisations to implement a series of enhancements and adjustments through our 'DofE With A Difference' resources to enable young people to continue to work towards their award despite the restrictions whilst ensuring that no unnecessary risk is undertaken.

In addition, in anticipation of a potential significant reduction in income, the charity has instigated a programme of major cost reductions, to preserve cash and resources until the full extent of the crisis is understood. Whilst a number of the traditional fundraising activities have been postponed or cancelled, we have been very grateful for the continued and extended support from some of our major partners and supporters.

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. The DofE has enhanced the IT security in the current year by implementing cyber essentials plus.

Safeguarding

The risks relating to safeguarding continue to be a major focus this year for many charities and our charity takes them very seriously. The charity has a unique relationship with organisations licensed to run the DofE and as part of the licence and/or licence process renewal it requires assurances that the licensees have a current appropriate safeguarding policy in place. The DofE regularly reviews its own safeguarding code of behaviour and ensures that any staff or direct volunteers that work directly with young people have appropriate training and checks.

“

DofE is not just an award but it is a training and lesson for life. It teaches you... how to cope with the hardest things.”

DofE participant

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 2020 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 2020 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.

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



“

Having attended numerous mainstream schools before coming to Everton Free School and participating in DofE, it has shown me that I can stick at something and see it through to the end.”

Liam, DofE participant

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 12, 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 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 2020

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

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.



Structure, governance and management

Reference and administration details

The Trustees and senior executives are listed on pages 16-17 together with advisors to the charity. Details of the charity numbers and the registered office can be found on the back 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 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 130 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 their 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 17.

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 Chair 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 is provided for Trustees during their term of office as necessary.

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The DofE has improved my confidence and made me step out of my comfort zone – to talk to new people and try new things.”

DofE participant

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 the 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 249 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. A staff consultation committee has recently been formed and will help guide future policy. 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 do 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)
(Retired 25 June 2020)



HRH Earl of Wessex
KG GCVO



The Baroness Tanni Grey-Thompson DBE
(Appointed Chair 25 June 2020)



Malcolm Offord



Patricia Tehan



Mel Ewell



Julian Hough



John Amaechi



Jenny Morgan

Committees of the Board:

Audit and Investment Committee

Malcolm Offord
Mel Ewell
Jenny Morgan

Nomination Committee

The Lord Kirkham CVO
(Retired 25 June 2020)
HRH The Earl of Wessex KG GCVO
Patricia Tehan

Remuneration Committee

The Lord Kirkham CVO
(Retired 25 June 2020)
Malcolm Offord

Development Group

HRH The Earl of Wessex KG GCVO
Patricia Tehan

UK Trustees on Women in Business Committee

Patricia Tehan

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

HRH The Earl of Wessex KG GCVO



UK Executive Team:

Ruth Marvel	Chief Executive
Appointed 25 November 2019	
Peter Westgarth	Chief Executive
Retired 28 June 2019	
David Oates	Finance & HR Director
Phil Treleven	UK Services Director
Caroline Glen	Fundraising Director
Peter Schooling	Commercial Director
Andrew Logie	IT Director
Barry Fisher	Scotland Director
Resigned 10 March 2020	
Helen Anderson	Scotland Director
Appointed 1 June 2020	
Stephanie Price	Wales Director
Kate Thompson	Northern Ireland Director
Robert Johnston	North of England Director
Resigned 7 August 2020	
Jackie Bull	Central England Director
Peter Singleton	South East Director
Heather Thompson	South West Director
Clare Argar	London Director

Bankers:

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

Investment Managers:

1. Ruffer LLP, 80 Victoria Street, London SW1E 5JL
2. Standard Life Investments (Mutual Funds) Limited, 1 George Street, Edinburgh EH2 2LL
3. Baring Assets Management (London), 155 Bishopsgate, London EC2M 3XY
4. 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



Statutory financial statements



Financial Statements 2019/20

**Consolidated Statement of Financial Activities
(incorporating the Income and Expenditure account)
for the year ended 31 March 2020**



Consolidated Statement of Financial Activities (incorporating the Income and Expenditure account) for the year ended 31 March 2020

	Note	Unrestricted Funds 2020	Restricted & Endowed Funds 2020	Total Funds 2020	Total Funds 2019
		£000	£000	£000	£000
Income and endowments from:					
Donations and legacies	2	4,008	1,699	5,707	5,344
Charitable activities	3	398	268	666	927
Other trading activities	4	11,937	–	11,937	11,408
Investments	5	22	–	22	30
Income and endowments		16,365	1,967	18,332	17,709
Expenditure on:					
Raising funds		(3,569)	–	(3,569)	(3,587)
Charitable activities		(11,216)	(2,251)	(13,467)	(13,490)
Total expenditure	6	(14,785)	(2,251)	(17,036)	(17,077)
Net operating income/(expenditure)		1,580	(284)	1,296	632
(Losses)/Gains on investments	8	(386)	–	(386)	(129)
Net movement in funds		1,194	(284)	910	503
Reconciliation of funds for year ended 31 March 2020					
Fund balances at 1 April		20,135	2,348	22,483	
Fund balances at 31 March		21,329	2,064	23,393	
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	

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 £0.9 million (2019: £0.5 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 2020

	Note	Group 2020 £000	Group 2019 £000	Charity 2020 £000	Charity 2019 £000
Fixed assets					
Tangible assets	7	3,561	3,752	3,561	3,751
Investments	8	11,705	12,096	11,705	12,096
Total fixed assets		15,266	15,848	15,266	15,847
Current assets					
Inventory		95	141	-	-
Debtors	9	2,442	1,996	3,231	3,740
Cash at bank and in hand		7,478	6,526	5,881	4,411
Total current assets		10,015	8,663	9,112	8,151
Current liabilities					
Creditors – amounts falling due within 1 year	10	(1,888)	(2,028)	(1,073)	(1,603)
Net current assets		8,127	6,635	8,039	6,548
Total assets less current liabilities		23,393	22,483	23,305	22,395
The funds of the charity					
Unrestricted general fund		15,994	15,053	15,994	15,053
Unrestricted designated fund		5,247	4,994	5,247	4,994
Non charitable trading funds		88	88	-	-
Total unrestricted income funds		21,331	20,135	21,241	20,047
Restricted & Endowed Funds		2,064	2,348	2,064	2,348
Total funds	12	23,393	22,483	23,305	22,395

The financial statements set out on pages 20-38 were approved by the Trustees on 24 September 2020 and signed on their behalf by:

Malcolm Offord
Trustee
Registered Charity number: 1072490



Consolidated cash flow statement for the year ended 31 March 2020

	Note	Group 2020 £000	Group 2019 £000
Cash flows from operating activities:			
Net cash provided by operating activities	16	983	1,185
Cash flows from investing activities:			
Dividends, interest and rents from investments	5	23	30
Write-off of book value on disposal of fixed assets	7	(1)	1
Purchase of property, plant and equipment	7	(58)	(198)
Cash receipts from the sale of investments	8	5	32
Net cash flows from investing activities		(31)	(135)
Change in cash and cash equivalents in the reporting period		952	1,050
Cash and cash equivalents at 1 April		6,526	5,476
Cash and cash equivalents at 31 March		7,478	6,526
Analysis of cash and cash equivalents shown in the balance sheet			
		2020 £000	2019 £000
Cash at bank and in hand		2,697	4,763
Notice deposits (less than two months)		4,781	1,763
		7,478	6,526



1. Accounting policies for the year ended 31 March 2020

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 financial statements have been prepared on a going concern basis which the Trustees consider to be appropriate for the following reasons.

The Trustees have prepared cash flow forecasts for a period of 18 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides and the anticipated impact of COVID-19 on the operations and its financial resources, the Group and Charity will have sufficient funds to meet their liabilities as they fall due for that period.

Whilst the nature of COVID-19 and the likelihood of repeated spikes, availability of vaccines and functional immunity is still unknown at this stage, the Trustees have considered the potential impact to the sources of income and the ways in which the group can continue to be run in a much more restrictive environment. In a reasonably possible downside scenario, the group could continue to run using existing cash reserves until March 2022 after taking account of the programme of major cost reductions which the Group has instigated.

Any further funding shortfalls in a worst case scenario would be addressed, by the reduction in scope and support of activities and, where necessary, liquidating investments for temporary funding.

Consequently, the Trustees are confident that the Group and Charity will have sufficient funds to continue to meet their liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

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.

1. Accounting policies for the year ended 31 March 2020 (continued)

- 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.

1. Accounting policies for the year ended 31 March 2020 (continued)

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 (2020: £556k, 2019: £613k) 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. Cash at bank and in hand includes cash and short term highly liquid investments with a maturity of three months or less. Trade and other debtors are recognised at the settlement amount due after any discount offered and net of the bad debt provision. Prepayments are valued at the amount prepaid net of any trade discounts due. Creditors and provisions are recognised where the group has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

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 5: Income from Investments, In the financial year ending 2019 the DofE rented 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	Note	Unrestricted Funds 2020 £000	Restricted Funds 2020 £000	Total Funds 2020 £000	Unrestricted Funds 2019 £000	Restricted Funds 2019 £000	Total Funds 2019 £000
Donations		2,811	1,266	4,077	3,438	989	4,427
Legacies		1,000	-	1,000			
Donations in kind	2b	151	-	151	135	-	135
Grants	2c	46	433	479	62	720	782
		4,008	1,699	5,707	3,635	1,709	5,344

B: Donations in kind

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

	Note	2020 £000	2019 £000
- Fundraising direct costs		81	74
- Accommodation		30	31
- Other		40	30
	2a	151	135

These have been included in the SOFA resources as follows:

Cost of generating funds:

- Fundraising direct costs	111	74
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Resources expended on charitable activities:

- Supporting Licensed Organisations	10	1
- Supporting volunteers	-	1
- Participant support	30	59
	151	135

C: Grant income

	2020 £000	2019 £000
Supporting Licensed Organisations	45	62
Supporting volunteers	4	6
Supporting participants	1	9
Developing Infrastructure	4	-
Extending the reach of the DofE	425	705
	479	782

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. A total of £263k of grant income was received from the Welsh national assembly, the Scottish Govt and the Education Authority in Northern Ireland. All of this money was used within the charity to support the infrastructure costs in those areas and none of the activities for the grants received were unfulfilled or money unused at the year end.

3. Charitable activities

	Unrestricted Funds 2020 £000	Restricted Funds 2020 £000	Total Funds 2020 £000	Unrestricted Funds 2019 £000	Restricted Funds 2019 £000	Total Funds 2019 £000
Supporting Licensed Organisations	24	-	24	39	-	39
Supporting volunteers	243	-	243	232	-	232
Supporting panels	131	-	131	216	-	216
Extending the reach	-	268	268	-	440	440
	398	268	666	487	440	927

4. Other trading activities

	Unrestricted Funds 2020 £000	Restricted Funds 2020 £000	Total Funds 2020 £000	Unrestricted Funds 2019 £000	Restricted Funds 2019 £000	Total Funds 2019 £000
Licence income	4,636	-	4,636	3,828	-	3,828
Sales of literature & other goods	6,442	-	6,442	6,778	-	6,778
Supporting panels	762	-	762	664	-	664
Fundraising events	97	-	97	138	-	138
	11,937	-	11,937	11,408	-	11,408

5. Investment income

	Note	2020 £000	2019 £000
Investment Income			
Investment income arises from:			
- Interest on other cash balances		22	11
- Rental income from Freehold Property		-	19
		22	30

For the 2019 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. 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
	2020	2020	2020	2020	2019	2019	2019	2019
	£000	£000	£000	£000	£000	£000	£000	£000
Expenditure on raising funds								
Cost of fundraising	866	1,238	64	2,168	727	1,409	69	2,205
Cost of sales of literature & goods	978	423	-	1,401	951	431	-	1,382
	1,844	1,661	64	3,569	1,678	1,840	69	3,587
Expenditure on charitable activities								
Supporting programmes:								
- Supporting Licensed Organisations	996	4,098	211	5,305	872	4,035	197	5,104
- Supporting volunteers	346	1,086	56	1,488	455	1,288	63	1,806
- Participant support	389	665	34	1,088	383	515	25	923
Extending the reach of the DofE	1,872	1,839	95	3,806	1,798	1,830	89	3,717
Developing the DofE infrastructure	1,071	433	22	1,526	1,143	401	20	1,564
Governance costs	185	69	-	254	291	85	-	376
	4,859	8,190	418	13,467	4,942	8,154	394	13,490
Total Expenditure on charitable activities	6,703	9,851	482	17,036	6,620	9,994	463	17,077

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:	2020 £000	2019 £000
Depreciation	249	295
Operating leases	767	756
Auditor's remuneration – audit services	40	39
Auditor's remuneration – VAT & tax advice	5	5
Auditor's remuneration – grant audit services	4	4



6. Expenditure on charitable activities (continued)

C: Staff costs:	2020 £000	2019 £000
Wages and salaries	8,028	8,076
Social security costs	880	887
Pension costs	556	613
Other staff costs	387	418
	9,851	9,994

Staff costs include £0 (2019: £254,460) of ex-gratia payments.

D: Staff numbers	2020 Numbers	2019 Numbers
Generating funds	31	30
Charitable activities	216	202
Governance	2	2
Average full-time equivalent number of staff	249	234

E: Staff whose emoluments (excluding pension contributions) were in excess of £60,000	2020 Numbers	2019 Numbers
£60,001 - £70,000	9	6
£70,001 - £80,000	-	2
£80,001 - £90,000	5	3
£90,001 - £100,000	1	1
£350,001 - £360,000	-	1
	15	13

F: Total paid to key personnel	2020 £000	2019 £000
	1,113	1,647

Note: Key personnel have been defined as the 13 employees who were in post at 31 March 2020 who make up the UK Executive team, as disclosed on page 17.



7. Tangible fixed assets – Group

	Freehold Land & Building	Long leasehold property	Fixtures, fittings & equipment	Computer equipment	Trademarks	Total
	£000	£000	£000	£000	£000	£000
Cost at 1 April 2019	800	2,600	1,348	719	27	5,494
Additions	-	-	10	48	-	58
Disposals	-	-	-	-	-	-
Cost at 31 March 2020	800	2,600	1,358	767	27	5,552
Depreciation at 1 April 2019	(80)	(103)	(920)	(636)	(3)	(1,742)
Disposals						
Charge for the year	(16)	(25)	(148)	(57)	(3)	(249)
Depreciation at 31 March 2020	(96)	(128)	(1,068)	(693)	(6)	(1,991)
Net book value at 31 March 2019	720	2,497	428	83	24	3,752
Net book value at 31 March 2020	704	2,472	290	74	21	3,561

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 £338 (2019: £684).



8. Investments - Group and Charity

	2020 £000	2019 £000
Investment at 1 April	12,096	12,257
Disposals proceeds – capital repayment	(5)	(32)
Net Investment (loss)/gain	(386)	(129)
Investment at 31 March	11,705	12,096

Investment portfolio	2020 Numbers	2019 Numbers
Investment portfolio at 31 March comprises:		
– International property unit trusts - ML Real Euro Property	10	15
– Standard Life Global Absolute Return Fund	3,807	3,769
– Barings Dynamic Asset Allocation Fund	3,542	4,086
– Ruffer Absolute Return Fund	4,346	4,226
Market Value of investment portfolio at 31 March	11,705	12,096

9. Debtors

	Group 2020 £000	Group 2019 £000	Charity 2020 £000	Charity 2019 £000
Trade debtors	965	1,201	132	136
Other debtors	39	61	39	61
Accrued income	1,156	214	1,043	36
Prepayments	282	520	231	484
Amounts due from subsidiary		-	1,786	3,023
	2,442	1,996	3,231	3,740

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.

Accrued income includes £1m (2019: £nil) legacy donation received which has subsequently been received.

10. Creditors – amounts falling due within one year

A: Creditors: Amounts falling due within one year	Group 2020 £000	Group 2019 £000	Charity 2020 £000	Charity 2019 £000
Trade creditors	369	635	169	493
Other creditors	254	163	119	137
Deferred income	621	488	148	247
Accrued expenses	644	742	637	726
	1,888	2,028	1,073	1,603

B: Deferred income	Group 2020 £000	Group 2019 £000	Charity 2020 £000	Charity 2019 £000
Balance at 1 April	488	432	247	270
Released to SOFA during the year	(488)	(432)	(247)	(270)
Deferred during the year	621	488	148	247
Balance at 31 March	621	488	148	247

Deferred income includes monies for fundraising events that have not taken place as at 31st March 2020, 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 (2019: £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	Unrestricted 2020 £000	Restricted 2020 £000	Total funds 2020 £000
Balance at 1 April 2019 - Group	20,135	2,348	22,483
Net incoming resources	1,580	(284)	1,296
Loss on investments	(386)	-	(386)
Balance at 31 March 2020 - Group	21,329	2,064	23,393
<i>Represented by:</i>			
Balance at 31 March 2020 – Charity	21,241	2,064	23,305
Non charitable trading funds	88	-	88
	21,329	2,064	23,393

12. Funds (continued)

B: Movements in reserves – Charity	Unrestricted 2020 £000	Restricted 2020 £000	Total funds 2020 £000
Balance at 1 April 2019 - Charity	20,047	2,348	22,395
Net incoming resources	1,580	(284)	1,296
Loss on investments	(386)	-	(386)
Balance at 31 March 2020 - Charity	21,241	2,064	23,305

C: Net Assets – Group	Unrestricted 2020 £000	Restricted 2020 £000	Total funds 2020 £000
Tangible assets	3,561	-	3,561
Investment portfolio	11,705	-	11,705
Current assets	7,951	2,064	10,015
Current liabilities & provisions	(1,888)	-	(1,888)
Net assets at 31 March 2020	21,329	2,064	23,393

D: Net Assets – Charity	Unrestricted 2020 £000	Restricted 2020 £000	Total funds 2020 £000
Tangible assets	3,561	-	3,561
Investment portfolio	11,705	-	11,705
Current assets	7,048	2,064	9,112
Current liabilities & provisions	(1,073)	-	(1,073)
Net assets at 31 March 2020	21,241	2,064	23,305

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 2020 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 2019 £000	Incoming resources £000	Outgoing resources £000	31st March 2020 £000
Tangible fixed assets	2,471	-	(82)	2,389
Change programme and direct support funds	467	-	(31)	436
Development and other funds	2,056	806	(440)	2,422
	4,994	806	(553)	5,247

12. Funds (continued)

F: Restricted and endowed fund

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 2019 £000	Incoming resources £000	Outgoing resources £000	31st March 2020 £000
Supporting licensed organisations	11	-	(6)	5
Supporting volunteers	46	12	(24)	34
Extending the reach of the DofE	2,128	1,646	(1,938)	1,836
Participant support	163	104	(78)	189
Developing infrastructure	-	205	(205)	-
	2,348	1,967	(2,251)	2,064

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

- Two Trustees, or companies connected with Trustees, made donations or paid to attend DofE fundraising events, which in aggregate totalled £55,126.67 (2019: Five Trustees - £44,837.20).
- 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 March 2020 (2019: None).
- Companies connected with the one Trustee, received £nil (2019: 174,000 inclusive of applicable VAT) for services provided to the DofE.
- 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.

14. Related party transactions (continued)

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 £nil (2019: £186). In addition, Mountain Training Trust were paid £7,200 (2019: £6,000) 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 for membership fee £nil (2019: £350).
- The previous Director of the DofE (the Director left our employment on 10 March 2020) for the Scottish Region sits on the Board of Ocean Youth Trust Scotland, which is an Approved Activity Provider of the DofE (2020: £510, 2019: £518). In no instance has the Scotland Director had any involvement in the financial transactions with these organisations.
- The Director of the DofE in London 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 £4,546, (2019: £3,533 all exc VAT as applicable) for their operating licence and participation places. In 2019, they also attended The DofE London Regional Conference 2018 for a price of £12.
- During the financial year ending 31 March 2019, the DofE rented office space in our freehold property to Round Square until the lease was terminated on 31 March 2019, a charity managed by the wife of the previous CEO of the DofE, (2020: £nil; 2019: £13,694 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 £404 exclusive of applicable VAT (2019: £405)
- Prior to his resignation, 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 £2,702 (2019: £3,065).
- The Director of the UK Services holds a position on the National Trust Governing Council. The National Trust is an Approved Activity Provider and has been invoiced a licence fee of £nil (2019: £250 exc VAT) in the reported financial year. In addition during 2019, the DofE paid The National Trust £1,491 for camp site 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 31 March 2020

Trade Debtors
Belfast Activity Centre
2020: £nil; 2019: £300 (inc VAT)

Trade Creditors
Mountain Training England
2020: £nil; 2019: £150 (inc VAT)



15. Subsidiary undertaking

The DofE has one wholly owned trading subsidiary, The Award Scheme Ltd (ASL). Registered Number: 2173914 which is registered at Gulliver House, Madeira Walk, Windsor, Berkshire SL4 1EU. ASL produces and sells a variety of publications and transfers any distributable 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
	2020 £000	2019 £000
Turnover	11,491	11,049
Cost of sales	(742)	(748)
Distribution costs	(51)	(88)
Administrative expenses	(14)	(15)
Other operating costs	(587)	(535)
Profit for the financial year	10,097	9,663
Profit gifted to The Duke of Edinburgh's Award	(10,087)	(9,653)
Charitable donation made to The International Award Foundation	(10)	(10)
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 £10,233 (2019: £9,676) reflecting the benefit accrued from the distribution activities of that company.

Summarised balance sheet	2020 £000	2019 £000
	Fixed Assets	-
Current Assets	2,559	3,506
Current Liabilities	(2,471)	(3,419)
Net Assets	88	88
Called up and paid share capital		
Profit and loss reserve	88	88
Shareholder funds	88	88

16. Notes to the consolidated cash flow statement for the year ended 31 March 2020

	2020 £000	2019 £000
Reconciliation of net income to net cash flow from operating activities		
Net income for the reporting period (as per the statement of financial activities)	1,296	632
Adjustments for:		
– Depreciation and amortisation charge	249	295
– (Gains) on investments	(22)	(30)
Changes in working capital:		
– Decrease/(Increase) in stocks	46	53
– (Increase)/Decrease in debtors	(446)	(387)
– Increase/(Decrease) in creditors	(140)	622
Net cash provided by operating activities	983	1,185

17. Leases

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

	2020 £000	2019 £000
Land and buildings		
– Expiring within 1 year	207	229
– Expiring during years 2 to 5	203	394
– Expiring thereafter	46	62
Other assets		
– Expiring within 1 year	360	436
– Expiring during years 2 to 5	408	414
	1,224	1,535
Total rentals under operating leases charged as expense in the SOFA	767	756

18. Capital commitments

The DofE Group had no outstanding capital commitments as at 31 March 2020 (2019: £Nil).

19. Pension schemes

The charity contributes to a defined contribution pension scheme for its employees, managed by Scottish Widows. This cost £556,000 (2019: £613,000) 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 16. They have no entitlement to a distribution on dissolution of the Corporation.



“
Completing DofE
made me feel
happy and proud.”

Annual Report and Financial Statements

for the year ended
31 March 2020

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