



# **The Duke of Edinburgh's International Award Foundation**

(a Company Limited by Guarantee)

## **Trustees' Annual Report and Financial Statements**

*for the year ended  
31 March 2022*

Company Number: 3666389  
Registered Charity Number: 1072453

# Trustees' Annual Report

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The Duke of Edinburgh's International Award Foundation's Trustees present their annual report, including the strategic report, and the audited financial statements of the company limited by guarantee for the year ended 31 March 2022. In preparing this report the Foundation's Trustees have complied with the Charities Act 2011, the Companies Act 2006, the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with FRS102 the Financial Reporting Standard applicable in the UK and Republic of Ireland ("Charities SORP (FRS102)"), UK Generally Accepted Practice and the provisions of the Memorandum and Articles of Association for The Duke of Edinburgh's International Award Foundation. This report has been prepared in accordance with the Companies Act 2006 and with regard to Charity Commission guidance on public benefit. Disclosures required in the Trustees' report (including the strategic report) by the Companies Act 2006 and Charities SORP (FRS102) are also contained within the appendix.

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## About Us

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### THE AWARD

The Duke of Edinburgh's International Award is a global framework for non-formal education and learning, challenging young people to discover their potential and find their purpose, passion and place in the world.

Founded in 1956 by HRH the late Duke of Edinburgh, KG, KT it now operates in more than 130 countries and territories, helping to inspire millions of young people. Although the Award's framework remains the same wherever it is delivered, no two Awards are the same. Instead, each young person designs and creates their own bespoke programme.

Over the past 65 years more than 13 million Award journeys have started, involving more than 125 million hours of voluntary service and over 6.5 million Awards gained by young people allowing them to reach their potential and develop self-confidence and a sense of purpose.

### THE FOUNDATION

The Duke of Edinburgh's International Award Foundation manages the Award through a social franchise, licensing more than 480 operators, ranging from National Award Operators to individual organisations. The Award is delivered to young people through an ecosystem of 19,591 units, such as schools, youth groups, custodial institutions and other operators.

The Foundation's charitable purpose is "to encourage the establishment and administration of Schemes of Awards for young people anywhere in the world and thereby through the development of their character to promote good citizenship for the public benefit".

The Foundation does this by:

- Communicating - providing advocacy for the importance of non-formal education and young people; managing the Award brand and its communications to ensure relevant, consistent messaging and material to promote the Award and its impact worldwide; and assuring quality delivery is maintained around the world.
- Operating - overseeing the delivery of the Award around the world, assisting current and prospective Award Operators and organisations and enabling them to deliver the Award effectively and consistently. We help these organisations to develop and improve access to the Award particularly amongst 'at risk' and marginalised young people.
- Resourcing - supporting the Award across the world by generating and developing the human, financial and technical resources to meet and sustain our mission, vision and ambitions.

### THE ASSOCIATION

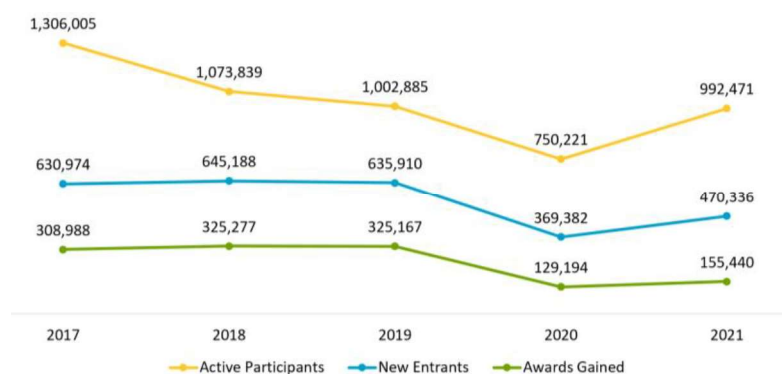
The Duke of Edinburgh's International Award Association is the collective name for all the constituents of the Award family and is established by the consent of all the parties concerned, to encourage mutual cooperation, share responsibility for development and foster collective ownership in our brand. Its main body of constituents comprises the 471 operators licensed by the Foundation.

## Our year

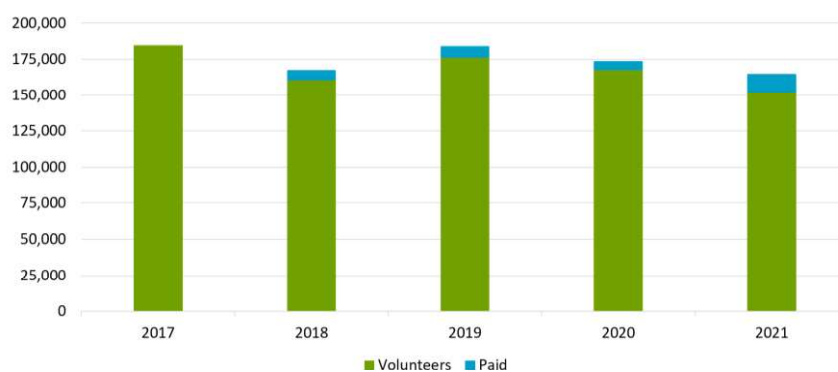
### Summary

- 992,471 active participants
- 470,336 new entrants
- 155,440 Awards gained
- Supported by nearly 200,000 volunteers
- 22,092 Award Centres across 134 countries and territories in 2021

### Young People: 2017 – 2021 Progression

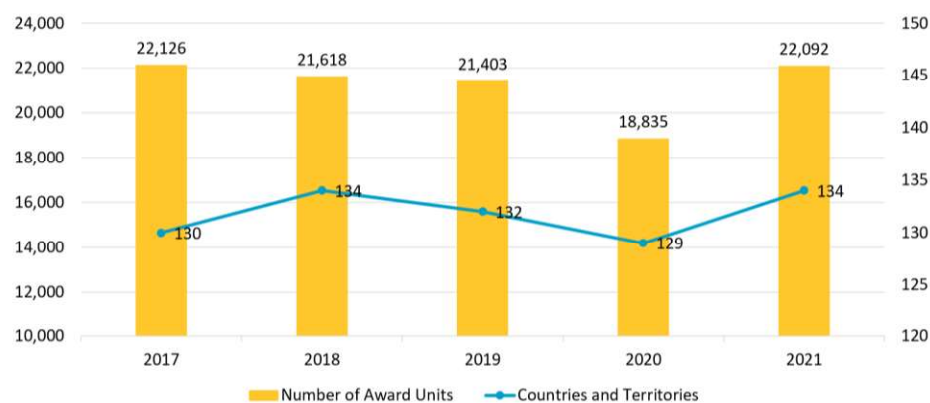


### Adults in the Award



\* In 2017 there was no distinction between paid and unpaid adults.

### Global reach of the Award



## Chairman's Introduction – 2021-22 Trustees' Annual Report

This has been a remarkable year of recovery and resurgence.

The year couldn't have begun more inauspiciously with the passing of our Patron and Founder, HRH The Prince Philip, the late Duke of Edinburgh. The moving and heartfelt tributes by so many Award holders, of how he had touched their lives, illustrated Prince Philip's passion for the Award as well as his vision that it should be for all, regardless of circumstances. Among my father's many achievements it was his Award that was referred to time and time again as his greatest legacy.

Assuring that legacy has been a driving force behind The Founder's 100 campaign and the creation of The Founder's Fund. Conceived to mark the centenary of Prince Philip's birthday – 10<sup>th</sup> June 2021 – the Founder's 100 aimed to demonstrate the Award's enduring popularity with young people as well as its benefits now and into the future. The response has been quite remarkable. This is reflected by the number of new relationships and partnerships described elsewhere in this Report. In purely financial terms, an aggregate sum of funds pledged so far to leading National Operators – over and above Business-As-Usual and for specific purposes related to the Founder's 100 objectives – has reached £20m. Meanwhile the central Founder's Fund, held by the Foundation, has received pledges so far of just short of £10m.

As countries relaxed the restrictions imposed by the Covid-19 pandemic, we have seen countless young people striving to complete their Award journey. In some countries, we have seen the strange anomaly of more young people achieving Awards than those starting. Our volunteer numbers have changed little which has helped considerably in supporting so many participants and new entrants. In fact, the whole way the Award family responded to the pandemic, their proactive help to their communities and the way that they adapted to the circumstances to continue their activities, has had a dramatic impact on the way people perceive the value and benefits of the International Award.

In this year, we recorded an extraordinary 990,000 active participants in the Award. That is an increase of 32% on the previous year. The number of young people starting their Award journey is up by 27% and equivalent to 1,300 every day. What makes these figures so remarkable is that not all our 134 countries and territories have been able to restart full delivery within the time period, meaning that in many cases those that have restarted have experienced a significant resurgence.

The International Award Foundation is also in a better place as the changes implemented following our Comprehensive Sustainability Review have taken effect. In spite of the wider circumstances, I'm delighted to report a healthy surplus in our finances. Much more important is the breadth and depth of our work supporting the members of the International Award Association as well as extending the Award's reach to more communities and young people.

**Our Operating team** (page 8) have been leading our efforts to maintain and develop key partnerships. In particular, our involvement in GYM (Global Youth Mobilisation) which is a partnership with the World Health Organisation, along with other global providers of non-formal education and learning ('The Big 6'). The impact of the projects funded through this and the efforts by young people engaged in delivering them is now being felt. The team also laid the foundations of partnerships – which have since come to fruition – with Cambridge Assessment, UNICEF and the Commonwealth all of which illustrate a growing appreciation of non-formal education and learning as well as the Award's success in empowering young people.

**Our Communicating team** (page 9) have been at the forefront of maintaining the Award's profile by running awareness campaigns, notably The Founder's 100. They have also been running virtual events, such as, the Global Celebration to showcase the Award in action, Spotlight Sessions to raise awareness of societal challenges facing young people, and an Award Celebration that linked Independent Award Centres and their Award recipients from

## CHAIRMAN'S INTRODUCTION – 2021-22 TRUSTEES' ANNUAL REPORT (CONTINUED)

around the world. The team is also responsible for building our Global Alumni Network as well as our research and evaluation work. Through our partnership with PwC, the team was able to produce our first estimate of the Award's global social value.

**Our Resourcing team** (page 10) continue to implement the recommendations from the Comprehensive Sustainability Review. A key element was successfully introducing a new service model with our national licence holders and an associated financial levy. They also look after our digital tools, although this year has seen the successful implementation of a new finance system which enables better integration with other support systems, such as, Salesforce. In terms of investing in our people across the Association, the team has now created a 3-tier programme with Herriot-Watt University to deliver relevant business management courses at certificate, diploma and master's levels. The team is also responsible for all our fundraising as well as direct grant-giving, both of which are experiencing a good recovery and critical to not only extending the reach of the Award, but also ensuring it is accessible, especially for young people who may be at risk or marginalised.

**The Financial Review** (page 11) presents quite a complex picture, but crucially, we have actually increased the amount of income by just short of £3m over the previous year. The gift of Award House last year boosted our overall income, but is a long-term asset reserve. This year, The Founder's Fund has had a significant effect on our reserves until we start to implement the associated grant scheme to boost participation.

**Our Future** is currently taking shape. Discussions around our future strategy will culminate at our Association's Forum in Cluj, Romania, in October 2022. This was postponed from last year because the Association members wanted to meet in person. The response to The Founder's 100 campaign, the partnerships and the funds generated through it have given everyone renewed confidence about the future, the importance of non-formal education and learning as well as the instrumental role the International Award can play in the development of young people.

My fellow Trustees and I are hugely grateful to all our donors who have maintained their financial support over this period, both to the Foundation and to many of our National Award Operators. We also wish to thank our Operators for their understanding and excellent collaboration. We also want to thank all who work for the Foundation, this has been a far from easy period for all with a great many uncertainties, and we are immensely grateful to them for their dedication. They have enabled us to help young people discover the endless possibilities of the Award and that there is more in them than they think.

It is with the utmost sadness that we recently learnt of Her Majesty The Queen's passing in September 2022. Her loss has left an unimaginable void in many people's lives for she was regarded the world over as either "Our Queen" or simply "The Queen". She was all that we ever knew, young or not so young; she was with us in the good as well as the not so good times; she was the constant. Our Association encompasses Her Realms, Her Territories and Her Commonwealth as well as those with no direct affiliation, yet we are united in grief. More specifically, she had always supported Prince Philip's endeavours and especially his Duke of Edinburgh's International Award. Notably, she personally presented the UK Award with their Royal Charter in 2006 – The Award's 50<sup>th</sup> anniversary – and paid tribute to her husband's passion as well as the remarkable impact the Award has on young people from all walks of life and circumstances. A rare and precious endorsement of our work with and for young people worldwide.

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## **The Foundation's ambition**

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The Foundation and Association share the ambition that one day every eligible person aged 14 to 24 will have the opportunity to participate in the Award.

We refer to this as 'Universal Access'; reaching everyone geographically and societally and giving them equal opportunity is the charity's greatest challenge, and our most important quality.

Our immediate reason for being is that, daily, the Foundation, our network of Operators and the young people we serve can inspire, transform and empower individuals, communities and societies.

### **Delivering our ambition during 2021/22**

Over the past year that need to inspire, transform and empower has only grown. As the world continues to recover and find a new 'normal' after extensive restrictions, social isolation and lockdowns, new challenges have emerged, such as the war in Ukraine and the growing climate crisis.

Very few organisations have been immune to these global challenges and the Award has been no exception. 2020 saw a significant drop in participants internationally, with 25% less activity than in the previous year. This was mirrored across new entrant and completion numbers, which saw a 42% and 60% drop respectively. However as lockdowns eased this trend has started to reverse, with participant and new entrant numbers at 90% and 74% of pre-pandemic levels respectively. Whilst rising, completions will take longer to recover and currently sit at 52% of their 2019 levels.

However, these challenges have also helped more and more of the world's leaders recognise the benefits that non-formal education and learning can bring. In such volatile times, helping young people to unlock skills such as resilience, adaptability, problem solving and agency - all whilst encouraging physical and mental wellbeing and skill development - has never been more important.

The Award is operating in a very challenging time. Yet recognition for the importance of non-formal education and learning is quickly gaining momentum. And the possibilities for the Award to reach more young people, inspiring them to discover their infinite potential and be ready for the world have never been greater.

## Encouraging and enabling the Award internationally

### OPERATING

The Foundation oversees the delivery of the Award internationally, assists prospective and current Award Operators and organisations, and enables them to deliver the Award effectively and consistently. We help these organisations to develop and improve, especially in terms of access to the Award among at risk, disadvantaged and marginalised young people.

The Award is currently operating in more than 130 countries and territories through a network of licensed organisations, including:

- 64 National Award Operators and Operating Partners
- 396 Independent Award Centres
- 22,072 local Award units, predominantly licensed by National Award Operators and Operating Partners

As the world has continued to adjust to the challenges of the pandemic, we have worked to enable Operators to deliver a hybrid Award experience, utilising and enhancing digital tools and online platforms; sharing solutions and best practice and strengthening global cooperation.

Awareness of the value and importance of non-formal education and learning has continued to grow at pace and this has resulted in new opportunities to extend the Award in-country and internationally.

The Foundation has worked hard to ensure these challenges and opportunities could be met through a range of initiatives:

- We have supported NAOs to review their business models and re-engineer themselves to be fit for purpose in the future. Greater digital adoption and creative new delivery mechanics have seen new opportunities for growth.
- We worked to grow our digital training suite and enhance accessibility for Award Leaders around the world.
- We introduced new initiatives to ensure the sustainability, effectiveness and growth of the Foundation. These included a new NAO levy and service model, and the development of a new Operating Partner licence, which enables us to diversify the partners the Association works with, as well as creating new operational income streams for the future.
- We continued to build upon Association engagement and communications, creating an even stronger global network of Operators and Award supporters.
- We invested in advocacy and global partnerships, including furthering work with the world's largest youth movements, the [Big 6 Youth Organizations](#). Alongside the WHO and the United Nations Foundation, the Big 6 developed the Global Youth Mobilization project, which enabled young people to take action to improve their lives and their communities during COVID-19 and beyond.
- We invested in greater partnership and collaboration opportunities with organisations, such as UNICEF, the Commonwealth Secretariat and Cambridge Assessment International Education.

A focus on partnerships will continue to be crucial in the coming year, with further work planned with Global Youth Mobilization, the UNFPA, CHOGM and the Big 6, to name a few. We look forward to building upon our partnership with Cambridge Assessment International Education, opening new opportunities for Award delivery worldwide and further growing awareness and recognition of the important role the Award's non-formal education and learning framework can play in complementing and building upon a formal curriculum.

As we continue to grow our collaboration and advocacy work, we are proud to be developing a partnership with UNICEF (Stand by Me project), alongside Award operators in the Czech Republic, Romania and Slovakia. The project will see Award participants buddying with displaced young Ukrainians, offering them the opportunity to learn from



## ENCOURAGING AND ENABLING THE AWARD INTERNATIONALLY (CONTINUED)

each other, build relationships and support their communities through voluntary service. The project will commence in the Autumn.

### COMMUNICATING

The Foundation advocates for the importance of non-formal education and learning globally. We manage the Award's brand and communications to ensure relevant, consistent messaging and material to promote the Award and its impact worldwide. Through this we drive awareness and support the global growth and development of the Award.

In April 2021, with great sadness, the Award family marked the passing of our Founder, HRH The Duke of Edinburgh. This resulted in a huge outpouring of memories and messages from around the world, which highlighted the exceptional legacy that Prince Philip left in the Award. This moment enabled the Foundation and our operators to drive new awareness and support for the Award in-country and globally. This was extended further with the launch of the Founder's 100 campaign in June 2021, to mark what would have been Prince Philip's centenary year.

This heightened interest has driven a range of new opportunities for growth, development and support of the Award worldwide.

To celebrate our Founder and drive greater growth and support through surrounding opportunities:

- We launched a 'Memories' website, enabling people to share their memories of the Award and Prince Philip.
- We created a virtual Global Celebration event, which marked the life and legacy of our Founder and showcased the Award in action around the world.
- We ran an international media campaign, whereby HRH The Earl of Wessex and Forfar discussed the importance of the Award and non-formal education and learning in media in the UK, Czech Republic, Kenya, Nigeria, Hong Kong and Canada.
- We undertook our first-ever virtual international Award celebration, celebrating the achievements of around 80 participants from 20 Independent Award Centres worldwide.
- We supported operators to develop initiatives to mark the centenary and Prince Philip's legacy and drive greater awareness and support for the Award in-country, with activity including tree planting, Award ceremonies, panel discussions, volunteer celebrations and more.
- We made leaps forward in our work evaluating the Award's social value, culminating in the release the Association's first-ever global social value estimate in partnership with PwC, which found that those young people who completed their Award in 2020 generated a positive impact valued at more than £400 million and an estimated future value of £952m.
- We ran a series of virtual thought leadership events, known as Spotlight Sessions, which provided a platform for young people to discuss issues which are relevant to them and raise awareness of some of the societal challenges facing young people around the world today.
- We continued to build upon our Global Alumni Network, introducing new engagement initiatives such as the Alumni Spotlight profiles and quarterly Alumni Connect events.

Looking to the year ahead, communications, research and advocacy will continue to play a crucial role in the work of the Foundation, particularly in support of a number of different projects and initiatives, such as Stand By Me, CHOGM, the Founder's Fund etc. As recognition of the value of non-formal education and learning continues to grow at pace, driving awareness of the Award and its impact becomes increasingly important.

## ENCOURAGING AND ENABLING THE AWARD INTERNATIONALLY (CONTINUED)

### RESOURCING

The Foundation supports the Award across the world by generating and developing the human, financial and technical resources to meet and sustain our ambitions.

Over the past year, we have continued to adapt our activity to be responsive to the changing global environment and ensure that we are operating effectively and sustainably. At the same time, we have recognised the difficult giving environment within which most charities are operating. We strive to ensure that our supporters have a clear understanding of the immense value of the Award's framework, particularly at times such as this.

During the year:

- Following the Comprehensive Sustainability Review in 2020 we have continued implementing new streamlined structures and processes, opening new income streams and achieving a new equilibrium of staff, resources and effort, to ensure financial and structural sustainability for the future.
- We have continued to invest in the Foundation's digital infrastructure, including a large project to overhaul our use of Salesforce.
- We marked HRH The Duke of Edinburgh's centenary with the launch of a Founder's 100 campaign, which aims to raise more than £25 million globally over the next three years. The Founder's Fund has been established to scale up the ambition, impact and perception of Award worldwide. The Fund will invest in National Award Operators in up to 15 countries, driving a huge increase in numbers of young people taking part. By creating stronger, more sustainable national operators, the Fund will transform millions of young people's lives, especially those who are at risk or marginalised.
- We continued to build upon our grant giving programmes, distributing £373,000 through the Special Projects fund
- We took a leading role in the Global Youth Mobilisation project, which has granted £76,000 to Award projects.
- We evolved and strengthened our digital platforms, including the Online Record Book (ORB), in collaboration with a global advisory group. A long-term development plan is underway to support future ORB developments.
- We continued to invest in adult training and learning, building upon our partnership with Herriot Watt University to create a flexible new programme, consisting of a CBA, DipBA and MBA.
- We have introduced new partnership activity, with exciting corporate partnerships in development.

These areas of investment have continued to build upon the foundations for future growth which will benefit the Award both now and in the future. And as we move towards the end of 2022, we continue to work on a new five year strategy for the Association, ensuring we can 'forge forward, faster and more fairly.'

In the new financial year we will build upon our grant giving and fundraising activity. With more than £9.3 million secured in pledges to date, the Founder's Fund is gaining momentum and we will continue to implement our comprehensive grant model and operating framework to ensure the funding can take the best of the Award globally and make it even better.

The fund will primarily make transformational grants to operators in countries where the scale of Award delivery can be dramatically increased, particularly amongst young people from at risk or marginalised backgrounds.

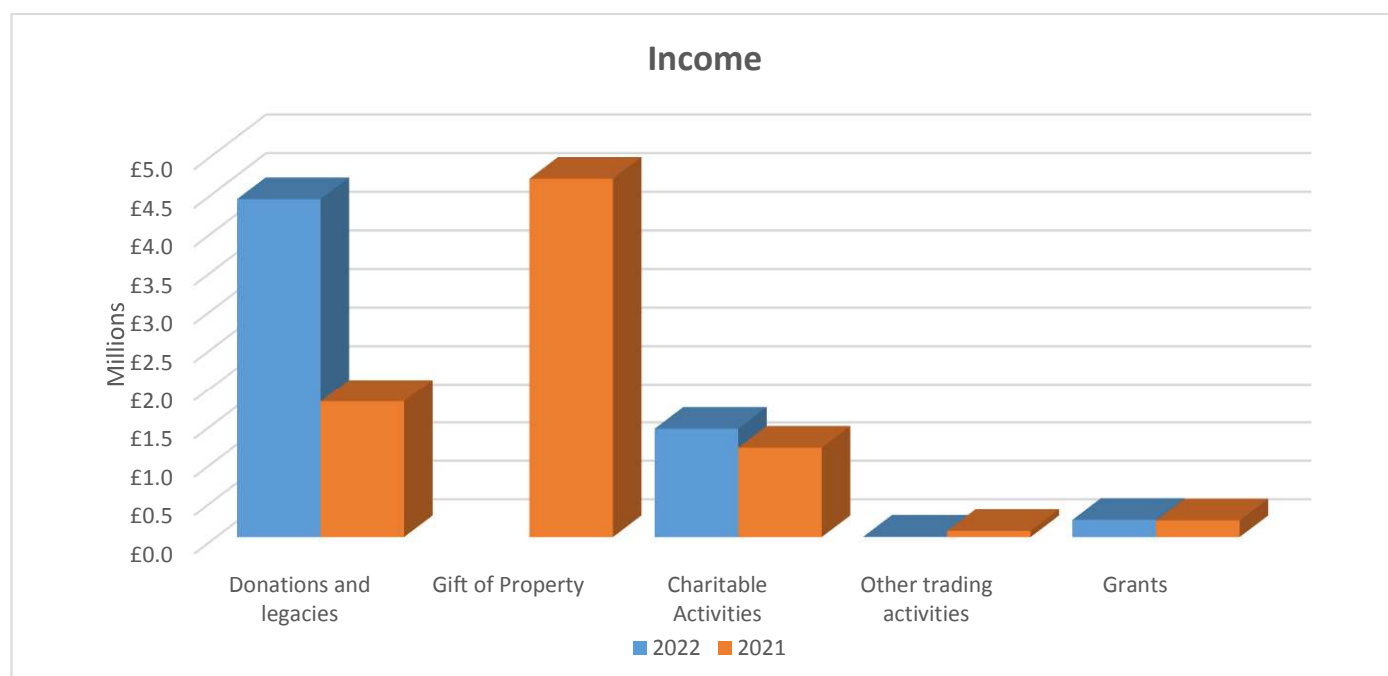
Further, we will continue to grow and develop our digital infrastructure, including the Online Record Book, Award Community and Learning Hub.

## Financial Review

### FINANCIAL HIGHLIGHTS

	2022	2021	Change
	£000s	£000s	£000s
<b>Income</b>	<b>6,037</b>	<b>7,889</b>	<b>(1,852)</b>
<b>Expenditure</b>	<b>(3,908)</b>	<b>(3,980)</b>	<b>72</b>
<b>Net Operating Income</b>	<b>2,129</b>	<b>3,909</b>	<b>(1,780)</b>
Digital and social development expenditure	(551)	(397)	(154)
Restructuring expenses	-	(341)	341
<b>Net Income</b>	<b>1,578</b>	<b>3,171</b>	<b>(1,593)</b>
Investment gains	407	1,057	(650)
Unrealised gains/(losses) on investment properties	186	(69)	255
Unrealised gains on fixed assets	11	-	11
<b>Net Surplus</b>	<b>2,182</b>	<b>4,159</b>	<b>(1,977)</b>
<b>Reserves</b>	<b>13,378</b>	<b>11,196</b>	<b>2,182</b>
Unrestricted	5,031	2,853	2,178
Unrestricted long term asset reserve	4,735	4,637	98
Restricted	361	492	(131)
Endowment	3,251	3,214	37

### INCOME



Full year income was down on the previous year by £1,852,000. The prior year includes the gift of Award House totalling £4.7 million, excluding this gift from the prior year, income grew by £2,848,000.

Income from individual donations (excluding gift of Award House) grew by £2,628,000, this includes £2,456,000 raised for the Founders Fund. Operator fees increased by £247,000 reflecting a change in the participant fee structure for our

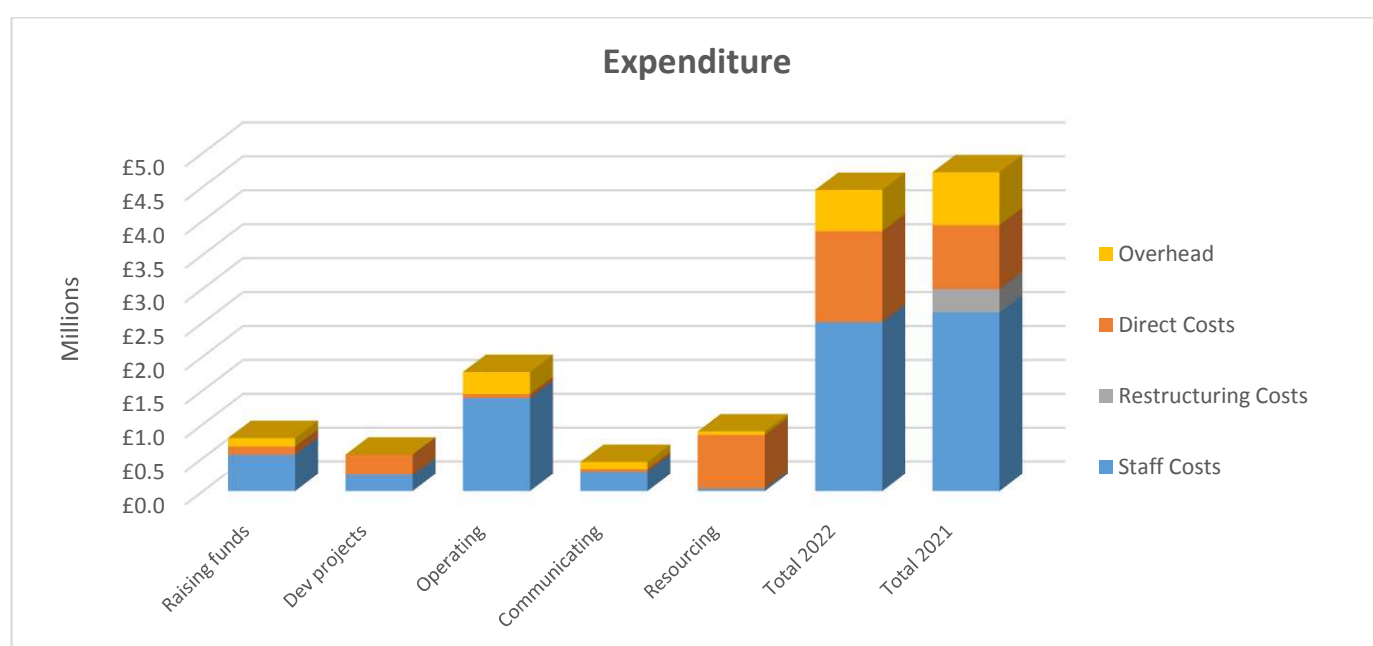
## FINANCIAL REVIEW (CONTINUED)

Independent Award Centres and a growth in training income. This is expected to further increase in future years as we introduce a new fee structure for our National Award Operators and we grow our Operating Partnerships.

There has been a fall in income from other trading activities due to not holding fundraising events including online auctions or receiving any commercial licence fee income in the year.

Grant income has remained relatively constant. Income from the UK Coronavirus Job Retention Scheme and other country Coronavirus grant schemes was replaced with performance related grants relating to the work for the Global Youth Mobilisation.

## EXPENDITURE



Total expenditure fell by £259,000 during the year, reflecting continued tight cost control. We continue to benefit from lower staff costs following the implementation of our Comprehensive Sustainability Review in 2020.

The costs of raising funds of £797,000 (2021: £760,000) increased by £37,000 in the year, reflecting an increase in our activity with corporates and an increase in engagement with individual donors.

Core expenditure on Charitable Activities of £3,111,000 (2021: £3,218,000) was £107,000 lower than the previous year. Lower spend on Operating and Communicating activities reflect continued tight cost control in these areas. Higher grant expenditure for Special Projects and Global Youth Mobilisation Covid-19 recovery fund grants more than offset reductions to Resourcing Costs.

We spent a further £551,000 (2021: £740,000) on Charitable Activities – development projects. Excluding restructure costs of £341,000 in the prior year, our development spend has increased by £152,000. Development spend in the prior year was kept to a minimum due to uncertainties relating to the global pandemic and a decrease in activity due to staff being furloughed.

## FINANCIAL REVIEW (CONTINUED)

### INVESTMENT POLICY AND PERFORMANCE

Our 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, generating funds that may be used to support the charity's operations.

In April 2021 our portfolio with Barings Dynamic Asset Allocation Fund was closed, leaving our remaining portfolio invested with Ruffer LLP. This is held within a total return fund with a long-term objective to achieve an average growth of inflation plus 3%. In the year to 31 March 2022 the charity made gains of £407,000 (2021: gain of £1,057,000), the markets continued to recover throughout the year from the rapid downturn in March 2020, however, the markets became more turbulent in February 2022 due to the Russian invasion of Ukraine. The charity receives monthly updates on the fund's performance which is reviewed by the Finance, Audit and Property Committee. The Committee also reviews the investment managers' longer-term performance on an annual basis.

The value of the charity's investment portfolio on 31 March 2022 was £4,979,000 (2021: £5,336,000), a decrease in the year of £357,000 (2021: £960,000 increase). During the year the charity disinvested a net £715,000 from the portfolio (2021: divestment of £42,000) to meet its cash flow needs and invest in development projects.

### RESERVES AND RESERVES POLICY

On 31 March 2022 total reserves stood at £13,378,000 (2021: £11,196,000) of which £3,612,000 (2021: £3,706,000) were restricted funds or endowment funds. Unrestricted funds stood at £9,766,000 (2021: £7,490,000). Of these unrestricted funds, £5,154,000 (2021: £2,977,000) are designated to enable the Trustees to support development projects and grant making activities. The remainder of the Foundation's unrestricted funds comprise general funds deficit of £(123,000) (2021: deficit of £124,000) and the long-term Asset fund of £4,735,000 (2021: £4,637,000).

The charity's reserves policies were set by the Trustees in June 2018 with the view of making the reserves work harder to provide value to the beneficiaries of the Award, whilst setting aside a financial buffer to cover short term financial risk and uncertainty. A key aim was the ability to plan and make strategic and sustainable investments to grow the access, reach and impact of the Award globally. In making this change the Trustees took full account of the requirements and guidance set out in the Charity Commission publication "*Charity Reserves; Building Resilience*" (CC19) and on emerging best practice.

The Trustees have defined the future use and intended purpose of our Designated Funds, whilst setting aside an appropriate level of general funds, recognising the financial and operational risks faced by the Foundation. The designated fund forms part of our unrestricted funds as the Trustees can re-designate its use.

We have divided the designated funds into three elements:

- a) An **Unallocated Development Fund** to deliver initiatives approved by Trustees which meet with the strategic objectives of the Foundation and improve the support and services that it provides to members of the International Award Association. Each initiative will be considered, approved, overseen and controlled by the Trustees. To warrant the use of this Development Fund an initiative should meet the strategic objectives of the Foundation and the International Award Association, be of sufficient size and complexity both financially and managerially to warrant having a ring-fenced budget and work plan, have clearly identified staff resource, budget, timeframe and deliverables, have a duration of more than one financial year and provide an acceptable return either financially or socially through identifiable value to the Foundation's beneficiaries.

## FINANCIAL REVIEW (CONTINUED)

On 31 March 2022 the balance of the Unallocated Development Fund was £2.5 million.

- b) An **Allocated Development Fund** that comprises the unspent portion of any planned investment in a development

initiative approved by Trustees.

- c) The **Founder's Fund** is a legacy to the late Prince Philip, Founder and Patron of The Duke of Edinburgh's International Award. This fund will support National Award Operators through large-scale transformational grants.

The Foundation's General Fund is defined as being primarily intended to provide a shock absorber or cushion against financial risk, uncertainties and opportunity. Based on a financial risk assessment of the Foundation's income and expenditure, the Trustees consider that the target level of the Foundation's General Fund should be a risk range of £2.2 - £3.5 million, with a medium risk point of £2.85 million. At the end of the period the charity's general fund stood at a deficit of £123,000 (2021: deficit of £124,000). The fund proved to be very necessary between 2019 and 2021 due to the combined impact of the pandemic and challenging fund-raising environment on the Foundation's finances. The trustees have set out a financial plan to re-build this fund over a five-year plan to the mid-point of the risk range. The first step of this plan was to breakeven this financial year which was achieved.

## Financial Sustainability

### Reserves and liquid resources

The Foundation started the year ending 31 March 2022 with reserves of £11.2 million (of which £3.7 million was held in restricted or endowment funds and a further £4.6 million held in the unrestricted long term asset reserve) and strong liquidity with cash and short-term investments of £6.3 million. The Foundation has ended the year with cash and short-term investments of £8.0 million, an increase of £1.7 million on the previous year.

During the year ended 31 March 2021, the Foundation was gifted Award House. This freehold building has a value of over £4.7 million which is shown in the long-term asset reserve and could be used, if necessary, to provide further liquidity although at this stage there is no need and there are no plans to do so.

### Financial forecasts

The Foundation has assessed its financial prospects over a five-year planning period. This assessment takes account of the Foundation's financial performance in the first four-months of the current financial year. It also reflects, the new fee structure for National Award Operators; new operating partnership agreements; improvements in the fundraising environment, including return to face-to-face events; and successful Founder's 100 campaign, in the year under review. It takes account of the principal risks and uncertainties as set out in the Structure Governance and Management statement on pages 52 to 61. Given continued general market uncertainties we have assessed outcomes from both a base case and alternative downside case.

The key inputs and assumptions for the base case include:

- Our core fundraising will continue to grow slightly year-on-year.
- Growth in contributions from partnerships.
- Increase in number of licenced Award Centres and Operating Partners leading to growth in licence fee income.
- Participation rates to continue to recover post pandemic leading to growth in participant fee income.
- Our cost base was significantly reduced in 2020/21 following the comprehensive sustainability review, it is anticipated that our core cost base will increase only in line with inflation in subsequent years.

## FINANCIAL REVIEW (CONTINUED)

- We anticipate increasing our grant giving in the coming years as we provide large scale transformational grants to National Award Operators through the Founder's Fund.

- We continue to support the International Award Association through International Special Projects Fund.

For the downside case, the key inputs and assumptions include:

- Lower levels of donor recruitment leading to lower levels of philanthropic income from 2023/24 and held flat thereafter.
- Event income has been curtailed.
- A fall in participation rates leading to lower operating fee income.
- Our expenditure forecast has been left unchanged from the base case as we consider cost overruns unlikely.
- While we have not adjusted our expenditure, if there is a significant shortfall in income, there are several projects which we are able to put on hold.

The results from both base case and downside forecasts and taking into account the Foundation's strong reserves and liquid resources indicate that the Trustees can have reasonable confidence in the Foundation's financial sustainability over the next three years.

### **Going concern**

The Trustees are required to confirm that it is appropriate for the Foundation to adopt the going concern principle in preparing its financial statements.

The Foundation made a sizeable surplus this year of nearly £2.2million, this follows a successful year in 2020/21 where we made a substantial surplus of £4.2 million including the receipt of the donated property. The Foundation's unrestricted funds at 31 March 2022, excluding the long term asset reserve were £5.0 million, comprising a general fund deficit of £0.1 million and a designated fund of £5.1 million.

The Trustees currently expect the results for the current year ending 31 March 2023 to show an overall significant surplus, including a general fund surplus in line with the plan to rebuild the general fund to its target level over a 5 year period.

To ensure that our income streams and expenditure plans are in line with our projections, we continually refine our internal financial monitoring and decision-making procedures. In addition to a high-level monthly income and expenditure report that is produced promptly after each month end, a rolling monthly latest expected outturn report, monthly reviews with budget holders, and quarterly financial and cash flow forecasts. These are regularly reviewed by Trustees.

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## Trustees' commitment

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

- a) insofar as the Trustees are aware, there is no relevant audit information of which the charity's auditors are unaware; and
- b) each Trustee has taken all the 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 auditors are aware of that information.

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

Further detail on Trustees' Commitments and the structure, governance and management of the Charity is provided on pages 52 to 61, which forms part of the Trustees' Report (including the Strategic Report). The Trustees have re-appointed BDO LLP to act as auditors for year ended 31 March 2023.

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## Thank you

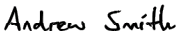
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Thank you to all our supporters and staff.

We are sincerely grateful to all our donors for their tremendous support for our work and continued confidence in our efforts.

We are grateful to all those individuals and organisations who have provided pro bono assistance over the past year. The Trustees would also like to thank all staff for their continuing hard work, loyalty and support.

This report (including the Strategic Report) was approved by the Board of Trustees on 10 October 2022 and signed on their behalf by:

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**Andrew Smith**  
**Trustee**  
**15 October 2022**

Registered office: Award House, 7-11 St Matthew Street, London SW1P 2JT  
Company Number: 3666389



# Independent Auditor's Report to Members of The Duke of Edinburgh's International Award Foundation

## Opinion on the financial statements

In our opinion, the financial statements

- give a true and fair view of the state of the Group's and of the Parent Charitable Company's affairs as at 31 March 2022 and of the Group's incoming resources and application of resources and the Parent Charitable Company's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of The Duke of Edinburgh's International Award Foundation ("the Parent Charitable Company") and its subsidiaries ("the Group") for the year ended 31 December 2022 which comprise the consolidated statement of financial activities, the consolidated and charity balance sheet, the consolidated cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Independence

We remain independent of the Group and the Parent Charitable Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

## Conclusions related to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and the Parent Charitable Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

## Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so,

## **INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF THE DUKE OF EDINBURGH'S INTERNATIONAL AWARD FOUNDATION (CONTINUED)**

consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Other Companies Act 2006 reporting**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report, which includes the Directors' Report and the Strategic report prepared for the purposes of Company Law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' Report, which are included in the Trustees' Report, have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and the Parent Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatement in the Strategic report or the Trustees' report.

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

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

### **Responsibilities of Trustees**

As explained more fully in the Statement of Trustees' responsibilities, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Group's and the Parent Charitable Company'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 the Trustees either intend to liquidate the Group or the Parent Charitable Company or to cease operations, or have no realistic alternative but to do so.

## INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF THE DUKE OF EDINBURGH'S INTERNATIONAL AWARD FOUNDATION (CONTINUED)

### Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under the Companies Act 2006 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

### Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We made enquiries of management, and the Board, including:
  - how they have identified, evaluated and complied with laws and regulations and whether they were aware of any instances of non-compliance;
  - their process for detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
  - which internal controls have been established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Charity. These include, but are not limited to, compliance with the Companies Act 2006, UK GAAP, Charities SORP, fundraising regulations and tax legislation.
- In addition, the Charity is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: employment law and data protection. In order to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, we made enquiries of management and those charged with Governance about whether the entity is in compliance with such laws and regulations and we inspected any relevant regulatory and legal correspondence.
- We considered management's incentives and opportunities for fraudulent manipulation of the financial statements (including revenue recognition and the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial results and management bias in accounting estimates.

### Audit Response to risks identified

- The Senior Statutory Auditor has assessed and concluded that the engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.
- We reviewed the financial statement disclosures and tested to supporting documentation to assess compliance with relevant laws and regulations discussed above.

## INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF THE DUKE OF EDINBURGH'S INTERNATIONAL AWARD FOUNDATION (CONTINUED)

- We made enquiries of the Board and management.
- We read minutes of meetings of those charged with governance.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; considered completeness of related party transactions; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business; and
- We challenged assumptions made by management in their significant accounting estimates in relation to the assumptions related to the allocation of costs including apportionment of costs between charitable and fundraising expenditure, the valuation of gifts in kind and classification of funds.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### Use of our report

This report is made solely to the Charitable Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Charitable Company's members 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 Charitable Company and the Charitable Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:  
  
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Jill Halford (Senior Statutory Auditor)  
For and on behalf of BDO LLP, statutory auditor  
London, UK

19 October 2022

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

## Consolidated statement of financial activities for the year ended 31 March 2022

### (INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT)

		Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds
		2022	2022	2022	2022	2021	2021	2021	2021
	Note	£000	£000	£000	£000	£000	£000	£000	£000
<b>Income and endowments from:</b>									
Donations and legacies	3	4,011	385	-	4,396	5,986	442	-	6,428
Charitable activities	4	1,426	208	-	1,634	1,341	39	-	1,380
Other trading activities	5	-	-	-	-	74	-	-	74
Investments	6	2	2	-	4	1	6	-	7
Other Income		3	-	-	3	-	-	-	-
<b>Total Income and endowments</b>		<b>5,442</b>	<b>595</b>	<b>-</b>	<b>6,037</b>	<b>7,402</b>	<b>487</b>	<b>-</b>	<b>7,889</b>
<b>Expenditure on:</b>									
Raising funds	7	(777)	(14)	(6)	(797)	(717)	(10)	(33)	(760)
Charitable activities – development projects	7	(396)	(155)	-	(551)	(699)	(41)	-	(740)
Charitable activities – core activities	7	(2,459)	(652)	-	(3,111)	(2,719)	(499)	-	(3,218)
<b>Total expenditure</b>	<b>7</b>	<b>(3,632)</b>	<b>(821)</b>	<b>(6)</b>	<b>(4,459)</b>	<b>(4,135)</b>	<b>(550)</b>	<b>(33)</b>	<b>(4,718)</b>
<b>Net operating income/(expenditure)</b>		<b>1,810</b>	<b>(226)</b>	<b>(6)</b>	<b>1,578</b>	<b>3,267</b>	<b>(63)</b>	<b>(33)</b>	<b>3,171</b>
Net gains on investments	10	364	-	43	407	363	-	694	1,057
<b>Net (expenditure)/income</b>		<b>2,174</b>	<b>(226)</b>	<b>37</b>	<b>1,985</b>	<b>3,630</b>	<b>(63)</b>	<b>661</b>	<b>4,228</b>
Transfer between funds		(30)	30	-	-	-	-	-	-
Gains/(losses) on revaluation of investment properties	9	121	65	-	186	-	(69)	-	(69)
Gains on revaluation of fixed assets	8	11	-	-	11	-	-	-	-
<b>Net movement in funds</b>		<b>2,276</b>	<b>(131)</b>	<b>37</b>	<b>2,182</b>	<b>3,630</b>	<b>(132)</b>	<b>661</b>	<b>4,159</b>
<b>Reconciliation of funds</b>									
Total funds brought forward		7,490	492	3,214	11,196	3,860	624	2,553	7,037
<b>Total funds carried forward at 31 March</b>	<b>14</b>	<b>9,766</b>	<b>361</b>	<b>3,251</b>	<b>13,378</b>	<b>7,490</b>	<b>492</b>	<b>3,214</b>	<b>11,196</b>

All the above results are derived from continuing activities. All gains and losses recognised in the year are included in the Statement of Financial Activities; therefore, a separate statement of recognised gains and losses has not been prepared. The £407,000 gain (2021: £1,057,000 gain) on investments comprises £291,000 realised gains and £116,000 unrealised gains (2021: realised losses of £136,000 and unrealised gains of £1,193,000). The results for the Charity are disclosed in Note 1 and on the balance sheet.

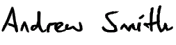
## Consolidated and Charity balance sheets at 31 March 2022

Company number 3666389

		Group	Charity	Group	Charity
	Note	2022 £000	2022 £000	2021 £000	2021 £000
<b>Fixed Assets</b>					
Tangible assets	8	2,176	2,175	2,229	2,227
Investment Properties	9	2,920	2,920	2,734	2,734
Investment Portfolio	10	4,979	4,979	5,336	5,336
Total fixed assets		10,075	10,074	10,299	10,297
<b>Current Assets</b>					
Debtors	11	947	1,047	730	863
Cash at bank and in hand		3,024	2,716	951	401
<b>Total current assets</b>		3,971	3,763	1,681	1,264
<b>Liabilities</b>					
Creditors: amounts falling due within one year	12	(668)	(535)	(784)	(680)
<b>Net Current Assets</b>		3,303	3,229	897	584
<b>Total Net Assets</b>		<b>13,378</b>	<b>13,303</b>	<b>11,196</b>	<b>10,881</b>
<b>The Funds/(Deficit) of the Charity</b>					
Restricted Income Funds	14	361	361	492	492
Endowment Funds	14	3,251	3,251	3,214	3,214
Unrestricted Income Funds/(Deficit):					
- General Funds	14	(123)	(198)	(124)	(329)
- Designated Funds	14	5,154	5,154	2,977	2,867
- Long term asset reserve	14	4,735	4,735	4,637	4,637
Total Unrestricted Income Funds		9,766	9,691	7,490	7,175
<b>Total Charity Funds</b>		<b>13,378</b>	<b>13,303</b>	<b>11,196</b>	<b>10,881</b>

The Foundation has elected to take exemption under section 408 of the Companies Act 2006 not to present the charitable company statement of financial activities. The Foundation made a surplus during the year of £2,303,000 (2021: surplus of £3,642,000). General Funds for the Group include funds retained by subsidiary entities of £184,000 (2021: surplus of £205,000).

The financial statements set out on pages 21 to 51 were approved by the Trustees on and signed on their behalf by:

DocuSigned by:  
  
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**Andrew Smith, Trustee**

15 October 2022

## Consolidated cash flow statement for the year ended 31 March 2022

	<b>Total 2022 £000</b>	<b>Total 2021 £000</b>
<b>Cash flows from Operating Activities</b>		
Net cash used in operating activities	1,351	(1,604)
<b>Cash flows from Investing Activities:</b>		
Dividends, interest, and rents from investments	4	7
Proceeds from sale of property, plant and equipment	3	-
Purchase of property, plant, and equipment	-	(28)
Purchase of investments	(800)	(500)
Proceeds from sale of investments	1,515	542
<b>Net cash generated from Investing Activities</b>	<b>722</b>	<b>21</b>
<b>Change in cash and cash equivalents in the reporting year</b>	<b>2,073</b>	<b>(1,583)</b>
<b>Cash and cash equivalents at the beginning of the reporting year</b>	<b>951</b>	<b>2,534</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>3,024</b>	<b>951</b>
<b>Net income for the reporting year (as per the SOFA)</b>	<b>1,985</b>	<b>4,228</b>
Adjustments for:		
Depreciation charges	65	54
Gains on investments	(407)	(1,057)
Investment managers fees	49	55
Dividends, interest and rents from investments	(4)	(7)
Profit on sale of fixed assets	(4)	-
Increase in debtors	(217)	(300)
(Decrease)/Increase in creditors	(116)	71
Donation of land and buildings	-	(2,162)
Donation of investment property	-	(2,486)
<b>Net cash generated from/(used in) operating activities</b>	<b>1,351</b>	<b>(1,604)</b>
<b>Analysis of changes in net cash</b>		
Net cash at 1 April	951	2,534
Net cash inflow/(outflow)	2,073	(1,583)
<b>Net Cash at 31 March</b>	<b>3,024</b>	<b>951</b>

The above cash and cash equivalents at the end of the year of £3,024,000 (2021: £951,000) includes £125,000 (2021: £22,000) due to National Award Operators, £8,000 (2021: £429,000) for The Duke of Edinburgh's International Award Foundation (Canada) and £298,000 (2021: £121,000) for The Beijing Intaward International Culture Development Company Limited.

# Notes to the financial statements for the year ended 31 March 2022

## 1: BASIS OF PREPARATION AND CONSOLIDATION

### (A) BASIS OF PREPARATION

The accounts have been prepared in accordance with the Companies Act 2006, the Charities Act 2011, FRS 102 the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102); Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) (the SORP).

The Duke of Edinburgh's International Award Foundation meets the definition of a public benefit entity under FRS 102.

The accounts have been prepared under the historical cost convention as modified by revaluation of investments and investment properties, and land and buildings.

### (B) CONSOLIDATION

The consolidated financial statements include the results of the Duke of Edinburgh's International Award Foundation and its subsidiaries. A subsidiary is an entity controlled by the Foundation. Control exists where the Foundation has the right to govern the operating and financial policies of that entity. These financial statements do not include the financial statements of National Award Operators or Independent Award Centres as these are independent of the charity.

The Foundations subsidiaries are:

Registered Name	Country of incorporation	Principle activity	Share class	Year end
Intaward Limited	UK	Holding Company	Ordinary 100%	31 March
Beijing Intaward International Culture Development Company Limited	China	Carrying out the charitable activities of the DoE International Award in China	Ordinary 100% (owned by Intaward Limited)	31 December
The Duke of Edinburgh's International Award Foundation (Canada)	Canada	Carrying out the charitable activities of the DoE International Award	-	31 March

No separate cash flow statement has been prepared for The Duke of Edinburgh's International Award Foundation as permitted by the exemption in paragraph 1.12 of FRS 102.

Intaward Limited sold its holding in Beijing Intaward International Culture Development Company Limited on 21 September 2022.

### (C) GOING CONCERN

The Trustees are required to confirm that it is appropriate for the Foundation to adopt the going concern principle in preparing its accounts.

The Foundation made a sizeable surplus this year of nearly £2.2million, this follows a successful year in 2020/21 where we made a substantial surplus of £4.2 million including the receipt of the donated property. The Foundation's unrestricted funds at 31 March 2022, excluding the long term asset reserve were £5.0 million, comprising a general fund deficit of £0.1 million and a designated fund of £5.1 million.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (CONTINUED)

### 1: BASIS OF PREPARATION AND CONSOLIDATION (CONTINUED)

The Trustees currently expect the results for the current year ending 31 March 2023 to show an overall significant surplus, including a general fund surplus in line with the plan to rebuild the general fund to its target level over a 5 year period.

The general fund forms a buffer for short term shortfalls in income against the regular expenses of the Foundation. Its target range is between £2.2 and £3.5 million. The Trustees have set out a plan to re-build this fund over a five-year horizon.

To ensure that our income streams and expenditure plans are in line with our projections, we continue to develop our internal financial monitoring and decision-making procedures. These include a high-level monthly income and expenditure report that is produced promptly after each month end, a rolling monthly latest expected outturn report, monthly reviews with budget holders, and quarterly financial and cash flow forecasts that are used as a basis for both monitoring performance and reviewing financial plans. These are regularly reviewed by the Trustees.

As such the Trustees of the Foundation continue to adopt the going concern basis of accounting in preparing the annual financial statements.

#### (D) FOREIGN EXCHANGE

**Functional and presentation currency** – The consolidated financial statements are presented in sterling, which is The Duke of Edinburgh's International Award Foundation's functional and presentation currency. Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency).

**Transactions and balances** – Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Consolidated Statement of Financial Activities.

**Group subsidiaries** – The results and financial position of Group subsidiaries whose functional currency is different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities are translated at the closing rate applicable at the balance sheet date;
- Income and expenses are translated at average exchange rates; and
- All resulting exchange differences as taken to reserves.

#### (E) KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

(i) Donations for expenditure by specific NAOs are treated as restricted income, where their onward payment to NAOs is required to be phased over future periods. Where the Foundation acts as agent, donations received for immediate onward payment to NAOs, it is not recognised as income.

(ii) Estimates over the valuation of donations in kind of goods or services. The basis for the valuation of donations in kind is detailed in note 2(b) below.

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (CONTINUED)**

### **1: BASIS OF PREPARATION AND CONSOLIDATION (CONTINUED)**

(iii) Land and Buildings and Freehold Investment property - are carried at their revalued amounts at the balance sheet date. These values are determined by the Trustees as the estimated fair value of the properties using available market information, including the recent realised sale value of other properties of a similar size, condition, and location. Where the related asset is significant to the Foundation this value is determined for the Trustees by an external valuer.

### **2: ACCOUNTING POLICIES**

#### **(A) 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.

Unrestricted long term asset funds – these are funds set aside which match the values of long-term assets (mainly property).

Restricted 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. Details are set out in Note 14.

Endowment funds - These are restricted funds set aside to produce income which is used by the Foundation to make Grant awards to National Operators.

#### **(B) INCOME AND ENDOWMENTS**

Income is recognised when the Foundation is entitled to the income, any performance conditions attached to the income have been met, it is probable that the income will be received, and the amount can be measured reliably.

Donations and legacies include World Fellowship donations, gifts, grants receivable and donations of facilities and services in kind. The specific bases used for recognition of such income are as follows:

- Donation income and legacies are recognised where there is entitlement, probability of receipt and measurability.
- Donated facilities and services are included at the value to the charity where this can be quantified, and a third party is bearing the cost. The value is determined by considering the amount the charity would pay for such services in the open market. 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.
- Donated assets are included in incoming resources and fixed assets at an estimate of their value to the charity at the date of receipt.
- Grant income is recognised in line with the supply services or activities contracted.

Income from charitable activities and other trading income is accounted for when it can be reliably measured, there is entitlement and receipt is probable. Income from charitable activities includes licence fee income, Online Record Book income, participant fee income, delegate fees and income from training events. Other trading income includes commercial fee income, fundraising event and auction income. The income from training and fundraising events is shown

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (CONTINUED)**

### **2: ACCOUNTING POLICIES (CONTINUED)**

gross of any associated expenditure. Income received in advance of an event or before the point at which entitlement passes, is deferred until entitlement to that income has arisen, at which time it is credited to the SOFA.

#### **(C) EXPENDITURE**

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

- Costs of raising funds relates to costs associated with attracting donations and supporting the fundraising events. Such costs comprise primarily the salaries of the fundraising department, direct costs associated with fundraising.
- events and other promotional activities along with allocated support costs.
- Expenditure on charitable activities comprises direct expenditure, including direct staff costs, attributable to its activities, grant expenditure, development projects along with allocated support costs. Where costs cannot be directly attributed, they have been allocated to activities on a basis consistent with the use of resources, including time spent.

#### **(D) TANGIBLE AND INTANGIBLE ASSETS AND DEPRECIATION**

All tangible fixed assets costing more than £1,000 are capitalised initially at cost or where gifted to the Foundation at valuation at the time of acquisition. Tangible fixed assets costing under £1,000 are expensed in the year the expense is incurred.

##### **Freehold Land and Buildings**

Following the acquisition of Award House which is accounted for as a mixed-use property as part investment and part tangible asset, the Foundation has elected to re-value its Freehold Land and Buildings and carry them at fair value at the valuation date less any subsequent accumulated depreciation and accumulated impairment losses so that the valuation basis is consistent for all parts of that property. Land and buildings are valued by an external valuer at least every three years.

##### **Computer hardware and infrastructure**

Computer software, including development of our digital tools is expensed and is not recognised as an intangible asset.

Depreciation of fixed assets is charged on a straight-line basis, commencing in the month of purchase, on cost or valuation as follows:

- Fixtures, fittings & furniture: 10% per annum.
- Computer systems, software and infrastructure: 33% per annum or economic life of asset, whichever is shorter.
- Motor Vehicles: 25% per annum.
- Freehold Buildings: 2% per annum.

#### **(E) INVESTMENT PROPERTIES**

Investment properties are those which are not held for social benefit and where a reliable fair value is available. Investment properties are initially recognised at cost which includes purchase cost and any attributable expenditure. Investment properties are valued and subsequently measured at fair value with any surplus/ (deficit) recognised in the SOFA. In accordance with FRS 102, no depreciation is provided in respect of the investment property.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (CONTINUED)

### 2: ACCOUNTING POLICIES (CONTINUED)

#### (F) INVESTMENT PORTFOLIO

Listed investments are held at bid 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 their fair 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 fair values during the year are credited or charged to the SOFA in the year of the gain or loss.

#### (G) SOCIAL INVESTMENTS

Social investments are carried at cost less any provision for impairment. Such investments are not able to be carried at fair value as there is no open market for such investments. All social investments are subject to review, and any impairment is charged to the Statement of Financial Activities. All social investments were written off in the prior year.

#### (H) PENSION COSTS

The Foundation contributes to The Duke of Edinburgh's International Award Foundation Group Personal Pension Plan. This is a defined contribution pension scheme operated by Scottish Widows. The contributions are recognised as they fall due. Current service costs are included within the SOFA within charitable activities – core activities (unrestricted funds).

#### (I) OPERATING LEASES

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

## 3: INCOME FROM DONATIONS

#### (A) DONATIONS AND LEGACIES

	Unrestricted 2022 £000	Restricted 2022 £000	Total 2022 £000	Unrestricted 2021 £000	Restricted 2021 £000	Total 2021 £000
Donations - Individuals and Companies	3,592	322	3,914	1,183	322	1,505
Donations – Trusts and Foundations	399	63	462	61	120	181
Donations in kind (note 3b)	20	-	20	4,742	-	4,742
	4,011	385	4,396	5,986	442	6,428

Donations – Individuals and Companies unrestricted funds includes £607,121 and £48,720 in relation to The Duke of Edinburgh's International Award Foundation (Canada) and Beijing Intaward International Culture Development Company Limited respectively (2021: £361,757 and £54,562). Donations – Individuals and Companies restricted funds includes £nil in relation to The Duke of Edinburgh's International Award Foundation (Canada) (2021: £32,993). Donations – Trusts and

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (CONTINUED)

### 3: INCOME FROM DONATIONS (CONTINUED)

#### (B) DONATIONS AND LEGACIES (CONTINUED)

Foundations restricted funds includes £58,771 in relation to The Duke of Edinburgh's International Award Foundation (Canada) (2021: £2,493).

During the year, £230,590 (2021 - £233,425) was received on behalf of National Award Operators, this is excluded from the above donation income as this is passed straight through to the related entity when received.

#### (B) DONATIONS IN KIND

Donations in kind received during the year are estimated to be valued as follows:

	2022 £000	2021 £000
Gift of property	-	4,660
Office accommodation	-	35
Legal, advisory services and professional fees	4	3
Travel, accommodation, other	-	-
Events and donor support costs	16	44
	20	4,742

All income from Donations in Kind in 2022 and 2021 were unrestricted.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (CONTINUED)

### 4: INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted 2022 £000	Restricted 2022 £000	Total 2022 £000	Unrestricted 2021 £000	Restricted 2021 £000	Total 2021 £000
Operator licence	459	-	459	471	-	471
National Award Operator Levy Fee	77	-	77	156	-	156
Online Record Book – Independent Award Centres	758	-	758	441	-	441
Training income	116	-	116	90	5	95
Performance related grant/other income	-	208	208	-	34	34
Government Grant – Furlough Scheme	16	-	16	142	-	142
Other Grant Income	-	-	-	41	-	41
	1,426	208	1,634	1,341	39	1,380

Operator licence includes £136,612 (2021: £161,875), Online Record Book – Independent Award Centres includes £191,361 (2021: £41,251) and Training income includes £48,616 (2021: £31,774) in relation to Beijing Intaward International Culture Development Company Limited. These are unrestricted funds.

### 5: INCOME FROM OTHER TRADING ACTIVITIES

	2022 £000	2021 £000
Fundraising Events	-	-
Fundraising Auctions	-	47
Jewellery Sales	-	-
Commercial Fee Income	-	27
	-	74

All Income from other trading activities in 2021 was unrestricted.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (CONTINUED)

### 6: INVESTMENT INCOME

	Unrestricted 2022 £000	Restricted 2022 £000	Total 2022 £000	Unrestricted 2021 £000	Restricted 2021 £000	Total 2021 £000
<b>Investment income arises from:</b>						
Interest on other cash balances	1	-	1	1	-	1
Investment property	1	2	3	-	6	6
	2	2	4	1	6	7

### 7: EXPENDITURE

#### (A) EXPENDITURE ON CHARITABLE ACTIVITIES

	Directly charged 2022 £000	Support Costs 2022 £000	Total 2022 £000
<b>Raising Funds</b>	588	209	797
<b>COSTS OF CHARITABLE ACTIVITIES</b>			
<b>Development projects</b>			
Alumni	79	-	79
Information Management and Digital Development	283	-	283
Social Value	105	-	105
Supporting Adults in the Award	84	-	84
	551	-	551
<b>Core activities</b>			
Operating	1,226	547	1,773
Communicating	268	175	443
Resourcing	805	90	895
	2,299	812	3,111
<b>Total resources expended</b>	<b>3,438</b>	<b>1,021</b>	<b>4,459</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (CONTINUED)

### 7: EXPENDITURE (CONTINUED)

#### (A) EXPENDITURE ON CHARITABLE ACTIVITIES (CONTINUED)

	Directly charged 2021	Support Costs 2021	Total 2021
	£000	£000	£000
<b>Raising Funds</b>	484	276	760
<b>COSTS OF CHARITABLE ACTIVITIES</b>			
<b>Development projects</b>			
Alumni	73	-	73
Information Management and Digital Development	237	-	237
Social Value	67	-	67
Supporting Adults in the Award	22	-	22
Restructuring	341	-	341
	740	-	740
<b>Core activities</b>			
Operating	1,292	604	1,896
Communicating	312	160	472
Resourcing	697	153	850
	2,301	917	3,218
<b>Total resources expended</b>	<b>3,525</b>	<b>1,193</b>	<b>4,718</b>

Restructuring costs in 2021 comprise staff severance costs of £323,000, and legal fees and office closure costs of £18,000.

#### (B) SUPPORT COSTS

	Raising Funds	Operating	Communicating	Resourcing	Total
	2022	2022	2022	2022	2022
	£000	£000	£000	£000	£000
Communications	2	6	2	1	11
Finance and Legal	86	226	72	37	421
General Management	21	56	18	9	104
Governance	14	37	12	6	69
Human Resources	14	35	11	6	66
Information Technology Costs	37	95	30	16	178
Office Costs	15	39	13	6	73
Property Costs	20	53	17	9	99
<b>Total</b>	<b>209</b>	<b>547</b>	<b>175</b>	<b>90</b>	<b>1,021</b>



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (CONTINUED)

### 7: EXPENDITURE (CONTINUED)

#### (B) SUPPORT COSTS (CONTINUED)

	Raising Funds	Operating	Communicating	Resourcing	Total
	2021	2021	2021	2021	2021
	£000	£000	£000	£000	£000
Communications	2	7	2	1	12
Finance and Legal	134	191	43	42	410
General Management	20	58	17	11	106
Governance	18	52	15	10	95
Human Resources	11	36	9	10	66
Information Technology Costs	48	137	39	55	279
Office Costs	8	23	7	5	43
Property Costs	35	100	28	19	182
<b>Total</b>	<b>276</b>	<b>604</b>	<b>160</b>	<b>153</b>	<b>1,193</b>

Charitable activities – development projects, Supporting Adults in the Award is the cost of designing, piloting and evaluating a range of training projects and supporting digital platform; Alumni is the cost of designing and launching of the Global Alumni Network and its digital platform; Information Management and Digital development is the cost of development of the Online Record Book and digital platforms; Social Value is the cost of the research work measuring the social value of the Award. These activities have all been funded by funds that the Trustees designated as set out in note 14.

Staff costs included in the various channels of expenditure comprise those charged directly to raising funds and charitable activities and some allocated centrally on the basis of staff time. Overhead costs not directly charged to a channel are allocated using the same staff time proportions.

Restricted expenditure of £nil (2021: £5,000) has been directly charged to development projects – Supporting Adults in the Award. Restricted expenditure of £17,000 (2021: £17,000) has been directly charged to development projects – Social Value. Restricted expenditure of £138,000 (2021: £19,000) has been directly charged to development projects – Information Management and Digital Development.

Restricted expenditure of £505,000 (2021: £389,000) has been directly charged to Charitable activities – core activities resourcing. Restricted expenditure of £142,000 (2021: £34,000) has been directly charged to Charitable activities – core activities operating. Restricted expenditure of £5,000 (2021: £79,000) has been directly charged to Charitable activities – core activities communicating. Restricted expenditure of £14,000 (2021: £7,000) and restricted endowment expenditure of £6,000 (2021: £33,000) have been directly charged to Raising Funds. All other expenditure is unrestricted.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (CONTINUED)

### 7: EXPENDITURE (CONTINUED)

#### (C) NET INCOME BEFORE INVESTMENT GAINS IS STATED AFTER CHARGING:

	2022 £000	2021 £000
Auditors' remuneration:		
Fees payable to the Foundation's auditor for the audit of the Trustee's report	57	62
Fees payable to the Foundation's auditor for the audit of subsidiaries	5	4
Fees payable to the Foundation's auditor for other services:		
Tax services	3	3
Depreciation	65	54
Operating leases	-	19
Foreign exchange losses/(gains)	13	5

#### (D) STAFF COSTS

	2022 £000	2021 £000
Wages and salaries	1,879	2,296
Social security costs	240	241
Pension costs	136	134
Other staff costs	405	306
	<u>2,660</u>	<u>2,977</u>

The above table includes staff severance costs incurred in FY2020/21 resulting from the restructuring of £323,000.

#### (E) STAFF NUMBERS

	2022 Number	2021 Number
Generating funds	8	8
Charitable activities	36	38
Average monthly full-time equivalent number of staff in the year	<u>44</u>	<u>46</u>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (CONTINUED)

### 7: EXPENDITURE (CONTINUED)

#### (F) STAFF WHOSE EMOLUMENTS (EXCLUDING PENSION CONTRIBUTIONS) WERE IN EXCESS OF £60,000

	2022 Number	2021 Number
£60,001 - £70,000	8	5
£70,001 - £80,000	-	1
£80,001 - £90,000	2	3
£90,001 - £100,000	1	1
£130,001 - £140,000	1	1
	<hr/> 12	<hr/> 11
	2022 £000	2021 £000
Pension contributions in respect of the above members of staff	57	62

During the year the senior leadership team consisted of the Secretary General, the Finance Director (retired 31 March 2022) and the Deputy Secretary General. Their combined emoluments for the year were £341,000 (2021: £337,000), including pension payments of £26,000 (2021: £26,000). The senior leadership team have the same health insurance terms and bonus scheme terms as all other UK staff. The pension rights for the Finance Director and Deputy Secretary General are the same as all other UK staff whereas the Secretary General has enhanced pension rights where the Foundation has committed to higher levels of pension contributions.

#### (G) EX-GRATIA PAYMENTS

Compensation of £3,000 (2021: £323,000) was paid to one (2021: nine) employees for loss of office during the year. The payment comprised of between one and two month's salary as compensation and payment in lieu of notice period.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (CONTINUED)

### 7: EXPENDITURE (CONTINUED)

#### (H) GRANTS EXPENDITURE

Grants expenditure of £465,000 (2021: £340,000) has been charged to restricted charitable activities – operating activities resourcing. The Foundation made 42 (2021: 21) grants, with a maximum value of £51,000 (2021: £51,000).

The following individual Grants were made in the year:

	<b>2022</b> <b>Grants to</b> <b>Institutions</b> <b>£'000</b>	<b>2021</b> <b>Grants to</b> <b>Institutions</b> <b>£'000</b>
Bahamas – Building Experiences Together	-	10
Barbados – Around the Corner	-	2
Bulgaria – The Award in BG V2	23	23
Bulgaria – The Award in Business	6	10
Cameroon – Alternative pathways	-	10
Cameroon – Global Youth Mobilization Covid-19 recovery fund	8	-
Canada – Francophone Expansion	20	40
Czech Republic – Regions in Motion	-	14
Czech Republic - #Worldready Together	12	-
Czech Republic – Global Youth Mobilization Covid-19 recovery fund	4	-
Dominica – R.I.S.E	5	-
Finland – Accessible Award	8	-
Germany – The Award at high-risk schools	25	25
Germany – Starke Teens NRW	15	-
Ghana – Gaining grounds	15	15
Ghana – Global Youth Mobilization Covid-19 recovery fund	7	-
Ghana – Going Digital	10	-
Guinée - Le Mérite dans les Centres d'Accueil et les Orphelinats	6	-
Hong Kong - Global Youth Mobilization Covid-19 recovery fund	6	-
India - Global Youth Mobilization Covid-19 recovery fund	2	-
Israel – Youth Award Year of Volunteer	-	15
Israel – Global Youth Mobilization Covid-19 recovery fund	5	-
Indonesia - #WorldReady for All	6	-
Jordan – Project of Hope	-	24
Kenya – Compass Project	17	9
Kenya - Global Youth Mobilization Covid-19 recovery fund	11	-
Malta – Extending the Award in North Malta and Gozo	1	4
Mauritius – ORB to all	-	3
Nepal – Providing access and empowering youth living in homes	13	-
Nepal – World fellowship funds – Development of the Award	-	11
Nepal - Global Youth Mobilization Covid-19 recovery fund	4	-
Netherlands – Growing the Award in the Netherlands	51	51
Netherlands - Global Youth Mobilization Covid-19 recovery fund	5	-
Netherlands – Award MDT Project	10	-
Nigeria – World Fellowship funds – Development of the Award	-	5

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (CONTINUED)

### 7: EXPENDITURE (CONTINUED)

#### (H) GRANTS EXPENDITURE (CONTINUED)

Nigeria - Global Youth Mobilization Covid-19 recovery fund	5	-
Nigeria - Promotion of Reformation and Reduction of Re-offending	5	-
Romania – Extending in Romania	33	29
Romania – Romania Beyond Borders	11	-
Slovakia – Leaders of tomorrow	-	12
Slovakia – Global Youth Mobilization Covid-19 recovery fund	4	-
Slovenia – Unlocking barriers to the growth of the Award	17	18
Slovenia – Global Youth Mobilization Covid-19 recovery fund	7	-
Slovenia – MEPI Career Academy	8	-
South Africa – Youth award leaders	16	-
Trinidad & Tobago - Global Youth Mobilization Covid-19 recovery fund	6	-
Togo – School Bank: Project for Developing Entrepreneurial Skills	10	-
UK – The London SEND project	8	-
Uganda - Global Youth Mobilization Covid-19 recovery fund	6	-
Uganda – Online Delivery enhancement	10	-
USA – Discover their Infinite Potential	14	-
Zambia – Leaving no one behind	10	10
Total	465	340

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (CONTINUED)

### 8: TANGIBLE ASSETS

#### (A) GROUP

	Fixtures, fittings & furniture	Computer systems, software & infrastructure	Motor vehicles	Freehold Land and Buildings	Total
	£000	£000	£000	£000	£000
Cost at 1 April 2021	295	60	56	2,162	2,573
Additions	1	-	-	-	1
Disposals	(4)	-	-	-	(4)
Revaluation	-	-	-	11	11
<b>Cost at 31 March 2022</b>	<b>292</b>	<b>60</b>	<b>56</b>	<b>2,173</b>	<b>2,581</b>
Accumulated depreciation at 1 April 2021	(228)	(38)	(56)	(22)	(344)
Depreciation charge	(21)	(11)	-	(33)	(65)
Depreciation on disposal	4	-	-	-	4
<b>Accumulated depreciation at 31 March 2022</b>	<b>(245)</b>	<b>(49)</b>	<b>(56)</b>	<b>(55)</b>	<b>(405)</b>
<b>Net book value at 31 March 2022</b>	<b>47</b>	<b>11</b>	<b>-</b>	<b>2,118</b>	<b>2,176</b>
Net book value at 31 March 2021	67	22	-	2,140	2,229

#### (B) CHARITY

	Fixtures, fittings & furniture	Computer systems, software & infrastructure	Motor vehicles	Freehold Land and Buildings	Total
	£000	£000	£000	£000	£000
Cost at 1 April 2021	295	56	56	2,162	2,569
Additions	1	-	-	-	1
Disposals	(4)	-	-	-	(4)
Revaluation	-	-	-	11	11
<b>Cost at 31 March 2022</b>	<b>292</b>	<b>56</b>	<b>56</b>	<b>2,173</b>	<b>2,577</b>
Accumulated depreciation at 1 April 2021	(228)	(36)	(56)	(22)	(342)
Depreciation charge	(21)	(10)	-	(33)	(64)
Depreciation on disposal	4	-	-	-	4
<b>Accumulated depreciation at 31 March 2022</b>	<b>(245)</b>	<b>(46)</b>	<b>(56)</b>	<b>(55)</b>	<b>(402)</b>
<b>Net book value at 31 March 2022</b>	<b>47</b>	<b>10</b>	<b>-</b>	<b>2,118</b>	<b>2,175</b>
Net book value at 31 March 2021	67	20	-	2,140	2,227

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (CONTINUED)

### 9: INVESTMENT PROPERTY

	Group & Charity 2022 £000	Group & Charity 2021 £000
Fair value at 1 April	2,734	317
Acquired during year	-	2,486
Fair value adjustment	186	(69)
Fair value at 31 March	2,920	2,734

In the prior year the Foundation was gifted the freehold interest in its UK Offices. These offices are partially occupied by the Foundation and partly held for lease to third parties. The fair value of part held for lease is included above under acquired during the year. The Foundation also holds a donated investment property in Portugal. Small amounts of rent and related expenditure are generated by it each year.

### 10: INVESTMENTS

#### (A) INVESTMENT PORTFOLIO

	Group & Charity 2022 £000	Group & Charity 2021 £000
Investment portfolio at 1 April	5,336	4,376
Additions at cost	800	500
Drawdowns from Portfolio	(1,515)	(542)
Net investment gains	407	1,057
Investment Manager Fees	(49)	(55)
Cash held with Investment Managers	-	-
Market value of holdings at 31 March	4,979	5,336

	Group & Charity 2022 £000	Group & Charity 2021 £000
Barings Dynamic Asset Allocation Fund	-	650
Ruffer Absolute Return Fund	4,979	4,686
Investment portfolio at 31 March	4,979	5,336

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (CONTINUED)

### 10: INVESTMENTS (CONTINUED)

The drawdowns from the portfolio reflect the management of short-term cash outflows. The original cost of these investments was £1,022,000 (2021: £3,771,000).

During the year the Foundation had investment gains of £407,000 (2021: gains of £1,057,000). These have been allocated to the development fund and restricted endowment fund in accordance with the investment balances held in those funds calculated on a monthly basis. During the year the Foundation drew down investments to fund its working capital consumption, impacting the Development Fund. Realised gains arising in the year of £291,000 (2021: losses of £136,000) relate wholly to this fund.

The Barings Dynamic Asset Allocation Fund was closed by the Fund Manager in April 2021.

#### (B) SUBSIDIARY UNDERTAKINGS

Registered Name	Country of incorporation	Principle activity	Share class	Year end
Intaward Limited	UK	Holding Company	Ordinary 100%	31 March
Beijing Intaward International Culture Development Company Limited	China	Carrying out the charitable activities of the DoE International Award in China.	Ordinary 100% (owned by Intaward Limited)	31 December
The Duke of Edinburgh's International Award Foundation (Canada)	Canada	Carrying out the charitable activities of the DoE International Award	-	31 March

The Duke of Edinburgh's International Award Foundation (Canada) is consolidated in these accounts as the Foundation is able to exercise significant influence and control over it, with at least 50% of the directors also being Trustees of the Foundation.

Intaward Limited sold its holding in Beijing Intaward International Culture Development Company Limited on 21 September 2022.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (CONTINUED)

### 10: INVESTMENTS (CONTINUED)

#### (C) FINANCIAL RESULTS OF SUBSIDIARIES

	Intaward Limited	Beijing Intaward International Culture Development Company Limited	The Duke of Edinburgh's International Award Foundation (Canada)
<b>Investment in:</b>	<b>£</b>	<b>£</b>	<b>£</b>
Cost at 1 April 2021	2	-	-
Additions	-	-	-
Impairment	-	-	-
<b>Cost at 31 March 2022</b>	<b>2</b>	<b>-</b>	<b>-</b>

	Intaward Limited	Beijing Intaward International Culture Development Company Limited	The Duke of Edinburgh's International Award Foundation (Canada)
	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>
<b>At 31 March 2022</b>			
<b>Assets</b>	-	<b>322</b>	<b>8</b>
<b>Liabilities</b>	<b>(21)</b>	<b>(121)</b>	<b>(4)</b>
<b>Reserves</b>	<b>(21)</b>	<b>201</b>	<b>4</b>

<b>2021-22</b>			
<b>Income</b>	-	<b>532</b>	698
<b>Expenditure</b>	<b>(8)</b>	<b>(275)</b>	<b>(1,074)</b>
<b>Net (deficit)/surplus</b>	<b>(8)</b>	<b>257</b>	<b>(376)</b>

<b>At 31 March 2021</b>			
<b>Assets</b>	-	141	430
<b>Liabilities</b>	<b>(123)</b>	<b>(303)</b>	<b>(50)</b>
<b>Reserves</b>	<b>(123)</b>	<b>(162)</b>	<b>380</b>

<b>2020-21</b>			
<b>Income</b>	-	273	424
<b>Expenditure</b>	<b>(118)</b>	<b>(248)</b>	<b>(35)</b>
<b>Net (deficit)/surplus</b>	<b>(118)</b>	<b>25</b>	<b>389</b>

The Trustees have assessed the current performance of the Foundation's trading subsidiary Beijing Intaward International Culture Development Company Limited, and in light of new policies and regulations published by The People's Republic of China in relation to the field of education and foreign ownership of companies operating in China, have decided to impair the value of their investment.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (CONTINUED)

### 11: DEBTORS

	<b>Group 2022 £000</b>	<b>Charity 2022 £000</b>	<b>Group 2021 £000</b>	<b>Charity 2021 £000</b>
Trade debtors	227	207	201	187
Other debtors	23	23	25	25
Accrued income	534	534	291	291
Prepayments	163	160	213	209
Amounts due from Subsidiary	-	123	-	151
	<b>947</b>	<b>1,047</b>	<b>730</b>	<b>863</b>

### 12: CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<b>Group 2022 £000</b>	<b>Charity 2022 £000</b>	<b>Group 2021 £000</b>	<b>Charity 2021 £000</b>
Trade creditors	69	66	131	131
Other creditors	403	282	411	320
Accruals	196	187	242	229
	<b>668</b>	<b>535</b>	<b>784</b>	<b>680</b>

### 13: TAXATION

The tax charge for ordinary activities is £nil (2021: £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.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (CONTINUED)

## 14: FUNDS

### (A) MOVEMENT

Year ended 31 March 2022	General Funds	Development Funds	Long term asset fund	Total Unrestricted Funds	Restricted Income Funds	Endowment Funds	Total Funds
	£000	£000	£000	£000	£000	£000	£000
Balance at 31 March 2021	(124)	2,977	4,637	7,490	492	3,214	11,196
Income	2,981	2,461	-	5,442	595	-	6,037
Expenditure	(2,980)	(618)	(34)	(3,632)	(821)	(6)	(4,459)
Unrealised gains on investments	-	73	-	73	-	43	116
Realised gains on investments	-	291	-	291	-	-	291
Revaluation of Investment Property	-	-	121	121	65	-	186
Revaluation of Fixed assets	-	-	11	11	-	-	11
Transfer between funds	-	(30)	-	(30)	30	-	-
<b>Balance at 31 March 2022</b>	<b>(123)</b>	<b>5,154</b>	<b>4,735</b>	<b>9,766</b>	<b>361</b>	<b>3,251</b>	<b>13,378</b>

Year ended 31 March 2021	General Funds	Development Funds	Long term asset fund	Total Unrestricted Funds	Restricted Income Funds	Endowment Funds	Total Funds
	£000	£000	£000	£000	£000	£000	£000
Balance at 31 March 2020	524	3,336	-	3,860	624	2,553	7,037
Income	2,742	-	4,660	7,402	487	-	7,889
Expenditure	(3,390)	(722)	(23)	(4,135)	(550)	(33)	(4,718)
Unrealised gains on investments	-	499	-	499	-	694	1,193
Realised losses on investments	-	(136)	-	(136)	-	-	(136)
Revaluation of Investment Property	-	-	-	-	(69)	-	(69)
<b>Balance at 31 March 2021</b>	<b>(124)</b>	<b>2,977</b>	<b>4,637</b>	<b>7,490</b>	<b>492</b>	<b>3,214</b>	<b>11,196</b>

General Funds for the Group include funds retained by subsidiary entities of £184,000 (2021: £205,000).

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (CONTINUED)

### 14: FUNDS (CONTINUED)

#### (B) NET ASSETS

Year ended 31 March 2022	General Funds	Development Funds	Long term asset fund	Total Unrestricted Funds	Restricted Income Funds	Endowment Funds	Total Funds
	£000	£000	£000	£000	£000	£000	£000
Tangible assets	49	-	2,127	2,176	-	-	2,176
Investment Property	-	312	2,608	2,920	-	-	2,920
Investment portfolio	-	1,728	-	1,728	-	3,251	4,979
Net current assets	(172)	3,114	-	2,942	361	-	3,303
<b>Net assets at 31 March 2022</b>	<b>(123)</b>	<b>5,154</b>	<b>4,735</b>	<b>9,766</b>	<b>361</b>	<b>3,251</b>	<b>13,378</b>

Year ended 31 March 2021	General Funds	Development Funds	Long term asset fund	Total Unrestricted Funds	Restricted Income Funds	Endowment Funds	Total Funds
	£000	£000	£000	£000	£000	£000	£000
Tangible assets	78	-	2,151	2,229	-	-	2,229
Investment Property	-	-	2,486	2,486	248	-	2,734
Investment portfolio	-	2,122	-	2,122	-	3,214	5,336
Net current assets	(202)	855	-	653	244	-	897
<b>Net assets at 31 March 2021</b>	<b>(124)</b>	<b>2,977</b>	<b>4,637</b>	<b>7,490</b>	<b>492</b>	<b>3,214</b>	<b>11,196</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (CONTINUED)

### 14: FUNDS (CONTINUED)

#### (C) DESIGNATED FUNDS

Designated funds are funds set aside by the Trustees to provide support for National Award Operators, Independent Award Centres and specific Foundation development projects. At 31 March 2022 these amounted to £5,154,000 (2021: £2,977,000). The principal designated funds are:

NAME OF FUND	PURPOSE	EXPECTED TIMING OF EXPENDITURE
Support Funds	A number of small funds to support National Award Operators development and global Award projects.	Fully expended during 2020/21
Global Campaign	To fund a global awareness of the Award campaign, working in partnership with Award Operators worldwide.	Fully expended during 2020/21
Supporting Adults in the Award	A programme to develop and improve our support for Award Operators, volunteers and staff.	To be expended by 2022/23
Digital Development	Online Record Book developments to provide long-term improvements with the objective that the Association achieves 80% adoption of this digital platform.	To be expended by 2022/23
Alumni	Launch of a Global Alumni Network and its digital platform - promoting and protecting the Award brand.	To be expended by 2022/23
Social Value	Roll-out of social value research to NAOs, measuring the social value of the Award and capacity building within the Association for on-going social value analysis.	To be expended from 2021/22
Development Fund	Funds to deliver initiatives approved by Trustees to improve the support and services that it provides to members of the International Award Association.	Medium to long term future development projects
Founder's Fund	Specific campaign set up to commemorate our Founder. The campaign was set up with the expectation that it would generate significant funds. It is the intention of the Trustees that these funds will be primarily used to fund large transformational grants to National Award Operators.	Medium to long term projects

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (CONTINUED)

## 14: FUNDS (CONTINUED)

### (C) DESIGNATED FUNDS (CONTINUED)

Movements on designated funds in the year were:

Year ended 31 March 2022	1 April 2021 £000	Income £000	Expenditure £000	Transfer of funds £000	Investment Gains £000	31 March 2022 £000
Supporting Adults in the Award	11	5	(84)	175	-	107
Digital Development	-	-	(145)	290	-	145
Alumni	116	-	(79)	6	-	43
Social Value	38	-	(88)	158	-	108
Development Fund	2,812	-	(44)	(629)	364	2,503
Founders Fund	-	2,456	(178)	(30)	-	2,248
<b>Total</b>	<b>2,977</b>	<b>2,461</b>	<b>(618)</b>	<b>(30)</b>	<b>364</b>	<b>5,154</b>

Year ended 31 March 2021	1 April 2020 £000	Income £000	Expenditure £000	Transfer of funds £000	Investment Gains £000	31 March 2021 £000
Support Funds	14	-	-	(14)	-	-
Global Campaign	26	-	-	(26)	-	-
Supporting Adults in the Award	28	-	(17)	-	-	11
Digital Development	42	-	(218)	176	-	-
Alumni	189	-	(73)	-	-	116
Social Value	88	-	(50)	-	-	38
Restructure	-	-	(341)	341	-	-
Development Fund	2,949	-	(23)	(477)	363	2,812
<b>Total</b>	<b>3,336</b>	<b>-</b>	<b>(722)</b>	<b>-</b>	<b>363</b>	<b>2,977</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (CONTINUED)

### 14: FUNDS (CONTINUED)

#### (D) RESTRICTED FUNDS

Amounts received from donors that have restrictions placed on them are held as restricted funds. Funds are primarily restricted by geographical area or a particular purpose. The Foundation held 19 restricted funds at the end of the year (2021: 19 funds). The principal restricted funds are:

Region/Country Specific Funds	Monies held on trust to support a National Award Operator in a specific country and/or the development of the Award in a specific country or region.
Kenya Compass Project	A donation to support 20 schools within Kenya to enable participants to complete the Award using the online record book.
Creating Centres of Excellence Project	A donation to support established Award Centres within Kenya to enable participants to complete the Award using the online record book.
Afrika Tikkun	A donation to support the work of the President's Award for Youth Empowerment in South Africa, helping to engage young people in disadvantaged communities. This will be delivered through the non-profit organisation, Afrika Tikkun.
Benelux Fund	To support the development of the Award in the Benelux countries.
Tanaka Funds	To support National Award Operators in specific countries that are to be agreed with the donor.
Digital Development	To support the Foundation's digital development.
Global Activity Fund	A donation to support our global activity including research, alumni, advocacy and digital activity. All of which strengthen the Award in Africa.
Special Projects Fund	International Special Projects delivered by National Award Operators. These are approved by Trustees to further develop the access, reach and impact of the Award. The Trustees have agreed to underwrite the expenditure on this fund until such a stage that Special Project Endowment Funds become available.
WHO/Global Youth Mobilisation Fund	Funds given to the Foundation to cover the Foundation's staff members of the project team and to grant fund to National Award Operators for the World Health Organisation's global youth mobilisation project.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (CONTINUED)

### 14: FUNDS (CONTINUED)

#### (D) RESTRICTED FUNDS (CONTINUED)

Movements on restricted funds in the year were:

<b>Year ended 31 March 2022</b>	<b>1 April 2021 £000</b>	<b>Income £000</b>	<b>Expenditure £000</b>	<b>Investment losses £000</b>	<b>Transfer of funds £000</b>	<b>31 March 2022 £000</b>
Region/Country Specific Funds						
- Nigeria	31	54	-	-	-	85
- Anglo American Brazil	93	-	-	-	-	93
- Other Region/Country Restricted	46	-	-	-	-	46
Kenya Compass Project	78	25	(21)	-	-	82
Creating Centres of Excellence Project	-	19	(6)	-	-	13
Afrika Tikkun	-	68	-	-	-	68
International Special Projects	48	121	(345)	65	-	(111)
Benelux Fund	51	-	(51)	-	-	-
Tanaka Fund	51	-	(10)	-	-	41
Founder's Campaign	(30)	-	-	-	30	-
Other Restricted	43	16	(17)	-	-	42
Digital Development	81	59	(138)	-	-	2
Global Activity Fund	-	25	(25)	-	-	-
WHO/Global Youth Mobilisation Fund	-	208	(208)	-	-	-
<b>Total</b>	<b>492</b>	<b>595</b>	<b>(821)</b>	<b>65</b>	<b>30</b>	<b>361</b>



# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (CONTINUED)

## 14: FUNDS (CONTINUED)

### (D) RESTRICTED FUNDS (CONTINUED)

Year ended 31 March 2021	1 April 2020 £000	Income £000	Expenditure £000	Investment losses £000	Transfer of funds £000	31 March 2021 £000
Region/Country Specific Funds						
- Nigeria	12	28	(9)	-	-	31
- Anglo American Brazil	93	-	-	-	-	93
- Other Region/Country Restricted	57	-	(11)	-	-	46
Kenya Compass Project	88	-	(10)	-	-	78
International Special Projects	201	220	(304)	(69)	-	48
Benelux Fund	102	-	(51)	-	-	51
Tanaka	61	-	(10)	-	-	51
Founder's Campaign	-	50	(80)	-	-	(30)
Other Restricted	10	55	(22)	-	-	43
Digital Development	-	100	(19)	-	-	81
WHO Fund	-	34	(34)	-	-	-
Total	624	487	(550)	(69)	-	492

### (E) ENDOWMENT FUNDS

Movements on endowment funds in the year were:

Year ended 31 March 2022	1 April 2021 £000	Income £000	Expenditure £000	Investment gains £000	Transfer of funds £000	31 March 2022 £000
Ono Funds	913	-	(1)	12	-	924
Special Projects	2,301	-	(5)	31	-	2,327
Total	3,214	-	(6)	43	-	3,251

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (CONTINUED)

### 14: FUNDS (CONTINUED)

#### (E) ENDOWMENT FUNDS (CONTINUED)

Year ended 31 March 2021	1 April 2020 £000	Income £000	Expenditure £000	Investment gains £000	Transfer of funds £000	31 March 2021 £000
Ono Funds	725	-	(9)	197	-	913
Special Projects	1,828	-	(24)	497	-	2,301
Total	2,553	-	(33)	694	-	3,214

### 15: RELATED PARTY TRANSACTIONS

Three (2021: Three) Trustees or companies connected with Trustees are fully paid Members, Fellows or Corporate Fellows of the World Fellowship. During the year two Trustees made donations of £84,000 (2021: two Trustees £66,000) of which £33,500 (2021: £16,500) was restricted to the Nigeria fund and £2,000 (2021: nil) was for Special Projects.

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 on the affairs of the Foundation. Out of pocket expenses incurred by Trustees while carrying out their duties are reimbursed by the Foundation when claimed. During the year, expenses of £3,720 were reimbursed or paid on behalf of one Trustee, to cover event costs (2021: nil Trustees £nil).

The Trustees have reviewed the related party connections of themselves, their close families and other connected persons and report that no disclosable transactions, other than those described above, arose during the year from these connections.

One member of the Foundation's Senior Leadership Team is a member of the Board of Award USA, the licensed national operator for the USA. One grant payment was made to Award USA during the year of £14,000 (2021 - £nil).

Transactions with Intaward Limited in the year are detailed below:

Balance Sheet items	2022 £000	2021 £000
Loan to Intaward	7	116

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (CONTINUED)

### 15: RELATED PARTY TRANSACTIONS (CONTINUED)

Transactions with Beijing Intaward International Culture Development Company Limited are detailed below:

Income and expenditure items	2022 £000	2021 £000
Donation received	-	5
Set up and operating costs	2	2

Transactions with The Duke of Edinburgh's International Award Foundation (Canada) are detailed below:

Income and expenditure items	2022 £000	2021 £000
Service Agreement	1,050	-

On 21<sup>st</sup> September 2022, Intaward Limited sold its shares in Beijing Intaward International Culture Development Company Limited to Shanghai Enshaw Technology Group Limited, a company in which the Director of Beijing Intaward International Culture Development Company Limited has a majority shareholding.

### 16: PENSION SCHEMES

During the year to 31 March 2022 the Foundation contributed £136,000 (2021: £124,000) of unrestricted expenditure to The Duke of Edinburgh's International Award Foundation Group Personal Pension Plan. This is a defined contribution pension scheme operated by Scottish Widows. As at 31 March 2022 £12,000 (2021: £14,000) was due to be paid to Scottish Widows. In addition, the Foundation contributed £nil (2021: £6,000) of unrestricted expenditure towards pension arrangements for regional staff.

### 17: POST BALANCE SHEET EVENTS

On 21<sup>st</sup> September 2022, Intaward Limited sold its shares in Beijing Intaward International Culture Development Company Limited to Shanghai Enshaw Technology Group Limited, a company incorporated under the laws of the People's Republic of China.

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## **Trustees' Annual Report (Continued)**

### **Structure, Governance and Management**

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#### **STRUCTURE OF THE FOUNDATION**

The Duke of Edinburgh's International Award Foundation is a registered UK charity incorporated on 6 November 1998 as a company limited by guarantee. On incorporation the assets and business of a preceding United Kingdom based charitable trust (registered on 10 November 1986) were transferred to it. The company is regulated by its Memorandum and Articles of Association.

The Founder of the Foundation is His Royal Highness, The Late Duke of Edinburgh.

#### **GROUP STRUCTURE**

The Foundation has invested in subsidiary undertakings in the UK and overseas. These have been established, to further the Foundation's charitable objects or to generate income for use by the Foundation. The names, countries of registration and principal activities of these subsidiary entities are provided in note 10 b) to the accounts.

Further details relating to the income and expenditure and their Statement of Affairs of these subsidiaries can be found in note 10 c) to the accounts.

#### **RELATIONSHIP WITH LICENSED OPERATORS**

The Foundation has responsibility for facilitating the worldwide development of The Duke of Edinburgh's International Award. Generally, in countries where the Award runs on a substantial basis, the Foundation licenses National Award Operators, that are self-governing entities, to run and maintain the operation of the Award. In other countries the Award may be run by licensed Independent Award Centres (schools or organisations) that are directly licensed and supported by the Foundation.

#### **THE DUKE OF EDINBURGH'S INTERNATIONAL AWARD ASSOCIATION**

The Association is the collective name for all the constituents of The Award family and is established by the mutual consent of all the parties concerned in order to encourage cooperation, share responsibility for development and foster collective ownership in our brand. The Association is established through a Memorandum of Understanding which sets out its formation and purpose. It also outlines the relationships, practices and procedures through which all constituent parts of the Association operate to ensure responsible and transparent governance, consultation and discussion. The Association meets every three years in Forum at a suitable venue organised by one of the National Award Operators.

#### **THE INTERNATIONAL COUNCIL**

Between each Forum, the International Council acts on behalf of the Association and gives effect to decisions previously taken especially in relation to international development and operational policy. As such, the International Council is a representative group. Comprising the Foundation's Trustees, the Secretary General, Award Operators and Emerging Leaders.

#### **THE BOARD OF TRUSTEES**

The Board of Trustees takes all decisions collectively. 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. There is a maximum of ten Trustees.

## STRUCTURE, GOVERNANCE AND MANAGEMENT (CONTINUED)

The Trustees are responsible for determining all important matters of policy. They meet at least three times each year and at more frequent intervals as necessary to carry out their responsibilities. They review strategy and performance annually and approve budgets and operating plans in line with strategy.

The corporate governance of the Foundation is monitored against guidelines for best practice as set out by the Charity Commission in its framework for sound governance and accountability (Charity Governance Code). It is the Trustees' practice to develop the corporate governance procedures whenever appropriate.

Each Trustee is a member of the company, with a limited guarantee of £1 per member. Trustees have no rights to any distribution on dissolution of the company.

Trustees serve for a maximum period of 12 years continuous service, with the following exceptions:

- The Chair of the International Council is appointed for a three-year term with no limit to the number of times they can be re-appointed
- The Chair of the Foundation can serve for a period of up to ten years, regardless of prior service as a Trustee.
- HRH The Earl of Wessex and Forfar has no limit to his term, subject to confirmation by the Trustees of his position every five years.

The Foundation expects Trustees to retire at the age of 70.

Trustees are all non-executive, have no beneficial shares or options and receive no remuneration or other benefits. The independence of the Trustees and their willingness to act in the best interests of the charity are not impaired by their gifts of time and in some cases financial support to the charity.

### INDUCTION AND TRAINING OF TRUSTEES

The Nominations Committee identifies candidates for future Trustees. The Trustees, as a body, are responsible for their appointment. The induction and familiarisation process of new Trustees may start before their appointment, depending on their background and experience of the Foundation. On appointment to the Board, trustees are provided with a Trustee toolkit which includes information on the roles and responsibilities of trustees and guidance from the Charity Commission. Trustees are also inducted through a series of meetings with current trustees and the Senior Leadership Team.

### SUB COMMITTEES OF THE BOARD OF TRUSTEES

In addition to the main Board, governance of the Foundation is exercised through a number of Committees which hold responsibility for specific areas as follows:

- **Finance, Audit and Property Committee** manages the charity's relationships with the external auditors, determines the integrity of the financial statements, and reviews the business risk management framework including compliance and internal controls. It also manages the Foundation's external relationship with the investment managers, reviews the investment strategy, monitors the performance of the investment portfolio, oversees the maintenance of the Foundation's properties and is responsible for negotiating the terms of leases for suitable office accommodation. The committee advises the board on financial management, budget and reporting, as well as on risk, treasury and reserves. This committee is supported by the Secretary General and the Chief Financial Officer.
- **Nominations Committee** makes recommendations to the Board on senior appointments, including new Trustees, after considering a wide variety of possible candidates. It meets when required.

## STRUCTURE, GOVERNANCE AND MANAGEMENT (CONTINUED)

- **Remuneration Committee** reviews the Secretary General's proposals for staff salaries and make recommendations to the Board. They also propose to the Board any changes to the Secretary General's and Senior Leadership Team's salaries.
- **The Safeguarding and Serious Incidents Reporting Committee** assists the Trustees with their safeguarding responsibilities, the development of a safe practice culture and the management of serious incident reporting. This committee is supported by the Deputy Secretary General.

### MEMBERS OF THE BOARD OF TRUSTEES AND ITS SUB-COMMITTEES

The following table shows the membership of the sub-committees during the year and up to the date of signing the financial statements:

	Finance, Audit and Property	Nominations	Remuneration	Safeguarding and Serious Incidents Reporting
His Royal Highness The Prince Edward, Earl of Wessex KG, GCVO (Chair)		✓*		
Alka Barot		✓		✓
Paul Bell			✓	
The Rt Hon The Lord Boateng PC DL		✓		
Rock Chen	✓			
Adebayo Olawale Edun	✓		✓	
Muna Issa	✓		✓	
Andrew Smith	✓ *		✓	
Garth Weston	✓		✓ *	
Dr Howard Williamson CVO CBE		✓		✓*

\* Denotes Chair

The following trustees were appointed on 15 October 2022:

- Baroness Catherine Fall
- Anita Jacoby
- Muhoho Kenyatta
- Richard Oldfield

## STRUCTURE, GOVERNANCE AND MANAGEMENT (CONTINUED)

### OTHER ADVISORY COMMITTEES

- **The Joint Funding Board** is an advisory committee with representation from The Duke of Edinburgh's Award (the National Award Operator in the UK and UK registered charity) and The Duke of Edinburgh's International Award Foundation, which ensures that fundraising initiatives organised by both organisations do not compete with each other.
- **The Development Group** assist the Trustees and Senior Management with overseeing the implementation of the Foundation's development plan and achieving its aims and objectives. It is not a committee of the Board of Trustees although it may make recommendations to the Trustees. Its membership consists of Trustees, donors and supporters who are actively engaged in introducing individuals to the work of the Foundation and generating income for the charity.
- **The International Special Projects Advisory Committee's** purpose is to assist the Trustees and the Senior Management Team with overseeing the operation and direction of the International Special Projects Grants. It is not a committee of the Board of Trustees although it may make recommendations to the Trustees. Its membership consists of Trustees and supporters.
- **Founder's Fund advisory Committee** assists in the development and operations of the Fund. The committee is responsible for the granting funds and monitoring grants. Its membership consists of Trustees and members of the Senior Management Team.

## Managing Responsibly

Every member of The Duke of Edinburgh's International Award Foundation Board and wider staff team is dedicated to ensuring the effective and efficient running of the charity, the quality of delivery and ongoing expansion of the Award worldwide. We are a driven team who continuously strive to find new ways for more young people to access the Award, to expand its reach and ensure its impact globally.

The Foundation is guided by our Chairman HRH The Earl of Wessex and supported by a Board of nine senior experts in youth policy, politics, finance, public relations, business and Global Human Capital Management, amongst others.

### MANAGEMENT

The Trustees review strategy and performance annually and approve budgets and operating plans in line with the strategy. Authority to implement the strategies and policies on behalf of the Trustees and to conduct the day-to-day operations of the Foundation is delegated to the Secretary General. The Secretary General is accountable to the Trustees for the efficient running of the Foundation with the help of the Senior Leadership Team and the Senior Management Team. The Secretary General is also responsible for promoting the benefits of the Award to the widest possible audience, raising the funds necessary to support the Association and making the Trustees aware of the need for any changes to the main principles or conditions of the Award's international licensing arrangements.

### SENIOR LEADERSHIP TEAM:

- John May – Secretary General and CEO
- Stephen Peck – Deputy Secretary General and COO
- Ben Morris – Finance Director and Company Secretary (Retired 31 March 2022)
- Emma Morton – CFO and Company Secretary (appointed 1 June 2022)

The Foundation had an average of 45 (2021: 46) employees throughout the year. We seek to offer pay rates and a package of terms and conditions that will attract, retain and motivate high calibre staff. The Foundation seeks to maintain a median pay position, where pay is sufficiently in line with valid market comparators to enable the organisation to conduct effective recruitment, selection and retention. All positions are graded against a common objective set of factors and regularly tested against the market. All roles, except for the Senior Leadership Team, have a defined incremental scale.

In line with UK statutory reporting guidelines, we have analysed the gender pay of our UK payroll as at 5th April 2021. Our median gender pay gap as at 5 April 2021 was 12.5% (2020 26.5%), an improvement of 14.0 percentage points. Our mean gender pay gap as at 5 April 2021 was 31.2% (2020 29.2%), a decline of 2.0 percentage points. Our UK payroll gender pay quartile distribution was:

	2022 Female	2022 Male	2021 Female	2021 Male
Lower	89	11	82	18
Lower middle	67	33	82	18
Upper middle	89	11	82	18
Upper	56	44	55	45



## **MANAGING RESPONSIBLY (CONTINUED)**

There is a significantly higher number of females in the Foundation than males, and a higher relative proportion of males in senior roles than females. This is the primary reason for the current gender pay gap between male and female employees. The Foundation works to employ staff against a fair and transparent pay grading structure which is competitive with local labour markets. A key challenge for the coming years will be to have a more balanced representation of genders at all levels of the organisation, whilst also retaining the current staff team.

The Foundation is, by its nature, an international organisation, with roles based in different locations around the world. All roles which are not based in the UK will be subject to the same principles and structures in relation to pay and grading as those in the UK. However, there will be regional variations and national differences in the actual pay and terms to ensure that they are relevant to the local environment medians.

The Award Operators work with Foundation staff as well as employing their own people to operate the Award. In the delivery of the Award to young people, over 184,000 volunteers are engaged in various capacities by the bodies to which the Award is licensed.

The Foundation carries out quality assurance tests on the National Award Operators and Independent Award Centres but is not responsible for their employees or for the volunteers.

### **EMPLOYEE INVOLVEMENT AND EMPLOYMENT OF PEOPLE WITH DISABILITIES**

The Foundation has in place human resource policies and procedures to encourage employee involvement and ensure compliance with best practice. Employees are consulted on mutual issues of concern by means of regular staff meetings and are kept informed directly on specific matters by management. During the year the Foundation undertook a staff survey. All staff were invited to participate in the survey and the findings have been shared with them. The Foundation's management team are addressing the key points identified in the survey. Specific attention has been paid to staff mental wellbeing during the COVID crisis.

In accordance with the Foundation's equal opportunities policy, we operate fair employment practices in the recruitment, selection, retention and training of staff with disabilities.

### **FUNDRAISING GOVERNANCE**

In accordance with the Charities Act 2016, we confirm that all solicitations are managed internally, without involvement of commercial participators or external professional fundraisers, or third parties. Such amounts receivable are presented in our financial statements as 'donations and legacies'. The day-to-day management of all income generation is delegated to the Senior Management Team, which is accountable to the Board of Trustees. We have received no complaints in relation to fundraising activities.

The Foundation adheres to all relevant Institute of Fundraising guidance as well as the Fundraising Regulator's code of fundraising practice, including the "Treating Donors Fairly" guidance. Our fundraisers clearly understand the standards we expect when representing us and when speaking to members of the public on our behalf. We take our supporters' requests and the protection of their personal data very seriously. All of our supporters can choose to opt out of our communications at any time, and we never share or sell their data, in line with GDPR.

## MANAGING RESPONSIBLY (CONTINUED)

### MANAGING RISK

The Foundation and its Board of Trustees are committed to ensuring the safe, sustainable running of the Award around the world. In order to support their review, and the charity's management of risk, there is a comprehensive risk register and risk management process in place. The risk register is regularly reviewed and updated by the Senior Leadership Team, and is regularly reviewed by the Finance, Audit and Property Committee and annually by the Full Trustee Board.

The charity categorises the risks they face into three main areas: structural, strategic and operational risks. The likelihood and impact of the risks are continually reviewed, along with how they are managed and mitigated. The following key risks have been identified as part of their risk management process:

Highest Scoring Risks	Mitigations
A failure to take all reasonable measures to protect individual participants, volunteers or staff resulting in significant harm to individuals and erosion of trust.	<ul style="list-style-type: none"> <li>Regular review and monitoring of our policies and procedures for safeguarding young people and vulnerable adults</li> <li>Continue to ensure clarity of responsibility, under the licence, of Award Operators and individual units to undertake due diligence and ongoing training when selecting organisations and individuals with whom to partner on Award activity</li> <li>Insistence on appropriate Operator vetting procedures to national standards and compliance with national guidelines for the protection of children, young people and vulnerable adults</li> <li>Regular communication of whistleblowing procedures which include a responsible Trustee</li> <li>Ensure incident management processes and emergency plans are robust and regularly reviewed</li> <li>Regular review and communication of the Code of Conduct with regard to safeguarding so that individuals are clear what it is expected of them.</li> </ul>
Financial resourcing shortfall from loss of income due to over reliance on key individuals, inadequate donor due diligence, donor's interest or ability to support declines.	<ul style="list-style-type: none"> <li>Development and diversification of our income plans so that less reliance is placed on income from key individuals.</li> <li>Further development of income from non-fundraising sources</li> <li>Continue development of our donor and events programme so that they remain relevant to our donors</li> <li>Continued improvement of income-related systems, processes and reporting so that we develop a better knowledge of all sources of income</li> <li>Appropriate reserves policy</li> <li>Trustee approved annual budget and medium-term financial plans</li> </ul>

<p>The risk arising from association with the wrong people and/or that these people may want to use the brand/ trademark in a way that is damaging to us as an organisation</p>	<ul style="list-style-type: none"> <li>• All necessary policies, procedures and manuals exist, are complied with and are regularly reviewed/updated. This includes event risk reviews, donor due diligence, safeguarding, HR, finance, whistleblowing, licensing and related party transactions</li> <li>• Proactive promotion of equality and diversity in all that we do</li> <li>• High quality Operator account management and licence reviews</li> <li>• Partnership agreements and non-operational licences that are authorised in line with agreed policies and procedures and regularly reviewed</li> <li>• Clear pre-release policies and procedures for all communications material and published documents</li> <li>• Clear intellectual property and trademark policies and process</li> </ul>
<p>Failures in digital security resulting in data breaches causing significant detriment to our reputation, substantial fines or significant business interruption from the loss of personal or business-critical data.</p>	<ul style="list-style-type: none"> <li>• Fully tested business continuity plans and regular system back-ups</li> <li>• Increased staff awareness re digital risks</li> <li>• Firewalls and password controls</li> <li>• Compliance with data legislation</li> <li>• Ensure appropriate cyber insurance is in place</li> <li>• Contracts in place for supplier support and cloud-based hosting</li> </ul>
<p>Losses of income resulting from lower participation rates and resultant lower interest from donors and late cancellation of events from the prolonged impact of the pandemic.</p>	<ul style="list-style-type: none"> <li>• Working closely with Operators to show creativity and flexibility in how the Award can be delivered within parameters, whilst preserving the integrity of the Award.</li> <li>• Deployment of Virtual events and increased touch points with Donors through clever PR.</li> <li>• Careful planning and commitment scheduling for major events.</li> </ul>
<p>Operators are unable to retain and/or recruit volunteers, leaders and staff of high standard.</p>	<ul style="list-style-type: none"> <li>• Strategic plan identifies numbers of volunteers required to meet future participant needs enabling planning for recruitment</li> <li>• In association with operators develop communications programme (inc #worldready) to maximise their profiles and thus encourage volunteers to come forward</li> <li>• Improved support and development of Operator staff/volunteers via training platforms</li> <li>• Utilise satisfaction surveys and respond to issues raised</li> <li>• Work with NAOs to identify appropriate plans</li> <li>• Increased use of virtual training course for new operators</li> </ul>

## **MANAGING RESPONSIBLY (CONTINUED)**

### **SOCIAL RESPONSIBILITY**

The Foundation is committed to social responsibility. As part of this, the Foundation seeks to integrate social and environmental concerns in its business strategy and operations, via seven key areas:

1. Employees: Ensuring a workplace that encourages development, enables free communication and provides a positive work-life balance
2. Environment: Constantly, actively seeking ways to reduce our environmental impact
3. Investment: Ensuring our investments are directed towards socially responsible options.
4. Constituents: Being open, responsive and aware of our global Award family
5. Resources: Maximising resources to ensure funds can be directed to the driving the Access, Reach and Impact of the Award around the world
6. Community: Operating regionally and locally; constantly working to develop strong ties in local communities around the world
7. Suppliers: Working towards an ethical purchasing policy, which includes a focus on sustainable, Fair-Trade products wherever possible.

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## Statement of Trustees' responsibilities

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The Trustees (who are, for the purposes of company law, also directors of The Duke of Edinburgh's International Award Foundation) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period.

In preparing these financial statements, the Trustees are required to:

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

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

Financial statements are published on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the charity's website is the responsibility of the trustees. The trustees' responsibility also extends to the ongoing integrity of the financial statements contained therein.

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## Thank you

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Thank you for taking the time to learn about and reflect on the work of our organisation over the past year.

I personally never stop being inspired by the dedication, determination and persistence of all who relentlessly and passionately guide Award participants on their journey of self-discovery, adventure and personal development. They understand there is space for both success and failure, for tears and for joy, but there is little space for complacency and self-interest. Our future will be in the hands of the generations to come.

As a longstanding supporter and volunteer, I am proud to be investing in the next generation of young people as they develop the universal skills needed – such as confidence, resilience, adaptability and problem solving – which can help them to tackle the challenges of today's world.

Our future is bright. You will understand what I mean when you meet Award participants and Award holders. As Honorary Chair of the World Fellowship, I would like to thank all our volunteers, donors and supporters for their generous support of The Duke of Edinburgh's International Award.

**Jiri Zrust**

**Honorary Chairman of The Duke of Edinburgh's International Award World Fellowship**

We are very grateful to all our loyal supporters.

**Philanthropists, corporate partners and those who have committed their support through the World Fellowship, Special Projects and Founder's Fund**

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## **THE DUKE OF EDINBURGH'S INTERNATIONAL AWARD – REFERENCE AND ADMINISTRATIVE DETAILS**

Chairman: HRH The Earl of Wessex and Forfar KG GCVO

*Registered charity in England and Wales number: 1072453*

*Company limited by guarantee number: 3666389*

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