



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 2018

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Trustees' annual report, including the strategic report

Our vision, long term ambition, challenge and values

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

Our long term ambition is that every eligible young person will have the opportunity to participate in the Award.

Our challenge is to grow the provision so the Award is available to as many young people as possible.

Our values in terms of operating, delivering and enabling the Award worldwide are to be ***empowering, progressive, diverse and connected.***

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 2018. 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 financial statements 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 also with regard to Charity Commission guidance on public benefit.

Chair's Introduction

Our key anniversary this year was 30 years since the creation of the World Fellowship. This is our primary source of annual funding through a considerable number of individual donors from all over the world who share the values and ambitions of the Duke of Edinburgh's International Award. Over those 30 years the story of how the World Fellowship has had to adapt to changing circumstances would be familiar to many a charitable trustee, finance director or investment manager. What started out in the late 1980s as a capital fundraiser contributing to an endowment fund has now become an annual revenue generator with the endowment fund converting into a special reserve and development fund.

We have been extraordinarily lucky to have retained many a good friend and supporter as well as to continually attract new friends over those years. The strength of those friendships was proved by the exceptional turn-out for our Anniversary Dinner at Windsor Castle. As a charity, we would be unable to do much of what we do and achieve for young people without the extraordinary support we receive from our donors. Our Global Benefactor, Margaret (Maggie) Fountain, has once again proved to be a tremendous ambassador of our work and has led our fundraising efforts by example. Our two new recognition levels of donor: Diamond Benefactor to mark the 60th anniversary and Pearl Champion to mark our 30th anniversaries continue to attract significant donors to our cause. My fellow Trustees and I continue to be truly grateful to Maggie and all our donors for their exceptional contribution to both the Foundation and many of our National Award Operators. We are indebted to them.

It would seem that on the face of it our results this year might be considered disappointing. The bare statistical and financial figures certainly don't reflect the amount that has been achieved by both the Foundation and our Award Operators. Our statistics, in terms of participants, Awards started and Awards achieved, might indicate very little growth compared with previous years and yet the underlying story is very different. The overall results reflect a number of factors, most especially changes to definitions which should produce more consistent and reliable statistical returns. Our financial results also hide a huge amount of investment and achievement. Our fundraising income increased again this year, but not quite to the anticipated target. Meanwhile a planned delay in the roll-out of our new version of the Online Record Book with the associated additional hosting and data migration costs was the single biggest factor in our expenditure exceeding its budget.

However, all our Foundation teams: Resourcing, Operating and Communications have been working on and delivering a myriad of projects in order to support our Award Operators and delivery partners in the field. These are mentioned in quite some detail through this Annual Report such as, the starting-up of the Award in Bahrain, the re-establishment of the Award in the USA and Indonesia, and the development of the Award in China; the on-going licence reviews and quality assurance work with the resulting improvement plans and work on more sustainable business models; the updating and growing adoption of our digital tools; the development of our research agenda and the trials of our social value model; the reform of our grant aid; the innovations in our communications; strengthening our governance to name but a few.

Perhaps the biggest piece of work was the preparation and publication of our new Global Strategy. This follows on from a strategy which the Foundation produced in 2014, but which the International Award Association felt should be more encompassing. After some considerable consultation, kicked-off at the Association's Forum in Toronto in 2015, we have produced a strategy which really tries to identify the three key areas where each Award Operator can set their own priorities and aims to achieve real change and improvement: Access, Reach and Impact. This ties in neatly with the work we've been doing to reform International Special Projects, our grant aid scheme, so that development work and effort is more strategic, sustainable and harmonious. I'm sure I'm not alone in experiencing grant schemes that in the end force us to do something that appears to help our charity, but is really just diverting resources into a vanity project. We

sincerely hope that our re-designed grant aid scheme will prove to be a source of genuine assistance for Award Operators with clear strategic intent and ambitions.

The Foundation's key task is to support and empower our Award Operators and delivery partners. It is through their efforts that we are able to reach young people around the world. Collaboration and a sense of common purpose is vital as well as a willingness on both sides to listen, learn, adapt and innovate. The Foundation currently licences more than 400 Award Operators in 130 countries and territories; they come in all shapes and sizes, working under very different circumstances and at different stages of development with a varying scale of both human and financial resources. However, it is only by their successes that the Foundation can take any credit or pride in our collective achievements, and I know that the Foundation's staff team and Trustees are immensely grateful for all that the staff and volunteers of our Award Operators do on a daily basis.

Of course, our collective task is to help and encourage young people to start and complete their Award journeys. The values, skills and experiences these young people gain through participation can only happen with the support of hundreds of thousands of committed volunteer adults who empower these young people, backed up by the staff in Award Operators worldwide. These young people come to us because they want to have fun and to take part in activities that they want to do with other young people. They may come to realise, in time, that they have become better citizens or have made a positive impact in their community or are more confident, resilient and able, but the credit must go to those who brought the Award to more than 1.3 million participants this year and helped them to find their passion, purpose and place in the world.

Looking forward, the Association will gather in Accra, the capital of Ghana, for the next Forum in late 2018. Next year will also mark the 30th anniversary of the Association and we're planning a few activities to celebrate this milestone and bring the Association a little closer together. This should also mark the culmination of the major evolution initiated in 2012 by the adoption of the new brand and business model. With the new tools and frameworks in place, we can now focus on executing our Global Strategy, empowering young people and striving towards our ambition. The notion that non-formal education has a valid place in helping young people prepare themselves for life and work is becoming more widely accepted. As a leading proponent of the value of non-formal education, the Award is ready for the challenges ahead.

Finally, on behalf of the entire Award family, I want to express our best wishes to our Founder and trust that he is truly heartened by the continuing success of his Award. What I hope is abundantly clear from this year's report is that it is as relevant today as when HRH The Duke of Edinburgh launched the Award in Great Britain back in 1956. The Award is being more widely used by those who care about the next generation, it is better recognised by employers and demand from young people continues to exceed our best endeavours.

His Royal Highness The Prince Edward, Earl of Wessex KG, GCVO

Chair of Trustees

Overview

The Duke of Edinburgh's International Award is the world's leading achievement award for young people. It brings together practical experiences and life skills to create committed citizens of the world. Over the years the Award's framework has become recognised as a global standard in non-formal education, providing a structure for young people to develop valuable personal skills, experiences and resilience outside of the classroom as well as recognising those achievements.

The Duke of Edinburgh's International Award Foundation enables, develops and manages the Award through a social franchise. The Foundation currently licences around 440 Award Operators who range from national deliverers to single centres - such as international schools - who in turn oversee a network of partner operators as well more than 180,000 volunteers, supporting in excess of a million young people in 130 countries and territories to participate.

These Award Operators and their related volunteers, partners, participants, Award achievers as well as financial supporters collectively form **the Duke of Edinburgh's International Award Association**. For all the Award Operators, the Association provides a means to encourage mutual cooperation, share responsibility for development and foster collective ownership in the Award's brand. Between the validation of Award Operators' licences and engagement through Association meetings, the Foundation can:

- fulfil its charitable purpose (to advance the adoption and effective administration of the Award for the development of character, good citizenship and education of young people worldwide)
- assure everyone on striving to meet the same levels of quality
- ensure reciprocity (participants can move country and yet continue seamlessly)
- fulfil its governance responsibility of ensuring regular consultation with all constituents
- live up to the values of being empowering, progressive, diverse and connected.

A key benefit of the social franchise is that local Award Operators ensure the choice, style and manner in which activities are offered to young people is culturally sensitive and relevant to each young person involved. Another benefit is that it allows the same Award framework to be offered through many different organisations and agencies, not just schools. So you will find young people participating in the Award in locations ranging from schools, youth centres and sports clubs, to slums, favelas, correctional facilities and schools for the visually impaired and other special needs groups.

Developing young people

The Award transforms individuals, communities and societies around the world, helping young people to dream big, challenge themselves and step outside their comfort zone. It allows their achievements to be recognised consistently worldwide through a unique, international accreditation.

The Award is:

- open to all young people aged 14-24, regardless of their background and circumstances
- about personal development and individual challenge: it is a non-competitive, enjoyable, voluntary and balanced programme, which requires sustained effort over time
- a non-formal educational framework which can complement formal education or offer a substitute where formal opportunities are not available
- comprised of three levels: Bronze, Silver and Gold – each progressively more challenging
- more than just about Adventurous Journeys or expeditions, it requires young people to choose a form of Voluntary Service, a Skill, Physical Recreation and at Gold level, a Residential Gold Project

The Award provides a **tried and tested** non-formal education framework, which can be delivered in any country and any context. It encourages young people to create their own unique programme of activity, which focuses on developing transferable skills, increasing their fitness levels, cultivating a sense of adventure and volunteering in their community. It's a ready-made structure for any adult who wants to help young people develop, find their purpose, passion and place in the world. This can range from youth workers and teachers to policy-makers and donors.

For many young people **experiential learning** provides the opportunity to discover talents that don't show up in the classroom. The Award is a way to recognise those efforts and activities outside the classroom which can be just as important as academic results. Sharing those experiences can be a powerful source of dialogue and bonding between both young people and adults from different backgrounds and cultures.

For at risk and marginalised young people, the effects can be truly **transformational** – providing opportunities, through genuinely life-changing experiences, to break cycles of deprivation and low self-esteem. Young people gain the confidence, resilience, skills, behaviours and attitudes needed for a whole new life. By changing their own circumstances they can affect their outlook and become positive contributors to society.

The Award is increasingly **recognised by employers** as a valuable and worthwhile qualification. Award achievers can show that they have developed critical thinking, leadership and teamwork abilities, communication, confidence, resilience, self-discipline and responsibility; exactly the sorts of skills and attributes needed to be ready for the world of work today. Since the Award is a consistent mark of achievement worldwide the value to both achievers and employers transcends national boundaries.

Research Agenda: The Award's Outcomes, Impact and Social Value

We continue to seek more effective ways of proving the efficacy of the Award through empirical research and evaluation with the help and cooperation of Award Operators.

Initially we defined a set of key Award Outcomes (short-term effects on individuals) and Award Impacts (long-term effects on individuals and communities) which we measure through quantitative and qualitative research. We have now embarked on developing a method of combining these two sets of definitions and measures, with the aim of representing the positive changes in monetary terms. Our intention is to help donors, institutions and government departments to better understand the contribution the Award makes to society and the economy. The key to the success of this work is to design a methodology for calculating this social value which not only works across the world, but also adapts to different contexts so that we can truly recognise the impact experienced by young people in varied circumstances, especially those who are at risk and marginalised.

We are confident that such evidence will help persuade more donors, institutions and governments to contribute to the development of new cohorts of empowered, forward thinking young people.

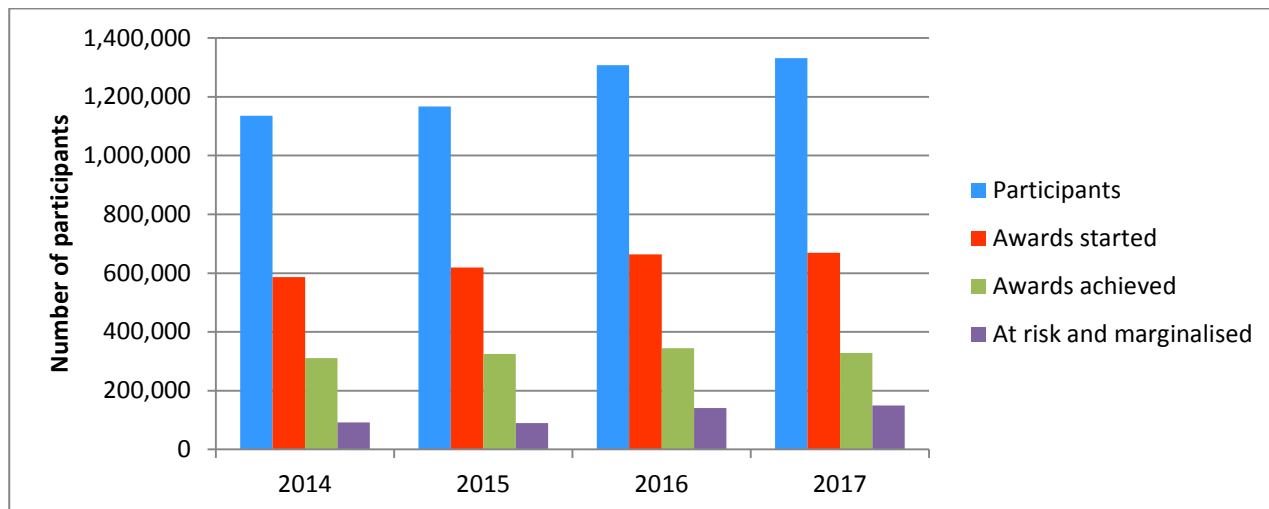
Our aims, strategy and 2017/18 objectives

Our aims

In early 2014 the Trustees embarked on a transformational strategy with the intention that by 2020 we would have:

- increased the number of young people starting an Award to 750,000 each year
- increased the number of Awards gained to 500,000 each year
- engaged with more at risk and marginalised young people (20% of participants).

The Award continues to grow, with increases in the year to 31 December 2017 in the number of Award participants and Awards started. The number of Awards achieved has declined very slightly, in competition with a very strong 2016 result:



		2017	2016	% growth	
Awards started	Bronze	416,760	408,130	2%	
	Silver	176,095	186,461	-6%	
	Gold	76,560	68,872	11%	
	Total	669,415	663,463	1%	
Awards achieved	Bronze	211,213	210,438	0%	
	Silver	86,177	98,126	-12%	
	Gold	31,160	36,245	-14%	
	Total	328,550	344,809	-5%	
Awards achieved		2017	%	2016	%
	Male	152,393	47%	164,850	48%
	Female	170,223	53%	179,959	52%
		322,616		344,809	
	Gender withheld	5,934		N/A	
	328,550		344,809		
At risk and marginalised participants		150,002		140,297	

What the chart and table don't show, however, are the successes and challenges some Award Operators experienced, which impacted on the results this year:

- South Africa introduced a more accurate system for reporting and collecting data, resulting in improved numbers of Award participants, Awards started and Awards achieved
- Malaysia reduced marketing and promotion activity due to budget constraints, resulting in a near 50% reduction in Awards started and Awards achieved
- Cote D'Ivoire launched a new strategy resulting in significantly more Awards started, particularly Bronze.

The number of Award participants is an estimate of the number of young people currently striving to achieve their Award, so it includes those who have taken more than a year between starting and achieving. The 2% increase to 1,331,730 in the current year reflects a combination of real growth, a revised definition of Award participants agreed by the International Council 2017 and more reliable recording by Award Operators. The wider adoption of the Online Record Book is also helping to improve the accuracy of data collection and reporting.

For the first time participants were able to choose to withhold information on their gender. Of those participants that stated their gender, the percentage of females gaining an Award was 53% and males 47%. This is broadly the same as the previous year.

The total number of Award participants from at risk and marginalised backgrounds increased by 9,705 to 150,002, which is 11% of total participants. This is still a relatively new measurement and evolving from a previous definition.

By at risk and marginalised we mean:

At risk: those young people whose circumstances mean they are vulnerable to negative influences or consequences and who, through the Award, can reduce many if not all the risks and permanently change their circumstances for the better.

Marginalised: those young people experiencing isolation from society either physically or psychologically and who, through the Award, can feel included and become positive contributors to mainstream society.

Our strategy

In April 2018 the Trustees published '[A Global Strategy for The Duke of Edinburgh's International Award, 2018 - 2023](#)'.

This affirmed our shared long-term ambition that every eligible young person will have the opportunity to participate in the Award.

The Global Strategy builds on the Foundation's 2014 – 2020 strategy and sets out a broader picture of the Association's challenges and opportunities from a global perspective and outlines some exciting, ambitious, but achievable priorities for the coming years.

The strategy was developed through extensive consultation with Award Operators, supporters and other constituents of the Association. Whilst it recognises that Award Operators will have to devise solutions appropriate to their market and circumstances, it proposes a number of ways in which the Association can work together, to help drive the Award towards its ambition of access for all 14-24 year olds.

The Global Strategy identifies three areas where actions can be taken to achieve the ambition:

- Improving **Access** for new and diverse groups of young people. Award Operators are encouraged to think consciously about how easy it is for young people to access the Award, to determine target groups to whom they ought to be appealing and to address practical or perceived barriers to entry and completion. Once identified, to implement strategic initiatives that engage these diverse groups
- Increasing the societal and geographic **Reach** of the Award. This can be enabling new Award Operators to start or encouraging existing ones to consider carefully if they have the people, the tools and the partners to manage higher numbers of young people, from a wider diversity of

backgrounds and locations, participating on a regular basis. Once priorities have been determined, to implement strategic initiatives to address the issues

- Improving the **Impact** and quality of delivery. Growth should not be at the expense of a quality experience for participants or indeed for volunteers. This can be about identifying and implementing the necessary actions that improve the training and development of volunteers and delivery partners; surveys or research to inform and improve operations; effective communications with participants, funders and influencers.

The success of the Global Strategy will ultimately be defined at a local level and by participants themselves; however certain indicators are believed to show how we are progressing as a collective. These include:

- More Operators who have an appropriate balance between numbers of new entrants, completions and those from ‘at risk or marginalised’ backgrounds
- Greater growth and progression through to the highest levels of the Award from a more diverse group of participants
- Improved recognition by others of the value and power of the Award to help young people
- The Award being seen as a valuable tool by government and civil society in supporting young people’s development.

Our 2017/18 objectives

One of the key roles of the Foundation is to provide assistance to all our licensed Operators through our three specialist teams:

- **Resourcing** – generate and develop human, financial and technical resources to meet and sustain the charity’s mission, vision and ambition
- **Operating** – provide support, advice and assistance to prospective and current Award Operators to enable them to start, flourish and improve the quality of delivery and participation
- **Communicating** – develop, maintain, refresh, modernise and provide suitable content for our communications media with Award Operators and wider audiences.

The Foundation’s annual work plan for 2017/18 identified a number of objectives which align and support the achievement of the Foundation’s 2014 – 2020 strategy and the Global Strategy 2018 –2023. Progress is regularly reviewed by the Trustees with remedial actions and revisions agreed where necessary. The objectives are grouped into three principal areas of activity: Resourcing, Operating and Communicating.

The colour coding indicates the level of success in achieving these objectives during 2017/18. Green suggests that we have fully achieved what we set out to do; amber shows that there is still further work to do. Further detail follows in the section below.

Resourcing	
Celebrate the 30th anniversary of the World Fellowship	Amber
Release the redesigned Special Projects grant application and reporting process	Green
Roll-out the next iteration of the Online Record Book and increase the number of Award Operators using it	Amber

Re-develop parts of the Online Learning Hub into a library of resources and supportive virtual learning environment – and ultimately, a digital hub for the global Award family to convene, learn and share best practice	
Operating	
Further develop the Award in Bahrain, China, Indonesia and the USA	
Provide targeted assistance to National Award Operators in developing and delivering their strategies and improvement plans	
Refine the global training framework for Independent Award Centres (as a precursor to wider use)	
Successfully deliver the International Gold Event & International Council 2017	
Finalise the Global Award Strategy 2018 – 2023	
Communicating	
Publishing the initial results of the Award’s Outcomes research and developing the tools to access, measure and communicate the social value of the Award	

Resourcing

The Foundation works to secure the financial resources that fund our core work, our project development and regular operations. These resources enable us to support specific targeted communities undertaking the Award worldwide through our Special Projects, to ensure we have skilled and capable teams and that our Operators have the appropriate support, infrastructure and delivery capability.

In 2017/18, our objectives were to:

- Celebrate the 30th anniversary of the World Fellowship
- Release the redesigned Special Projects grant application and reporting process
- Roll-out the next iteration of the Online Record Book and increase the number of Award Operators using it
- Re-develop parts of the Online Learning Hub into a library of resources and supportive virtual learning environment – and ultimately, a digital hub for the global Award family to convene, learn and share best practice.

How we did during 2017/18

Resourcing accounts for 87% (2017: 84%) of our income and 47% (2017: 50%) of our expenditure. We achieved a 9% (2017: 27%) increase in income, having set an ambitious fundraising target. Our donations from individuals and companies were our most significant income improvements on the previous year. Resourcing expenditure remained stable with increased investment in fundraising and digital tools development offset by Online Record Book third party support and hosting savings and reduced grant aid.

We are enormously grateful to all our donors and supporters, especially those who have responded so encouragingly and generously as the demands for the Award around the world and the services of the Foundation continue to grow. We are also delighted to have welcomed new supporters to the Foundation’s

family, each of whom brings fresh insights and introductions to their network, which in turn helps us to expand the reach of the Award.

Global and Diamond Benefactors

Our Global Benefactor, Ms Margaret Fountain, completed the fifth year of her six-year commitment. Her generosity and commitment is more than just financial and we are immensely grateful for the many different ways in which Maggie supports, encourages and represents the Award wherever she travels throughout the world. It is not just the Foundation which benefits from this invaluable engagement of our Global Benefactor, but also the wider Award Family.

We continued to receive generous support from our three Diamond Benefactors; Mr James Dicke II, Dr Johnny Hon MH and Mr Muhoho Kenyatta. Each Diamond Benefactor has been working closely with our regional and country teams to expand the Award's activities in the USA, Asia and Africa respectively, sharing their professional expertise and insight as well as promoting the Award, wherever possible.

Three Anniversaries

This was the second of three key anniversaries over three years – 60th Anniversary of the Award (2016), 30th Anniversary of the World Fellowship (2017) and 30th Anniversary of the International Award Association (2018). To mark the anniversaries we have been recruiting a number of Pearl Champions (pearl being the stone associated with 30) and have held a series of events entitled “30 – 4 – 30” to help generate the awareness and necessary support to enable a step change in the numbers and diversity of young people able to participate in the Award. So far we have successfully recruited eight Pearl Champions and held four events. However we suffered a few setbacks with the recruitment of some prospective Pearl Champions, with three new Pearl Champions recruited in the year compared with a target of six, resulting in us not meeting our financial target.

Preparatory work commenced for the third anniversary and in January our Chairman began his 2018 Tennis Odyssey – an attempt to play every Real or Royal Tennis Court in the world, as part of a programme of activity to raise awareness and support for the Award globally.

World Fellowship and Corporate Partnership

The World Fellowship is a global network of influential individuals, drawn from over 40 countries, who are financially and personally committed to The Duke of Edinburgh's International Award Foundation. There are over 350 supporters in the World Fellowship around the world, who play a vital part in helping more young people to benefit from participating in the Award, particularly those considered to be marginalised or at risk in society. This year 68% of our donations from philanthropists were contributed through the World Fellowship.

In this, the thirtieth year of the World Fellowship, we welcomed 10 new World Fellows and seven new Young Fellows. This year's anniversary dinner, held at Windsor Castle, was our most successful to date. Generously supported financially by Mr Patrick Curran, our World Fellows responded enthusiastically. They also supported a number of other events during the year. We have also formed a three-year partnership with the Halcyon Gallery with whom we have enjoyed a long relationship.

During 2017/18 we have been reviewing the structure of the World Fellowship functions to ensure that it meets the aspirations of donors as well as to serve the needs of the charity better going forward, in particular a more engaging programme of events.

Events Programme

This year's events served to generate income, raise awareness, steward our existing philanthropists and engage new audiences. The highlights included a gala dinner at the Wallace Collection and a reception for donors at Westminster Abbey. Overall our events and associated fundraising activities contributed £457,000 (2017: £493,000) of unrestricted income and provided many opportunities to engender future support. We continue to review and refine the calendar of events.

Grant Aid

The International Special Projects Fund was established in 1999 to encourage and enable Award Operators to be more ambitious, especially when engaging with harder to reach communities and young people such as those who are at risk or marginalised. After a lengthy review and benchmarking against current practice by other grant funders, the Special Projects Fund has been re-designed and its work expanded. The key changes are:

- three dedicated funds to support the key areas of strategic improvement: Access, Reach and Impact
- an Advisory Committee for each giving donors the chance to witness the whole process from application to project completion
- an expanded budget and funding target to allow for more ambitious projects
- redesigned application and reporting process
- twice yearly grant approval and report meetings.

As ever, we are enormously grateful to our exceedingly generous supporters who fund these grants. TRH the Earl and Countess of Wessex hosted the annual Special Projects dinner in November 2017 at Bagshot Park. The dinner and other donations generated £298,000 (2017: £314,000) in the year.

During the transition from the old application process to the new there were no new projects funded. Although during 2017/18 £127,000 (2017: £330,000) was paid out in grants to ongoing projects and other expenditure.

Supporting National Award Operators

World Fellows can opt to direct up to 50% of their donation to a National Award Operator of their choice rather than to the Foundation. This revenue-share approach resulted in £652,000 (2017: £679,000) being raised for National Award Operators, to promote and deliver the Award within their own countries.

The Royal Bank of Canada continues its very generous annual commitment of C\$200,000, which is helping to support Award Operators in the United Kingdom, United States and Canada.

The Foundation continues to support National Award Operators in developing their own funding models.

Digital Tools

The Foundation's digital strategy is to support the development, integration and delivery of our digital tools. These tools enable us to support Award Leaders, National Award Operators, Independent Award Centres, Foundation staff, the young people taking part in their Award and our supporters. In addition to our Brand Centre and website there are three key digital tools:

- the **Online Record Book**, which enables Award participants worldwide to register, record their progress, upload evidence and have their Awards signed off. It also enables volunteers and staff to better manage and deliver the young people's Awards and obtain key performance and statistical data

- the **Online Learning Hub**, which enables volunteers and staff to undertake online Award training, communicate with one another digitally and share best practice
- **Salesforce**, which enables Foundation staff to manage the business processes and stakeholder relationships.

Online Record Book

This year we began to roll out the next iteration of the Online Record Book, designed primarily as a mobile application (app). This iteration is simpler, more flexible and hopefully more intuitive; it should also make data analysis and statistical reporting more efficient. Conscious of the vagaries of communication networks and access to mobile phones, it is capable of working offline and there is a web interface.

The overall project expenditure of £884,000 over two years exceeded the budget by £149,000. The planned launch was delayed by a few months to incorporate additional functionality and manage a request about the timing of data migration, although this had a financial implication which turned out to be higher than anticipated. However, ongoing support and hosting costs are significantly less than the former system. There were some ‘teething troubles’ but these have been resolved quickly and user feedback has generally been very positive.

Our primary objective is to make sure as many Award Operators as possible can and will use the Online Record Book. To this end, Trustees agreed that the first year of use will be free and the International Council 2017 endorsed a user licence charging model for recovering only essential running and support costs.

Online Learning Hub

The re-development of the Online Learning Hub (OLH) continued during 2017/18 with a new, easier to use home page and content navigation. New and updated content continue to be added to the guidance and training courses, including a module on using the new Online Record Book.

The OLH has become our main tool for communicating, messaging and circulating documents. As part of a programme to develop and improve our support for Award Operators, volunteers and staff entitled “*Supporting Adults in the Award*” we are tendering for a new content management system to further improve functionality and create an all-encompassing global digital hub for the future.

Salesforce

The use of Salesforce, a commercial customer relationship management system, now forms part of our staff working practices, including a contacts database and internal communications tool. Progress on further developments has been slower than planned with revised business processes due to be implemented during 2018/19.

Operating

Our operating activities include – amongst other things - providing support for and growing the number of National Award Operators and Independent Award Centres, supporting the development of the Award worldwide and using our Special Project funds to improve access to the Award, particularly among at risk and marginalised young people.

Our objectives for 2017/18 were to:

- further develop the Award in Bahrain, China, Indonesia and the USA

- provide targeted assistance to National Award Operators in developing and delivering their strategies and improvement plans
- carry out validations for Belize, Brazil, Grenada, Sierra Leone, Sri Lanka and Turks & Caicos
- continue to undertake licence reviews of all Award Centres on a triennial basis
- refine the global training framework for Independent Award Centres (as a precursor to wider use)
- successfully deliver the International Gold Event & International Council 2017
- finalise the Global Award Strategy 2018–2023.

How we did during 2017/18

Operating accounted for 13% (2017: 16%) of our income and 41% (2017: 40%) of our expenditure. Income fell by 3% largely due to National Award Operators not being charged for the first year's use of the Online Record Book. As at 31 March 2018 there were 441 directly licensed Award Operators; 69 National Award Operators and 372 Independent Award Centres. There was a small increase in spend on the development and re-establishment of the Award in the USA, Indonesia, Bahrain and China. We also supported Award Operators implementing their own improvement and growth plans, as well as the Czechia and Slovak Awards, who hosted a very successful International Gold Event and International Council in October 2017. We finalised 'A Global Strategy for The Duke of Edinburgh's International Award, 2018 – 2023' and published it in April 2018.

National Award Operators (development and re-establishment)

A preliminary agreement was signed in May 2017 with The Ministry of Youth and Sports Affairs in **Bahrain** as a potential National Award Operator. We have been supporting the initial set up, business plan development, training delivery and identification of suitable pilot units.

In November 2017 the Trustees agreed to look at establishing a National Award Operator in **China**. As at March 2018 there were 67 Independent Award Centres, mostly international schools, in 14 provinces, but the education sector is changing fast and we risk losing control of the management of licences and quality. We have secured generous support for the future development of the Award in China from Mr Daniel Chiu and are determining the most appropriate legal entity and governance set up.

There has been considerable interest in the re-establishment of the Award in **Indonesia**. We've licensed two delivery partners who already have 1,020 participants and 50 Award leaders. One of the partners has plans to expand to five more cities. The British Embassy kindly hosted a meeting with representatives from 20 interested organisations. We are now moving ahead with establishing a legal entity which could form a National Award Operator.

As at 31st March 2018, **Award USA** had 17 Award units in 12 states with 46 more units in the pipeline, of which seven were in the process of signing their licence. All the organisations which ran pilots have continued. In December 2017 the Boy Scouts of America became a national partner. The first four companies were successfully recruited into the Charter for Business corporate engagement programme which should help provide sustainable funding for the Award in the USA. This is important as, during the year, the Foundation provided financial support to Award USA in the form of a social investment of £366,000 and a grant of £42,000.

Regional Operations

One of the tasks of our four Regional teams is to conduct licence validations and reviews, to ensure consistency of the Award's delivery and quality around the world. By March 2018 over 90% of National Award Operator validations had been completed with the remainder planned for 2018/19. The effort will now shift to reviewing licences on a triennial basis or validating new Award Operators. Both the licence review and quality assurance processes have been revised not only to provide Award Operators with greater clarity on any recommendations or requirements to be met, but also to ensure that a subsequent improvement plan is put in place. The Foundation's internal monitoring and compliance processes for tracking the outcomes from reviews have also been improved. We will continue to learn and adapt as required.

All four regions held very successful regional conferences during the second quarter of 2017/18 with good quality discussions and engagement from all. The main item for each of the conferences was the development of the Global Strategy 2018 – 2023 identifying and addressing key issues to do with growth, targets and engagement. Attendance was high with over 80% of National Award Operators represented by either or both of their National Director and Chair of their Board.

Africa

The Regional team have supported Benin, Cote d'Ivoire, Guinea, Madagascar and Togo to implement their improvement plans. Madagascar is seeking to identify suitable organisations to partner with in the future. Guinea has been experiencing delays due to changes to both their board and management team. Licence reviews were undertaken in Uganda and Nigeria. Senegal and Swaziland have had their licences withdrawn due to governance issues; in the case of Swaziland, South Africa has agreed to take over the support for Award units still running. Ghana has been working with both the Regional and Central teams as they prepare to host the Association's Forum in 2018. The President publicly stated his support for the Award and the Forum during his birthday speech to the nation on 29 March 2018.

Americas

The team have supported Operators in implementing their respective improvement plans with a communications workshop for all the Caribbean Award Operators held in the Bahamas. Barbados were supported in developing their annual operating plan, Jamaica in delivering Award Leader training and introducing sub-licensing to all uniform organisations and St Vincent and the Grenadines and Grenada in introducing digital tools. They also supported the harmonisation of a national fee structure and the roll out of licences across the divisions in Canada and in Trinidad and Tobago the retraining approximately 90 Award Leaders and the introduction of sub licensing and digital tools.

Asia Pacific

Generally, the Regional team have been working on progressing validation recommendations, the majority of which relate to governance issues and record keeping with the latter expected to be addressed when the new Online Record Book is used. More specifically, the team have been working with Bangladesh, India, Nepal and Sri Lanka to develop digital transition plans ahead of introducing the Online Record Book.

Following Singapore's decision to surrender their licence, the team have been working on transition arrangements and exploring potential partners with whom to assure continued delivery of the Award while a long term plan is determined. Japan has also decided to surrender their licence, but it is anticipated that the Foundation will be able to directly licence all existing units as Centres.

Europe, Mediterranean & Arab States

Activity has focused predominately around licence reviews. Eight Award Operators who completed their reviews are now considering how the Regional team can help them work towards reaching 1% of young people in their countries. For the other eleven Award Operators in the region, licence reviews are planned

to take place by the end of 2019. Twelve Award Operators are currently using the Online Record Book and most others have plans to transition the majority of their participants to online by September 2019.

Independent Award Centres

As at March 2018 there were 372 (2017: 345) licensed Independent Award Centres. This is an increase of 8% in the year with notable growth achieved in China (9) and the UAE (4). Across these Independent Award Centres, 4,346 (2017: 5,746) Awards were achieved and this year 14,560 (2017: 15,592) young people started their Award journeys. The variations in the number of Awards started and achieved are due to incomplete statistical returns from some Award Operators and the increased accuracy of the latest statistics compared with prior years. The majority of newly licensed Award Operators didn't commence until the end of the year so did not materially affect the statistics.

Since the Central Operations team have taken responsibility, 111 (30% of the total) Independent Award Centres had their licences reviewed by March 2018. We have continued to refine and develop our support, especially for volunteers, creating ways of working across all regions and eliminating historic inconsistencies that have arisen across the regions. This is improving the quality of Award delivery, satisfaction and interest.

The **United Arab Emirates** now has a locally-based, dedicated staff member to liaise with and support 56 Independent Award Centres as well as induct new ones. We are holding discussions at federal level to determine how the Award can be delivered universally across the country.

China also has a locally-based staff member who has experienced a growth from 58 to 67 Independent Award Centres. They are integral to developing a longer-term strategy and business plan for the Award in China.

Safeguarding

To complement our insistence on appropriate vetting to national standards and compliance with national guidelines for the protection of children, young people and vulnerable adults, we published a *Code of Conduct* to provide more positive guidance. All adult volunteers and employees of the Award, regardless of appointment or role, are expected to adhere to this *Code of Conduct* and treat it as a description of a minimum standard of behaviour, recognising that further standards may be required by their own national legislation or policies set by their National Award Operators or their own organisations.

To ensure the relevant individuals are aware of and provided with a copy of this *Code of Conduct* (or a locally developed equivalent), it will now be part of the induction of every adult in the Award, and every Award participant working with children, young people and vulnerable adults.

Operating Income

Fees paid by Award Operators for the Foundation's services decreased by 3% during 2017/18, with total income from charitable activities decreasing by 7% to £631,000 (2017: £682,000). This decrease was due to our decision not to charge National Award Operators for the first year's use of the Online Record Book, partly offset by growth of 28% in income from Operator licence fees.

Income from training events delivered to Award Operators reduced by 8%, reflecting a reduction in the number of events. These events included Award Leader training, Supervisor and Assessor training, Award management (specifically for Independent Award Centres) and Training for Trainers. The volunteers who deliver these events are members of Regional Support Groups which also provide positive continuing professional development and can act as a springboard for career development.

International Gold Event

The International Gold Event occurred in Prague, the Czech Republic, between the 25th and 30th October. 73 participants from 38 National Award Operators and Independent Award Centres gathered to analyse ten global topics within the context of the Czech Republic and develop a strategy for how the Award could be used to address each topic. The topics included corporate social responsibility, social and educational inclusion, start-ups and social entrepreneurship. To support their analysis the participants undertook field visits to a variety of local organisations and communities in the Czech Republic and Slovakia. They were also provided with training on leadership and decision making and given guidance on how this could be used to help implement their ideas and utilise their skills.

Communicating

Our communicating activity focuses on the engagement and empowerment of the Award's internal and external audiences. Its key priority is to ensure the Foundation and our Award Operators are equipped with suitable and relevant material to drive awareness and support the growth and development of the Award and to promote the importance of non-formal education. This includes managing the Award's brand and developing relevant collateral and content as well as driving our research to provide empirical evidence which demonstrates the Award's impact, outcomes and social value.

During 2017/18, we particularly focused on:

- Continuing to develop new ways to communicate with and support our Award Operators to further drive awareness, engagement and participation in the Award
- Supporting key Award initiatives, such as the International Gold Event 2017 and the launch of the next iteration of the Online Record Book
- Oversee usage of the Award's brand around the world, driving greater awareness and best practice
- Publishing the initial results of the Award's Outcomes research and updated Award's Impacts
- Developing the tools to assess, measure and communicate the social value of the Award.

How we did during 2017/18

Communicating accounts for 12% (2017: 10%) of our expenditure and while it does not bring in any income directly, it is critical to our marketing and relationship management, outcomes and impact evaluations as well as providing a key service to the International Award Association. We successfully delivered all projects and supporting activities.

National Award Operator Engagement & Brand Support

Around the world, there are many examples of Operators working hard to drive greater awareness of and involvement in the Award. By working together, the Association has the potential to considerably increase awareness of the Award around the world. But to do so, we need compelling communications materials and initiatives, which can be tailored to meet local and national requirements.

During the past year, we have been working with a range of Operators to develop a more engaging, collaborative communications approach, which best serves the needs of Association and helps to drive greater consistency in messaging. Activity has included:

- The development of new Award messaging
- The creation of new communications collateral (including the ['Discover You' animation](#), posters, imagery, infographics, Award photos and other promotional material, such as the [Case for Support](#))

- One-to-one engagement with National Award Operators and the pilot of communications workshops/planning sessions
- The introduction of regular Association-wide updates, via digital bi-monthly newsletters.

The 'Discover You' animation has been viewed over 3,000 times to date on the Foundation's YouTube channel alone and used in more than 20 countries around the world, including on television in Jordan and in cinemas in Lithuania.

We have also continued to provide brand and messaging support to Award Operators across the globe. In particular, we supported Award USA (including the development of a logo suite, messaging support and a 'Discover You' billboard, which ran in Times Square for 24 hours, thanks to the support of a corporate donor) and pilot activity for The Duke of Edinburgh's International Award Bahrain.

Supporting Key Initiatives

Communications support was provided to mark a number of key initiatives during 2017/2018, including the International Gold Event (IGE) and the launch of the latest iteration of the Online Record Book.

As 2018 marks the 30th anniversary of the Association, the 2017/2018 year also saw extensive planning and development of a new global campaign and subsequent brand extension, which encourages all members of the Association to come together to mark the anniversary and shout about the work of the Award, using consistent collateral and messaging. Activity continues, with the campaign due to launch later in 2018.

Ongoing Communications Activity

Digital Communication

The Foundation continues to manage a number of digital tools, including our website www.intaward.org, social media channels and the Brand Centre. In the year to April 2018, the website received 577,344 page views from 439,308 unique users.

Fundraising Support

Communications support for the Foundation's fundraising initiatives included material for the Anniversary Dinner, Special Projects Event and the development of general promotional material such as a new "Case for Support", providing an overview of the work of the Award and its impact, aimed at prospective supporters.

The 2017/18 year also saw planning, preparation and initial communications support for our Chairman The Earl of Wessex's Tennis Odyssey, which continues to drive funds and awareness for the Award around the globe.

Research

The Award's Outcomes

In 2017/2018 data collection for our Outcomes research continued through National Award Operators and Independent Award Centres, resulting in nearly 3,000 responses by March 2018. The preliminary analysis showed a small but systematic trend for both self-esteem and self-efficacy to increase across the course of doing the Award.

The Award's Impacts

Following discussions across the global Award network and reports from both the New Economics Foundation and PricewaterhouseCoopers, we have finalised and published updated impacts for the Award.

Social Value of the Award

During the year we made significant progress in evaluating the Award's social value. This is the value of the change that stakeholders (such as young people, adults involved in delivery, businesses and government) experience in their lives due to the Award. This can eventually be represented as an economic value, which helps us understand and demonstrate the economic contribution of the Award to society.

We developed impact pathways, covering each of the sections of the Award as well as an impact pathway for adults involved in delivering the Award. We have started working with Australia and Ghana to pilot the methodologies, to quantify the value of their prioritised impacts.

Satisfaction Surveys

Satisfaction surveys enable us to gain an understanding of how participants and volunteers perceive and experience the Award. In October 2017, we analysed the satisfaction survey data collected between July 2015 and May 2017 from nearly 8,000 participants and 800 volunteers supporting the delivery of the Award across the world. Highlights included:

- 91% of respondents found the Award fun, enjoyable and challenging.
- 89% of participants felt they were able to plan their programmes and choose their own activities, and 78% agreed that there were enough different activities to choose from locally.
- 68% of Bronze and Silver respondents said they were planning to continue to the next Award level.
- 97% of participants would recommend the Award to others.
- 71% of the respondents felt that they were given all the help, training and information they needed to take part in the Award, whilst 89% felt they knew who to contact for help and 86% felt their Award Leader was supportive and encouraging.
- Among the adults supporting Award delivery, 89% felt their skills are valued and given recognition, while only 77% feel that they had the opportunity to develop/change their role.
- 93% of Award Team respondents felt they benefitted from being involved with the Award and 98% would recommend others to volunteer for the Award.

These results are now being used by Operators to market the Award in their own countries.

Our impact

The successful achievement of the 2017/18 objectives, along with many other activities undertaken by the Foundation, has had a significant impact across the Award family. The changes and improvements made this year are helping our Award Operators and Partners to support the ever-growing numbers of young people, from increasingly diverse backgrounds, to participate in and benefit from the Award.

The Trustees consider that these results demonstrate considerable public benefit, notably to the advancement of citizenship and community development, to education and to working with groups of disadvantaged young people. These are three of the areas which the Charity Commission uses to determine charitable purpose and the Trustees are therefore satisfied that the charity complies with the Charity Commission's guidance on reporting on public benefit (section 4 of the Charities Act 2011).

Future plans 2018/19 & 2019/20

Over the next two years there are a number of especially important plans which the Trustees have set as priorities:

- **The planning and delivery of the 2018 International Award Association Forum in Ghana** – this occurs every three years and is a really important means of bringing the Award Family together, providing opportunities for interaction and consultation.
- **Launching our global awareness campaign** – using the Forum and 30th anniversary of the Association to try to engage and enable 100% of our Award Operators and Partners worldwide to participate in a digital campaign to reach out to present and past constituents of the Award Family and beyond, one of the aims being to reconnect with Award holders or alumni.
- **Supporting Adults in the Award** – we’re developing and intend to implement an entirely new learning, development and competency programme which covers all adult roles, volunteer and paid.
- **Promoting the redesigned Special Projects** – running clinics and workshops at all Association events and meetings to help everyone understand the new grant and application process; producing reports and case studies to inform and inspire. The key aims are to improve Access, Reach and Impact; a strategic intention is to help new countries and centres to start delivering the Award.
- **Adapting and evolving our fundraising** – we’re responding to the way donors and philanthropists like to support us, especially in an international context, by introducing more flexibility and options both in terms of methods of giving as well as engagement; our priorities being to deliver our 30-4-30 events, our Chairman’s *Tennis Odyssey* and to launch our sculpture project *Empowerment*.

Financial review

2017/18 was a more challenging year in the Foundation’s financial performance. The Foundation realised an operating deficit (excluding expenditure on development projects) of £412,000 (2017: deficit of £341,000) and an overall deficit in the year to March 2018 of £676,000 (2017: surplus of £116,000). We increased our income by 6% with growth in philanthropic and Operator licence income as well as £117,000 (2017: £887,000) investment gains. However, the philanthropic income growth was less than budgeted due primarily to the lower than planned level of recruitment of Pearl Champions and World Fellows. Operating expenditure grew by 7% from a combination of investing in the re-development and relaunch of the Award in a number of countries, investing in our research programme and additional staff supporting the increased number of Award participants from Independent Award Centres.

	2018	2017
	£000	£000
Income and endowments	4,853	4,592
Operating expenditure	(5,265)	(4,933)
Net Operating expenditure	(412)	(341)
Expenditure on development projects	(448)	(436)
Net expenditure	(860)	(777)
Gains on investment assets	117	887
Gains on investment properties	67	6
Net Movement in Funds	(676)	116

Income

Income from donations of £3,729,000 (2017: £3,362,000) showed an increase of £367,000 on the previous year primarily due to the recruitment of the new corporate partner. Donations from the World Fellowship and Benefactors were £2,398,000 (2017: £2,428,000) enhanced by, three new Pearl Champions and 17 new World and Young Fellows. The option for World Fellowship donors to share part of their donation with a National Award Operator raised a total of £652,000 (2017: £679,000) directly for 19 Operators.

Our Charitable Activities income comprises training event income, licensing activity and Online Record Book income. At £631,000 (2017: £682,000), our income from the above sources was £51,000 lower than in 2016/17 due primarily to an Online Record Book fee holiday partly offset by higher Operator licence fees.

Other Trading Activities comprise fundraising events, auctions, World Fellowship jewellery sales and commercial fee income. At £485,000 (2017: £513,000), our income declined by £28,000 reflecting slightly lower event income and a fall in sales of World Fellowship jewellery.

Investment income of £8,000 was £27,000 lower than in 2016/17 due to the departure of the tenants who shared our central London office, Award House. Investment income is derived from property income from our investment property and income from our investment portfolio.

Expenditure

The costs of raising funds of £973,000 (2017: £907,000) increased by £66,000 in the year reflecting the nature and increased number of fundraising event activities.

We spent £448,000 (2017: £436,000) on Charitable Activities – development projects – to develop the Online Record Book. In addition, expenditure on Charitable Activities – core activities – at £4,292,000 (2017: £4,026,000) was an increase of £266,000 (7%) on the previous year. The increase was principally in operating (£196,000), reflecting investment in the redevelopment and relaunch of the Award in a number of countries and the costs of supporting our Independent Award Centres, and communication (£136,000) reflecting the work on outcomes research and the new impact framework.

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.

Our investment portfolio is held within three total return funds with a long term objective to deliver an average annual growth of inflation plus 5%. In the year to 31 March 2018 the three total return funds achieved gains of £117,000 (1%) (2017: gains of £887,000 (8%)) and the funds continue to meet their long term objective. The charity receives monthly updates on the funds' performance and the Finance, Audit and Property Committee regularly meets with the investment managers to discuss performance and volatility.

The value of the charity's investment portfolio at 31 March 2018 was £10,347,000 (2017: £11,433,000), a decrease in the year of £1,086,000 (2017: £173,000 decrease). During 2017/18 £1,303,000 (2017: £1,060,000) was withdrawn from the portfolio in order to meet short term cash flow needs and invest in development projects.

The Foundation also holds social investments, which are held to further its charitable aims.

Net Current Assets

Net current assets at the year-end were £948,000 (2017: £710,000), an increase of £238,000 in the year. Cash and bank balances at the year-end totalled £780,000 (2017: £1,018,000) and debtors totalled £1,096,000 (2017: £470,000).

Reserves and Reserves Policy

At 31 March 2018 total reserves stood at £12,094,000 (2017: £12,770,000) of which £350,000 (2017: £360,000) were restricted income funds. Unrestricted reserves stood at £11,744,000 (2017: £12,410,000). Of these unrestricted reserves, £8,500,000 (2017: £8,562,000) are designated to enable the Trustees to support development projects and grant making activities. The remainder of the Foundation's unrestricted reserves are general funds of £3,244,000 (2017: £3,848,000) representing over 7 months (2017: 9 months) of core general expenditure.

The desired long term level of unrestricted designated reserves was set in 2011 at a minimum of £8.5 million in order to ensure that the Foundation retained the ability to fund development projects to meet our strategic goals and to help ensure that the Foundation's total reserves did not fall below £10 million as agreed with the Charity Commission at that time. At 31 March 2018 total reserves were £2.1 million (2017: £2.8 million) above the minimum agreed level.

The Trustees intend to employ a revised reserves policy based upon a more defined risk assessment which should produce a more appropriate range for the required level of General Reserves. The Trustees also intend to produce a clearer set of criteria for the use and levels of designated development and designated special projects funds based on our recent experience and plans for the future. The Trustees will be approaching the Charity Commission to advise them of the planned revisions and any change to the arbitrary minimum level of £8.5m set in 2011.

The Trustees confirm that the Foundation remains a going concern for the foreseeable future, based on our confidence in our current income streams, our plans for the future and the overall level of reserves. We continue to face a number of challenges in what remain difficult economic circumstances and we remain vigilant to the need to deliver on our income projections through philanthropic income, licence fees, Online Record Book fees and other income streams.

To ensure that our new and existing 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, expenditure and income pipeline report that is produced promptly after each month end, a monthly income profile risk report and a quarterly financial and cash flow forecast that is used as the basis for both monitoring performance and reviewing financial plans.

Subsidiary Undertakings

The financial statements of the Foundation's subsidiary, The Duke of Edinburgh's International Award Foundation (Canada) are consolidated with the financial statements of the Foundation on a line by line basis. Full details of the consolidation are included in Note 1.

Trustees' commitment

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) The 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.

Thank you

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.

Andrew Smith
Trustee
17 October 2018

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

Independent auditors' report to the members of The Duke of Edinburgh's International Award Foundation

Report on the audit of the financial statements

Opinion

In our opinion, The Duke of Edinburgh's International Award Foundation's group financial statements and parent charitable company financial statements (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 2018 and of the group's incoming resources and application of resources, including its income and expenditure, and of the group's cash flows, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Trustees' Annual Report and Financial Statements (the "Annual Report"), which comprise: the consolidated and charity balance sheets as at 31 March 2018; the consolidated statement of financial activities (incorporating the income and expenditure account) and the consolidated cash flow statement for the year then ended; and the notes to the financial statements, which include a description of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' 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 remained independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's and parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's and parent charitable company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. 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 based on these responsibilities.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Trustees' Annual Report

In our opinion, based on the work undertaken in the course of the audit the information given in the Trustees' annual report, including the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and the Strategic Report and the Trustees' Annual Report have been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the group and parent charitable company and their environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Trustees' Annual Report. We have nothing to report in this respect.

Responsibilities for the financial statements and the audit

Responsibilities of the trustees for the financial statements

As explained more fully in the Statement of Trustees' responsibilities set out on page 50, the trustees are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The trustees are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and 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 and parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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 auditors' 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the charity's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.

Guy Flynn (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
17 October 2018

**Consolidated statement of financial activities for the year ended 31 March 2018
(incorporating the income and expenditure account)**

		Unrestricted general fund	Restricted fund	Total	Total
				2018	2017
	Note	£000	£000	£000	£000
Income and endowments from:					
Donations and legacies	2	3,578	151	3,729	3,362
Charitable activities	3	631	-	631	682
Other trading activities	4	485	-	485	513
Investments	5	8	-	8	35
Total Income and endowments		4,702	151	4,853	4,592
Expenditure on:					
Raising funds	6	(973)	-	(973)	(907)
Charitable activities – development project	6	(448)	-	(448)	(436)
Charitable activities - core activities	6	(4,131)	(161)	(4,292)	(4,026)
Total expenditure	6	(5,552)	(161)	(5,713)	(5,369)
Net operating expenditure		(850)	(10)	(860)	(777)
Net gains on investments	9	117	-	117	887
Net (expenditure)/income		(733)	(10)	(743)	110
Gains on revaluation of investment properties	8	67	-	67	6
Net movement in funds		(666)	(10)	(676)	116
Reconciliation of funds					
Total funds brought forward at 1 April		12,410	360	12,770	12,654
Total funds carried forward at 31 March	15	11,744	350	12,094	12,770

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 £117,000 gain (2017: £887,000 gain) on investments comprises £331,000 realised losses and £448,000 unrealised gains (2017: realised gains of £218,000 and unrealised gains of £669,000). The results for the Charity are disclosed in Note 1. The prior year funds brought forward of £12,654,000 were made up of £12,338,000 unrestricted funds and £316,000 restricted funds.

Consolidated and charity balance sheets at 31 March 2018

Company number 3666389

	Note	Group 2018 £000	Charity 2018 £000	Group 2017 £000	Charity 2017 £000
Fixed Assets					
Tangible assets	7	120	120	147	147
Investment Property	8	313	313	246	246
Investment Portfolio	9	10,347	10,347	11,433	11,433
Social Investments	9	366	366	309	309
Total fixed assets		11,146	11,146	12,135	12,135
Current Assets					
Debtors	11	1,098	1,098	470	470
Cash at bank and in hand		780	179	1,018	437
Total current assets		1,878	1,277	1,488	907
Liabilities					
Creditors: amounts falling due within one year	12	(930)	(924)	(778)	(774)
Net Current Assets		948	353	710	133
Total Assets less Current Liabilities		12,094	11,499	12,845	12,268
Creditors: amounts falling due after more than one year	12	-	-	(75)	(75)
Total Net Assets		12,094	11,499	12,770	12,193
The Funds of the Charity					
Restricted Income Funds	15	350	350	360	360
Unrestricted Income Funds:					
- General Funds	15	3,244	2,649	3,848	3,271
- Designated Funds	15	8,500	8,500	8,562	8,562
Total Unrestricted Income Funds		11,744	11,149	12,410	11,833
Total Charity Funds		12,094	11,499	12,770	12,193

The financial statements set out on pages 28 to 47 were approved by the Trustees on and signed on their behalf by:

Andrew Smith, Trustee

17 October 2018

Consolidated cash flow statement for the year ended 31 March 2018

	Total	Total
	2018	2017
	£000	£000
Cash flows from Operating Activities		
Net cash used in operating activities	(1,389)	(511)
Cash flows from Investing Activities:		
Dividends, interest and rents from investments	8	35
Purchase of property, plant and equipment	(3)	(18)
Purchase of investments	(100)	-
Proceeds from sale of investments	1,303	1,060
Purchase of social investments	(57)	(309)
Net cash generated from Investing Activities	1,151	768
Change in cash and cash equivalents in the reporting year	(238)	257
Cash and cash equivalents at the beginning of the reporting year	1,018	761
Cash and cash equivalents at the end of the year	780	1,018
Net (expenditure)/income for the reporting year (as per the SOFA)	(743)	110
Adjustments for:		
Depreciation charges	30	26
Gains on investments	(117)	(887)
Dividends, interest and rents from investments	(8)	(35)
(Increase)/Decrease in debtors	(628)	195
Increase in creditors	77	80
Net cash used in operating activities	(1,389)	(511)

Notes to the financial statements for the year ended 31 March 2018

1: Accounting policies

(a) Basis of preparation of financial statements

The annual report and financial statements for the year ended 31 March 2018 have been prepared on a going concern basis, under the historical cost convention as modified by revaluation of investments and investment properties, in compliance with the Companies Act 2006, the Charities Act 2011, the Accounting and Reporting by Charities: Statement of Recommended Practice (FRS102), and with UK Generally Accepted Practice. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

As detailed in the Trustees' reports, the Trustees have reviewed the future activities and planned performance of the Foundation and confirm that it remains appropriate to prepare the financial statements on the going concern basis.

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

The financial statements do not include the financial statements of any National Award Operators or Independent Award Centres as these are independent of the charity and, in some cases, are charities in their own right.

(b) Fund accounting

Funds held by the charity are either:

Unrestricted general funds – these are funds which can be used in accordance with the charitable objects at the discretion of the Trustees.

Unrestricted designated funds – these are funds set aside at the discretion of the Trustees for specific purposes.

Restricted 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 15.

(c) 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 includes 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
- Grants are recognised when the entitlement to the grant is confirmed.

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 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. Where income is raised through fundraising events held jointly with other charities, only the share of that income which is attributable to the Foundation is recognised.

(d) 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 together with direct costs associated with fundraising events
- Expenditure on charitable activities including expenditure associated with long-term contracts and providing grants comprises direct expenditure, including direct staff costs, attributable to its activities. Where costs cannot be directly attributed, they have been allocated to activities on a basis consistent with the use of resources, including time spent.

(e) Gains and losses on foreign exchange

Monetary assets and liabilities denominated in foreign currencies are translated to sterling at the rate ruling at the balance sheet date, or the forward currency contract rate for those balances subject to a forward contract. Income and expenditure items in foreign currencies are translated at an average rate over the year using market rates set monthly. All gains and losses on exchange, realised and unrealised, are reflected in the SOFA.

(f) Tangible assets and depreciation

Tangible fixed assets costing more than £1,000, including incidental expenses of acquisition are capitalised at cost. Tangible fixed assets costing under £1,000 are expensed in the year the expense is incurred.

Computer hardware and infrastructure, including replacement systems, are capitalised on initial purchase at cost. 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.

(g) Investment properties

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. Investment properties are those which are not held for social benefit and where a reliable fair value is available. Investment properties are valued by the Trustees using available market information.

(h) Investment portfolio

Listed investments are held at fair 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.

(i) 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.

(j) Pension costs

The Foundation contributes to The Duke of Edinburgh 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).

(k) Consolidation

The wholly owned subsidiary Intaward Limited is not required to be consolidated under FRS2 102 section 9 since it was dormant during the whole of the financial year and the prior financial year.

The Financial Statements of the Foundation's subsidiary, The Duke of Edinburgh's International Award Foundation (Canada), are consolidated with the financial statements of the Foundation on a line-by-line basis. This entity only included at the year-end cash at bank of £593,000 (2017: £583,000), current liabilities of £6,000 (2017: £4,000), income of £660,000 (2017: £619,000), expenditure of £20,000 (2017: £37,000) and net income of £640,000 (2017: £582,000).

The Charity's result, being the net movement in funds of the Foundation excluding the income and expenditure of the above subsidiary entities, was £4,193,000 (2017: £3,973,000) income and £1,383,000 (2017: £472,000) net expenditure for the year.

The financial results of The Duke of Edinburgh's International Award USA (Award USA) are not consolidated into these financial statements. Although the Foundation has representative membership on the Award USA Board, this membership is not considered to give significant influence as described by the Charities SORP (FRS102), and specifically paragraph 28.4, as the Foundation appointed board members cannot, on their own, make or block any decisions of the Award USA Board. The nature of the relationship is more in the spirit of cooperation and reaching a common view on key decisions with any transactions between the Foundation and Award USA accounted for on an arm's length basis.

(l) Operating leases

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

(m) Significant management judgements

The Trustees have exercised significant judgements over the valuation of donations in kind, foreign currency balances subject to forward contracts, the Foundation's investment property and the degree of control of significant influence over The Duke of Edinburgh's International Award USA. The basis for the valuation of donations in kind is detailed under note (c) above (income and endowments) and the basis for the judgement on the Award USA is detailed under note (j) above (consolidation).

In accordance with section 12 of FRS 102, the foreign currency balances subject to forward contracts should be accounted for at fair value. Management have obtained data from the counter-party and have concluded that the impact of accounting for these contracts at fair value would not be material to the financial statements. Management have therefore not applied the fair value rules of section 12 for these contracts and have accounted for these balances using the forward currency contract rate.

In determining fair values of the investment property the Trustees have exercised significant judgement. The values are not considered to be materially different to the respective net book values of the property.

2: Donations

(a) Donations income	Unrestricted general fund £000	Restricted fund £000	Total 2018 £000	Total 2017 £000
Donations - Individuals and Companies	3,125	151	3,276	2,721
Donations – Trusts and Foundations	249	-	249	399
Donations in kind	204	-	204	242
	3,578	151	3,729	3,362

Donations – Individuals and Companies includes £596,000 (2017: £588,000) in relation to The Duke of Edinburgh's International Award Foundation (Canada). These are unrestricted funds. The 2017 donations – individuals and companies consists of £2,610,000 unrestricted income and £111,000 restricted income; the 2017 donations – trusts and foundations consists of £365,000 unrestricted income and £34,000 restricted income; and the 2017 donations in kind consists of £242,000 unrestricted income.

(b) **Donations in kind**

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

	2018	2017
	£000	£000
Office accommodation	118	115
Legal & advisory services	46	70
Travel, accommodation, other	11	34
Events	29	23
	<hr/>	<hr/>
	204	242
	<hr/> <hr/>	<hr/> <hr/>

3: Charitable Activities

	Unrestricted Funds	Restricted Funds	2018	2017
	£000	£000	£000	£000
Operator licence	333	-	333	261
Online Record Book	161	-	161	250
Training & other	122	-	122	133
Operating/other income	15	-	15	38
	<hr/>	<hr/>	<hr/>	<hr/>
	631	-	631	682
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The 2017 Operator Licence income consists of £260,000 unrestricted income and £1,000 restricted income. All Online Record Book, training and other and operating/other income in 2017 was unrestricted.

4: Other Trading Activities

	2018	2017
	£000	£000
Fundraising Events	442	464
Fundraising Auctions	15	29
Jewellery Sales	1	20
Commercial Fee Income	27	-
	<hr/>	<hr/>
	485	513
	<hr/> <hr/>	<hr/> <hr/>

All fundraising events and fundraising auctions income in 2018 and 2017 was unrestricted.

5: Investments

	2018	2017
	£000	£000
Investment income arises from:		
Interest on other cash balances	1	1
Investment Property Income	7	9
Other Rental Income	-	25
	<u>8</u>	<u>35</u>

All interest on other cash balances, investment property income and other rental income in 2018 and 2017 was unrestricted.

6: Expenditure

(a)	Directly charged	Staff Costs	Allocated Overheads	Total	Total
	2018	2018	2018	2018	2017
	£000	£000	£000	£000	£000
Raising Funds	339	433	201	973	907
Costs of charitable activities					
Charitable activities – development projects					
Online Record Book	448	-	-	448	436
Charitable activities – core activities					
Resourcing	651	457	174	1,282	1,348
Operating	343	1,433	545	2,321	2,125
Communicating	171	375	143	689	553
	<u>1,165</u>	<u>2,265</u>	<u>862</u>	<u>4,292</u>	<u>4,026</u>
Total resources expended	<u>1,952</u>	<u>2,698</u>	<u>1,063</u>	<u>5,713</u>	<u>5,369</u>

Charitable activities – development projects, is the cost of developing, testing, data migration and roll out of the next iteration of the Online Record Book that is funded by reserves that the Trustees designated during 2015/16 and 2016/17.

Staff costs include 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 £61,000 (2017: £25,000) has been directly charged to Charitable activities – core activities resourcing. Restricted expenditure of £19,000 (2017: £44,000) has been directly charged to Charitable activities – core activities operating. Restricted expenditure of £9,000 (2017: £19,000) has been directly charged to Charitable activities – core activities communicating. Restricted expenditure of £72,000 (2017: £8,000) has been charged to staff costs and mainly relates to staff time supporting the set-up of the National Award Operator in China

(b) Net income before investment gains is stated after charging:	2018	2017
	£000	£000
Auditor's remuneration:		
Fees payable to the Foundation's auditor for the audit of the Trustee's report	34	32
Fees payable to the Foundation's auditor for other services:		
Tax services (Investment property)	5	5
Research services	91	-
Depreciation	30	26
Operating leases	69	79
Foreign exchange losses/(gains)	61	(47)
(c) Staff costs	2018	2017
	£000	£000
Wages and salaries	2,028	1,828
Social security costs	210	196
Other Pension costs	148	145
Other staff costs	312	310
	2,698	2,479
	2,698	2,479
(d) Staff numbers	2018	2017
	Number	Number
Generating funds	8	8
Charitable activities	39	38
Average monthly full time equivalent number of staff in the year	47	46
	47	46

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

	2018	2017
	Number	Number
£60,001 - £70,000	1	2
£70,001 - £80,000	1	1
£80,001 - £90,000	1	2
£90,001 - £100,000	2	1
£120,001 - £130,000	0	1
£130,001 - £140,000	1	0
	<hr/>	<hr/>
	6	7
	<hr/>	<hr/>
	2018	2017
	£000	£000
Pension contributions in respect of the above members of staff	38	39
	<hr/>	<hr/>

The 2017 pension contribution in respect of the above members of staff has been revised from £53,000 to £39,000 so as to exclude non UK pension contributions.

As at 31 March the senior leadership team consisted of the Secretary General and two Deputy Secretary Generals. Their combined emoluments for the year were £313,000 (2017: £308,000). There is no car allowance and they have the same health insurance terms and bonus scheme terms as all other UK staff. The pension rights for the two Deputy Secretary Generals are the same as all other UK staff whereas the Secretary General has enhanced pension rights.

(f) Ex-gratia payments

Compensation of £22,000 (2017: £14,000) was paid to two (2017: one) employees for loss of office during the year. The payment comprised of one month's salary as compensation and payment in lieu of notice period was paid with no deductions.

(g) Grants expenditure

Grants expenditure of £138,000 (2017: £327,000) has been charged to unrestricted charitable activities – operating activities resourcing and £17,000 (2017: £23,000) to restricted charitable activities – operating activities resourcing. During the year the Foundation made a grant of £42,000 (2017: £75,000) to The Duke of Edinburgh's International Award USA to support the re-establishment of the Award in the USA and 18 (2017: 49) Special Projects grants. The maximum Special Projects grant was £10,000 (2017: £11,000).

7: Tangible assets

	Fixtures, fittings & furniture	Computer systems, software & infrastructure	Motor vehicles	Total
	£000	£000	£000	£000
Cost at 1 April 2017	264	114	56	434
Additions	-	3	-	3
Disposals	(1)	(53)	-	(54)
Cost at 31 March 2018	263	64	56	383
Accumulated depreciation at 1 April 2017	(134)	(97)	(56)	(287)
Depreciation charge	(23)	(7)	-	(30)
Disposals	1	53	-	54
Accumulated depreciation at 31 March 2018	(156)	(51)	(56)	(263)
Net book value at 31 March 2018	107	13	-	120
Net book value at 31 March 2017	130	17	-	147

8: Investment Property

Portugal Property	2018	2017
	£000	£000
Fair value at 1 April	246	240
Fair value adjustment	67	6
Fair value at 31 March	313	246

The Foundation holds a donated investment property in Portugal. Small amounts of rent and related expenditure are generated by it each year. In accordance with FRS 102, no depreciation is provided in respect of the investment property. The property is held for its investment potential and not for use within the Foundation.

The property is held at £313,000 (2017: £246,000) at the balance sheet date. Based on available market information, including the recent realised sale value of other properties of a similar size, condition and location, the Trustees judge this to be a reasonable approximation of the fair value of the property. They do not consider that a formal external valuation is required.

9: Investments

a: Investment Portfolio	2018	2017
	£000	£000
Investment portfolio at 1 April	11,433	11,606
Additions at cost	100	-
Drawdowns from Portfolio	(1,303)	(1,060)
Net investment gains	117	887
Market value of equity holdings at 31 March	<u>10,347</u>	<u>11,433</u>
	2018	2017
	£000	£000
Blackrock Absolute Return Unit Trust	-	3
Standard Life Global Absolute Return Fund	2,496	3,266
Barings Dynamic Asset Allocation Fund	3,732	3,935
Ruffer Absolute Return Fund	4,119	4,229
Investment portfolio at 31 March	<u>10,347</u>	<u>11,433</u>

The drawdowns from the portfolio reflect the management of short term cash outflows.

The Trustees believe that the carrying value of the investments is supported by their underlying net assets. The original cost of these investments was £8,152,000 (2017: £9,180,000).

b: Social Investments	2018	2017
	£000	£000
The Duke of Edinburgh's International Award USA		
Cost less impairment at 1 April	309	-
Additions at cost	57	309
Cost less impairment at 31 March	<u>366</u>	<u>309</u>

10: Investment in subsidiary

The Foundation's wholly owned subsidiary, Intaward Limited, is registered in England with company number 03961099. The cost of this investment is £2. Intaward Limited has been created to be available for any trading activity of the Foundation. Intaward Limited is dormant, never having traded since being set up, the only asset being the £2 subscribed for the share capital. No consolidation has been prepared under the exemption allowed in the Companies Act 2006.

The Foundation's subsidiary, The Duke of Edinburgh's International Award Foundation (Canada), is registered in Ontario, Canada with corporation number 813342-5. The cost of this investment is nil (2017: nil). Throughout the year the Foundation exercised significant influence and control over The Duke of Edinburgh's International Award Foundation (Canada), with at least 50% of the directors also being Trustees of the Foundation. Its financial results for the year were:

	2018	2017
	£000	£000
Income	701	704
Expenditure Grants	(618)	(801)
Expenditure Other	(20)	(37)
Surplus/(deficit) of income over expenditure	63	(134)

	At 31 March	At 31 March
	2018	2017
	£000	£000
Total assets	600	581
Total liabilities	6	5

11: Debtors

	2018	2017
	£000	£000
Trade debtors	148	116
Other debtors	29	6
Accrued income	840	220
Prepayments	81	128
	1,098	470

12: Liabilities and provisions

(a) Creditors: Amounts falling due within one year	Group	Group
	2018	2017
	£000	£000
Trade creditors	269	108
Other creditors	350	413
Accruals	311	257
	<hr/>	<hr/>
	930	778
	<hr/>	<hr/>

Included in accruals is £4,000 (2017: £4,000) and included in other creditors is £2,000 (2017: £nil) current liabilities of The Duke of Edinburgh's International Award Foundation (Canada).

(b) Creditors: Amounts falling due after more than one year	2018	2017
	£000	£000
	Other creditors	-
Balance at 31 March	<hr/>	<hr/>
	-	75
	<hr/>	<hr/>

13. Foreign Currency Option

On 22 March 2018, the Foundation entered into a zero premium £/C\$ participator put option hedging the £ exchange rate of C\$1,065,000 and a zero premium £/C\$ participator call option hedging the £ exchange rate of C\$532,500. The option had a protection rate of C\$1.8675 = £1 and a participation rate of C\$1.7675 = £1. (2017: the Foundation purchased at a premium of £12,600 a £/C\$ vanilla call option hedging the £ exchange rate of C\$950,000. The option had a strike rate of C\$1.6600 = £1).

The options were exercised on 29 May 2018 at a rate of C\$1.816 = £1 (2017: C\$1.660 = £1). In accordance with section 12 of FRS 102, this contract should be accounted for at fair value. Management have obtained data from the counter-party and have concluded that the impact of accounting for these contracts at fair value would not be material to the financial statements. Management have therefore not applied the fair value rules of section 12 for these contracts.

14: Taxation

The tax charge for ordinary activities is £nil (2017: £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.

15: Funds

(a) Movement

	Unrestricted	Restricted development projects	Total Funds
	£000	£000	£000
Balance at 1 April 2017	12,410	360	12,770
Net operating expenditure	(850)	(10)	(860)
Unrealised gains on investments	448	-	448
Realised gains on investments	(331)	-	(331)
Revaluation of Investment Property	67	-	67
Balance at 31 March 2018	11,744	350	12,094

(b) Net assets

	Unrestricted	Restricted development projects	Total Funds
	£000	£000	£000
Tangible assets	120	-	120
Investment Property	313	-	313
Investment portfolio	10,347	-	10,347
Social Investments	366	-	366
Net current assets	598	350	948
Net assets at 31 March 2018	11,744	350	12,094

(c) Designated funds

Included in unrestricted funds are funds set aside by the Trustees to provide support for National Award Operators and Independent Award Centres. These funds are therefore not readily available for other purposes. As at 31 March 2018 funds set aside for these purposes amount to £8,500,000 (2017: £8,562,000). The principal designated funds are:

Name of fund	Purpose	Expected timing of expenditure
Special Projects	Donations to fund unspecified Special Projects	Medium to long term funding for appropriate project proposals
Support Funds	A variety of relatively small funds to support National Award Operators development and global Award projects	Short to medium term small projects
Online Record Book	Costs to develop and implement the next iteration of the Online Record Book	Fully expended during 2017/18
Benelux Fund	To support the development of the Award in the Benelux countries	Short to medium term projects
Global Campaign	To fund a global awareness campaign, working in partnership with Award Operators worldwide	Fully expended during 2018/19
Supporting Adults in the Award	A programme to develop and improve our support for Award Operators, volunteers and staff	Fully expended during 2018/19
Development Fund	Funds set aside for Association wide development projects, some of which are beyond the timeframe of the current strategy	Medium to long term future development projects

Designated funds movements

	1 April			Transfer	31 March
	2017	Income	Expenditure	of funds	2018
	£000	£000	£000	£000	£000
Special Projects	3,065	315	(196)	(300)	2,884
Support Funds	14	-	-	-	14
Online Record Book	299	-	(299)	-	-
Benelux Fund	107	-	-	-	107
Global Campaign	-	-	-	182	182
Supporting Adults in the Award	-	-	-	324	324
Development Fund	5,077	-	-	(88)	4,989
Total	8,562	315	(495)	118	8,500

The £300,000 transfer from special projects designated funds reflects the decision during the year by a donor to revise their gift to a Pearl Champion donation.

As at 31st March 2018 the Trustees agreed to transfer £418,000 from general funds to the designated development fund to comply with the current level of designated funds agreed with the Charity Commission.

(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 14 restricted funds at the end of the year (2017: 12 funds). The principal restricted funds are:

Region/Country Specific Funds	To support a National Award Operator in a specific country and/or the development of the Award in a specific country or region.
China	To support the set-up of the National Award Operator in China. Funding for this activity was received in April 2018 with agreement from the donor to fund £56,000 expenditure incurred during 2017/18.
Kenya Compass Project	A donation to support 20 schools within Kenya to enable participants to complete the Award using the online record book.
Ono Photography Bursary	A donation to support Special Projects – helping youth at risk - that are to be agreed with the donor.
Special Projects	Donations to fund specific Special Projects.
Special Projects 60 th Anniversary	A donation to support Special Projects that are to be agreed with the donor.
Tanaka Funds	To support National Award Operators in specific countries that are to be agreed with the donor.

Restricted funds movements

	1 April 2017 £000	Income £000	Expenditure £000	Transfer of funds £000	31 March 2018 £000
Region/Country Specific Funds					
- Initiative Africa Award	-	8	(8)	-	-
- Nigeria	36	-	(4)	-	32
- Anglo American Brazil Fund	97	-	-	-	97
- Kenya Compass Project	73	63	(55)	-	81
- Bahrain	-	68	(11)	-	57
- China	-	12	(68)	-	(56)

- Other Region/Country Restricted Funds	8	-	-	-	8
Ono Photography Bursary	9	-	(9)	-	-
Special Projects	23	-	(6)	-	17
Special Projects 60 th Anniversary	20	-	-	-	20
Tanaka Funds	82	-	-	-	82
Other Restricted Funds	12	-	-	-	12
Total	360	151	(161)	-	350

16: Related party transactions

Three (2017: Three) Trustees or companies connected with Trustees are fully paid Members, Fellows or Corporate Fellows of the World Fellowship. During the year Four Trustees made donations of £16,000 (2017: two Trustees £1,267).

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 £1,000 were reimbursed to one Trustee, to cover travel and other costs (2017: one Trustee £417).

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.

As explained in Note 1, the results of The Duke of Edinburgh's International Award USA (Award USA) are not consolidated into these financial statements. One member of the Foundation's Senior Leadership Team is a member of the Board of Award USA. During the year, the Foundation provided further funding to Award USA in the form of a social investment of £57,000 (2017: £309,000) bringing the total investment to £366,000 which is disclosed in Note 9b and a grant of £42,000 (2017: £75,000) which is disclosed in Note 6 of these financial statements.

17: Leases

The total commitment to future minimum lease payments under non-cancellable operating leases, for each of the following periods, are:

	2018	2017
	£000	£000
Land and buildings		
- Within 1 year	51	51
- Within 1 to 5 years	80	112

- Expiring 5 years +	-	18
	131	181
Total rentals under operating leases charged as an expense in the SOFA	69	79

18: Pension schemes

During the year to 31 March 2018 the Foundation contributed £112,000 (2017: £113,000) of unrestricted expenditure to The Duke of Edinburgh International Award Foundation Group Personal Pension Plan. This is a defined contribution pension scheme operated by Scottish Widows. As at 31 March 2018 £14,000 (2017: £20,000) was due to be paid to Scottish Widows. In addition, the Foundation contributed £34,000 (2017: £34,000) of unrestricted expenditure towards pension arrangements for regional staff.

19: Status of company and members

The company is a company limited by guarantee. The members of the company are the Trustees named on page 56. They have no entitlement to distribution on dissolution of the company and they each have a limited liability up to £1.

Appendix - structure, governance and management

Reference and administration details

The Founder, the Trustees and Secretary General are listed on page 56 together with advisers to the charity and details of registered company and charity numbers and the registered office.

Structure of the Foundation

The Duke of Edinburgh's International Award Foundation was originally established and registered as a United Kingdom based charitable trust on 10 November 1986. On 6 November 1998 it transferred its assets and business to this limited company, which is regulated by its Memorandum and Articles of Association.

The Founder of the Foundation is His Royal Highness The Duke of Edinburgh KG, KT. There is a maximum of ten Trustees.

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 operating in a country where usually no National Award Operator exists) 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 mutual 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 gathers every three years at the Forum for which the Foundation provides all the administrative support. The next Forum will be in Ghana in 2018. In the interim, consultation and discussion is carried out through Regional Conferences and the International Council.

The International Council

Between one Forum and the next, the International Council acts on behalf of the Association and gives effect to decisions taken at Forum 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 Award Achievers from each of the four Award regions, and attended by the senior management team from the Regional and Central teams. This year, the International Council met in Prague.

The hosting and participant costs for Association meetings including Regional Conferences, the Forum and the International Council are met by the individual members themselves. The Foundation bears the participant costs for its staff, Trustees and guests and the costs directly relating to its support activities.

The Joint Funding Board

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

The Development Group

The Development Group's purpose is to 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, major donors and supporters who have the ability to attract income to the Foundation.

Trading Subsidiaries

Intaward Limited is a wholly owned subsidiary of the Foundation that was established to carry out fundraising events on behalf of the charity. The company has not yet traded and, due to its immateriality, is not consolidated with the Foundation's financial statements.

The Duke of Edinburgh's International Award Foundation (Canada) is a Canadian registered charity that the Foundation exercises significant management and operational control over. The results of this body have been consolidated with the Foundation's financial statements.

Governance

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

The Trustees are responsible for determining all important matters of policy. They meet at least three times each year and also whenever necessary at more frequent intervals to carry out their responsibilities. They review strategy and performance annually and approve budgets and operating plans in line with strategy. In addition to the main Board meetings, governance over the Foundation is exercised through a number of committees which hold responsibility for specific areas of governance activity as follows:

- *Finance, Audit and Property Committee* manages the charity's relationship 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.
- *Nomination Committee* makes recommendations to the Board for senior appointments, including new Trustees, after considering a wide variety of possible candidates. It meets when circumstances require.
- *Digital Steering Committee* supports Trustees and management in developing the Foundation's use of digital technology and maximising the potential of the digital tools that form part of the Foundation's operations.
- *Remuneration Committee* reviews and recommends to the Board the Secretary General's and senior management team's salaries and the Secretary General's recommendation on staff salaries.
- *Mapping the Future Committee* supported the Board in the preparation for and production of 'A Global Strategy of The Duke of Edinburgh's International Award 2018 – 2023'.

Trustee membership of these committees is set out on page 56.

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.

With two exceptions, Trustees serve for a maximum period of 12 years continuous service. 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 and the Chair of the Foundation can serve for a period of up to ten years, regardless of prior service as a Trustee. 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 Nomination Committee identifies candidates to be future Trustees. The Trustees, as a body, are responsible for their appointment. The induction and familiarisation process of new Trustees may start years before their appointment, depending on their background and experience of the Foundation or of the context in which the Foundation operates. The induction process when a new Trustee is appointed contains certain common elements, including information about the Foundation and about the responsibilities of Trustees, but the extent of development and familiarisation is flexible. Further induction and training are provided for Trustees during their term of office as necessary.

Statement of Trustees' responsibilities

The Trustees (who are also directors of The Duke of Edinburgh's International Award Foundation for the purposes of company law) 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. Under that law the Trustees have prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice). Under company law 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;
- observe the methods and principles in the Statement of Recommended Practice: Accounting and Reporting by Charities (2015);
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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.

The Trustees are responsible for the maintenance and integrity of the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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 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.

The Foundation had an average of 47 (2017: 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 in £ per hour of our UK payroll as at 5th April 2017. This shows a mean of £31.59 for males v £19.92 for females and a median of £31.48 for males v £22.19 for females. Our UK payroll gender pay quartile distribution was:

	Female	Male
Lower	75	25
Lower middle	100	0
Upper middle	100	0
Upper	66	34

There is a significantly higher number of females in the team 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 issues of concern to them by means of regular staff meetings and are kept informed on specific matters directly 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 all staff. The Foundation's management team are addressing the key points identified in the survey.

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 accounts 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.

Principal Risks and Uncertainties

The Trustees have reviewed the major structural, strategic and operational risks and uncertainties to which the charity is exposed to ensure that systems and mitigating actions have been established, in addition to the existing internal control procedures, to manage and mitigate those risks. Periodic reviews are carried out to ensure that these systems are effective and still meet the needs of the charity.

The Trustees consider the main structural, strategic and operational risks for the Foundation to be:

Highest Scoring Risks	Actions to Mitigate
<p>Award Operators have insufficient financial resource and/or are unable to recruit and train sufficient and suitably skilled volunteers/staff to deliver the Association strategy 2018- 2023</p>	<ul style="list-style-type: none"> • Improved support and development of Operator volunteers/staff via ‘Supporting Adults in the Award’ programme • Continued work with Operators to develop strategies and business plans, including targets and identification of the numbers of volunteers required to meet future participant needs • Continued development and growth of Foundation grant giving • High quality communication and marketing programmes to maximise our profile and thus encourage volunteers to come forward • Continued development and take up of digital tools
<p>Negative Award, Operator or donor publicity leading to reputation challenges with current and potential donors, supporters, participants, parents, volunteers and staff</p>	<ul style="list-style-type: none"> • 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, whistle-blowing, licensing, data protection and related party transactions • Proactively promote equality and diversity in all that we do • High quality Operator account management and licence reviews • Partnership agreements and non-operational licences that are authorised in line with agreed policies and procedures and regularly reviewed • Clear pre-release policies and procedures for all communications material and published documents • Clear intellectual property and trademark policies and process
<p>Child protection/safeguarding failure resulting in harm to individual participants, volunteers or staff</p>	<ul style="list-style-type: none"> • Regularly review our procedures for safeguarding young people and vulnerable adults • Ensure clarity of responsibility, under the licence, of Award Operators and individual units to undertake due diligence when selecting organisations and individuals with whom to partner on Award activity • Insist on appropriate Operator vetting procedures to national standards and compliance with national guidelines for the protection of children, young people and vulnerable adults • Monitor Operator adherence to required procedures via validations and licence reviews • Regularly review and communicate a Code of Conduct with regard to safeguarding that describes what it expects of individuals and the organisations to which they belong

<p>Insufficient income due to over reliance on key individual donors, declining donor interest/commitment/ability to support or inability to diversify income base</p>	<ul style="list-style-type: none"> • Development and diversification of our income sources • Continued sustainable growth of the World Fellowship and events programme • Management of timing of major donors/cash flow risk • Continued improvement of income related financial systems, processes, reporting and debt management • Appropriate reserves policy • Trustee approved annual budget and medium-term financial plans
<p>Failure to understand and manage the unique and complex issues involved in sustainable new market entries</p>	<ul style="list-style-type: none"> • Comprehensive pre-entry market research • Specific USA, China and Indonesia strategies and business plans including income generation and communications plan • Establishing appropriate high-level contacts and government relationships • Legal advice regarding legal set up, local employment legislation and trademark enforcement • Establish appropriate local governance with clear identification of responsibilities and decision making • Strong Operator sub-licensing and account management • Sourcing appropriate local partners and donors
<p>Our digital tools do not meet the Association's and Foundation's business needs</p>	<ul style="list-style-type: none"> • Promote and support use of the systems via Operator account management • Support Operators in preparing their digital tools strategies and implementation plans • Prepare and promote online digital tools training materials • Establish user groups and change review boards
<p>Our digital tools suffer cyber-security/data breaches</p>	<ul style="list-style-type: none"> • Fully tested business continuity plans and regular system back-ups • Firewalls and password controls • Compliance with data legislation • Ensure appropriate cyber insurance is in place • Contracts in place for supplier support and cloud-based hosting

Social Responsibility

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

Employees

The Foundation aims to offer a workplace that encourages development, allows for free communication and provides a positive work-life balance. The Foundation has clear and accessible employee policies relating to equal opportunities, maternity leave, paternity leave, lone working,

grievances etc. and all employees are encouraged to act in a socially responsible manner and respect the environments in which they operate.

Environment

The Foundation actively seeks ways to reduce the impact of its activities on the environment through recycling and energy reduction. It has an established recycling programme for all waste paper, encourages all employees to be aware of their use of resources and works closely with its maintenance supplier to keep up to date with energy saving initiatives. It continues to develop and employ business practices that restrict air travel to essential business having first considered other options such as conference calls and video conferencing.

Investment Managers

The Finance, Audit and Property Committee manages the Foundation's relationship with its investment managers which includes reviewing their social responsibility reports. These cover their global voting activity, their research approach that helps to assess how companies manage environmental and social issues and the steps they have taken to ensure they remain an active and responsible steward of our assets.

Constituents

The constituents of the Award family are the young people who participate in the Award, Award holders, donors, volunteer network, National Award Operators, Operating Authorities, Independent Award Centres, the Founder, employees and Trustees. To all these groups the Foundation aims to be an organisation that is open, responsive and aware of their particular interests and needs. To achieve this and as reflected in the IAA Memorandum of Understanding, the Foundation encourages participation by way of consultation, provides feedback through regular publications and ensures the charity website (www.intaward.org) is kept up to date and accessible to all.

Use of resources

The Foundation acknowledges that the resources it uses should enable more young people from diverse backgrounds to gain a positive experience of participating in their Award, equipping them to succeed in life. The Foundation, therefore, aims to minimise support service expenditure and maximise the resources available to extend access to the Award in all parts of the community.

To this end, management ensures that all staff are aware of the financial procedures and all monies are accurately accounted for by the Foundation. Together with the investment managers, the Foundation aims to maximise the returns on its resources whilst periodically reviewing the types of investments it holds.

Community

The Foundation operates internationally and the regional structure of our operations as well as the structure of the Award family helps to develop strong ties in local communities throughout the countries where the Award operates.

Suppliers

Where practicable the Foundation purchases Fair Trade and recycled products. However, it recognises that further work needs to be done in this area including reviewing existing suppliers to ensure that they share its social responsibility philosophy and developing an ethical purchasing policy.

Founder: His Royal Highness The Duke of Edinburgh KG, KT

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

- His Royal Highness The Prince Edward, Earl of Wessex KG, GCVO (UK) (Chair) 1, 3, 4
- Paul Bell (UK/South Africa) 1, 3, 5
- The Rt Hon The Lord Boateng PC DL (UK) 1, 4
- Rock Chen (Hong Kong) (from June 2017) 2
- Adebayo Olawale Edun (Nigeria) 2, 3
- Muna Issa (Bahamas) 2, 5
- Andrew Smith (UK) 1, 2, 3, 5
- Garth Weston (China/UK) 2, 5
- Dr Howard Williamson CVO CBE (UK) 3, 4

1 = Digital Steering Committee Member

2 = Finance, Audit and Property Committee Member

3 = Mapping the Future Committee Member

4 = Nomination Committee Member

5 = Remuneration Committee Member

The members of the Joint Funding Board during the year and up to the date of signing the financial statements were Mr Peter Westgarth from The Duke of Edinburgh's Award (the National Award Operator in the UK), Mr John May from The Duke of Edinburgh's International Award Foundation, the respective Heads of Fundraising from each organisation and Mr Ashok Rabheru.

Senior Leadership Team:

- John May – Secretary General
- Gary Davis – Deputy Secretary General and Company Secretary
- Stephen De-Wint – Deputy Secretary General (resigned March 2018)

Company Number: 3666389

Registered Charity Number: 1072453

Registered Office: The Duke of Edinburgh's International Award Foundation
Award House
7-11 St Matthew Street
London
SW1P 2JT

Investment Managers: BlackRock Investment Management (UK) Limited
12 Throgmorton Avenue, London EC2N 2DL
Ruffer LLP
80 Victoria Street, London SW1E 5JL
Standard Life Investments Limited
1 George Street, Edinburgh EH2 2LL
Baring Assets Management Limited
155 Bishopsgate, London EC2M 3XY

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

Solicitors: Bates Wells & Braithwaite London LLP
Scandinavian House
2-6 Cannon Street
London
EC4M 6YH

Bankers: NatWest
250 Regent Street
London
W1B 3BN