

Being our best



Girlguiding's Annual Report and Financial Statements

For the year ended 31 December 2018



WE DISCOVER, WE GROW

Girlguiding



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Girlguiding is the leading charity for girls and young women in the UK. Our amazing volunteers inspire girls to find their voice and be their best, giving them a space where they can be themselves, have fun, build brilliant friendships, gain valuable life skills and make a positive difference to their lives and their communities.

Our vision

An equal world where all girls can make a positive difference, be happy, safe and fulfil their potential.

Our mission

Through fun, friendship, challenge and adventure we empower girls to find their voice, inspiring them to discover the best in themselves and to make a positive difference in their community.

Our values

Caring, Challenging, Empowering, Fun, Inclusive, Inspiring.

A massive thank you!

Thanks to over 100,000 volunteers across every part of the UK in 2018 we were able to deliver life-changing opportunities for girls and young women through Rainbows (aged 5 to 7; 4 to 7 in Northern Ireland), Brownies (aged 7 to 10), Guides (aged 10 to 14) and The Senior Section (aged 14 to 25).

Introduction

The trustees of Girlguiding are pleased to present their report for 2018.

As the UK's largest charity for girls and young women, Girlguiding gives girls a space to discover and grow, enabling them to find their voice and make a positive difference in the world. We achieve this through delivering an exciting, diverse, girl-led programme of activities, facilitated by trusted adults, to over 400,000 girls and young women in thousands of local communities all over the UK.

2018 was the penultimate year of our strategic plan, Being Our Best. Being Our Best aims to build the foundations required to enable even more girls and young women to benefit from what guiding has to offer. Our strategy is based around four themes - Excellence, Access, Voice and Capacity - and we set ourselves ambitious targets under each of these themes, to match our ambitions for girls. This annual report provides an overview of the key activities and achievements during 2018 and our progress against our targets.

2018 was another busy year across the organisation and it featured some standout achievements. We launched our brand new youth programme, with thousands of new activities and resources covering topics as varied as construction, mindfulness and mixology; and published the tenth anniversary edition of the Girls' Attitudes Survey, illustrating how girls' lives and outlooks today have changed compared to a decade ago.

These achievements serve to emphasise Girlguiding's values - empowering, challenging, inclusive, caring, fun and inspiring - which underpin everything we do and guide our decision making as trustees.

We are ambitious for girls and young women and in 2018 we consulted 76,000 young members on the issues they cared about most to inform our new Future Girl advocacy manifesto and we launched a campaign to end period poverty that was entirely designed and led by our young members. We began work on the organisation's new strategy and impact measurement framework; developed new

quality standards for guiding units; and trained more than 40,000 volunteers in the latest safeguarding best practice.

Our successes are, of course, also a testament to the dedication and hard work of our incredible adult members who facilitate 27,000 Rainbow, Brownie, Guide and Ranger groups every week across the UK. This voluntary powerhouse of passion, skill and ambition for girls is what enables our organisation to deliver such life-changing and impactful opportunities and experiences for our young members. The trustees would like to thank all our adult volunteers and young leaders who give millions of hours voluntarily every year to support girls and young women.

We launched a number of exciting new partnerships during 2018 including with Google, Legal & General and Easyjet.

We'd also like to thank all our generous funders and supporters, without whom we wouldn't have been able to achieve so much to help girls and young women during 2018.

The commitment of our volunteers, staff, supporters and donors, combined with the energy and enthusiasm of our young members, ensures that Girlguiding is confident and well placed to deliver the final year of our strategic plan in 2019 and embrace the opportunities that lie ahead.



Catherine Irwin
Chair of Trustees







We will improve the excellence of our programme offer and delivery.

Girlguiding is committed to offering every member the very best guiding experience. We want our young members to have adventures, be challenged, make friends, have fun and learn more about themselves and the world around them. To achieve this we need to support our volunteers with the right tools, support and guidance.

What we achieved in 2018

- Launched a brand new Girlguiding programme for all age groups, developed with input from over 50,000 girls and volunteers. Consisting of more than a thousand new activities, badges and skills development resources, the programme reflects the lives, interests and needs of girls in the 21st century.
- Launched a new Rangers section for 14 to 18 year-olds that will go live in academic year 2019/20.
- Launched a brand new offer for young women aged 18 to 30, including a new international adventure strand.
- Delivered a range of national events in which more than 24,000 young members took part.
- Gave more than 3,000 girls the opportunity to travel internationally with Girlguiding, through national, regional and local trips and worked with international partners such as the World Association of Girl Guides and Girl Scouts (WAGGGS) and the UN.
- Gave 20 young women aged 14 to 17 one-to-one mentoring with leading female executives.
- Continued to roll out our refreshed ‘A Safe Space’ training to support our adult members and staff to keep our young members safe.
- Delivered the second year roll-out of the new compliance framework so our adult members have up-to-date knowledge on how to deliver safe and legally compliant guiding, including new policies and procedures to ensure that we comply with the General Data Protection Regulation (GDPR).
- Launched new quality standards to help our unit leadership teams and commissioners continuously improve and feel confident that they are delivering an excellent experience for girls.

Progress against our Excellence performance targets

What we want to achieve by 2020	Our 2017 result	Our 2018 result
97% of young members would recommend guiding to a friend	93%	86%
75% of our volunteers have completed the refreshed A Safe Space Level 1 training	15%*	35%
90% of volunteer members understand their role and feel well supported	77%	77%

*This figure relates to activity during the last six months of 2017.



“Guides helps me in things like confidence, and gives me amazing opportunities, and things like life skills that school does not”



2018 was another year of change in Girlguiding, with new quality standards and a completely redeveloped programme for young members, as well as new guidance and training for volunteers on safeguarding, managing information and GDPR compliance, and using our new programme.

We saw a drop in the percentage of girls and young women who would recommend guiding to a friend, but at 86% our net promoter score remains very strong. We anticipate that this will rise again in 2019 as our brand new youth programme beds in and young members experience the full range of innovative, exciting and stretching activities within it.

Keeping girls safe is our top priority and following the renewal of our safeguarding training programme 'A Safe Space' in 2017 we have continued to roll this out, as part of a three-year staged plan, to all our 100,000+ volunteers. By the end of 2018, 35% of our volunteers had completed level 1, 29% level 2, 36% level 3, and 35% of commissioners level 4. That equates to over 40,000 volunteers trained in the most up-to-date safeguarding practices during 2018. The size of our adult membership base means that refreshed mandatory training is rolled out in stages over multiple years and we are delighted to report that we are on track to train 75% of our adult volunteers by the end of 2020 in line with our target.

Despite all this change the proportion of our volunteer members who understand their roles and feel well supported stayed steady at 77%. This result is a testament to the commitment, resilience and passion of our incredible adult volunteers who work very hard to keep their skills and knowledge up to date, and to our volunteer trainers who trained thousands of volunteers during 2018. Improving the support and training we offer our volunteers remains a priority for us in 2019 so that all our volunteers feel confident in their roles.

What we will achieve in 2019

- Continue the staged roll-out of safeguarding training programme to volunteers.
- Develop and update our first aid training in line with new policies and procedures.
- Further develop our offer for the 18-to-30 age group.
- Conduct a review of previous safeguarding cases to ensure we learn from the past.
- Deliver new resources that will help leaders to support girls who are experiencing mental health issues.
- Implement a learning and development strategy that will help volunteers to feel more confident and comfortable in their roles and support high quality guiding.





We will improve the way we listen to and promote the voice of girls and young women.

Girlguiding has always provided girls with a platform from which they can use their voices and abilities to change the world around them. Learning about what girls think, want and aspire to means we can empower them to speak out and take action on the issues they care about and also to influence the direction of Girlguiding as an organisation.

What we achieved in 2018

- Provided opportunities for young members to join our Advocate Panel, join our British Youth Council delegation, represent the UK at international WAGGGS events, meet MPs and ministers and attend the party political conferences.
- Enabled nearly 100,000 girls from Girlguiding to participate in politics and democracy activities as part of Parliament Week. Sixty girls from Girlguiding took part in our House of Lords takeover, shadowing female peers to mark 60 years since the first woman took her seat in the Lords.
- Published a special edition of our annual Girls' Attitudes Survey to mark the 10-year anniversary of the survey. Recognised as the largest piece of research into girls' lives and attitudes in the UK, its statistics are cited regularly by government ministers.
- Continued our Action for Change programme to support girls as they develop advocacy and influencing skills and launch their own social action projects. Fifty-eight girls worked on projects including getting more girls into STEM; LGBTQ+ awareness; addressing mental health and bullying; promoting dementia awareness; and a 'Save the Bees' campaign.
- Began work to inform and develop our new strategy for 2020 and beyond, fully involving young members through extensive consultation and ensuring that 33% of our Strategy Project Board members are aged under 30.
- Supported our Advocate Panel, consisting of 18 young members aged 14 to 18, as they developed and launched a campaign to tackle period poverty. This began with a consultation exercise in which 86% of young members polled agreed that Girlguiding should be tackling the stigma around periods and campaign for schools to provide period products for girls who can't afford them. During 2018, 7,732 members earned their 'End period poverty' badges and 6,212 units used our period-related resources.
- Developed a new Future Girl advocacy programme based on the changes girls said they wanted to see in the world. We aimed to involve 10,000 young members in the consultation but smashed this target with 76,000 girls feeding in and supporting social action on issues like the environment, animal cruelty, bullying and cyberbullying, fair treatment for disabled people and girls' rights. The Future Girl advocacy programme will be launched in 2019.

Progress against our Voice performance targets

What we want to achieve by 2020	Our 2017 result	Our 2018 result
25% of Girlguiding governance and volunteer roles outside units are occupied by women under 30	12%	10%
55% of the general public think Girlguiding gets girls' views heard on the issues that matter to them	42%	41%
100% of young members take part in social action	75%	63%



In 2018 we continued to focus on increasing the number of young women in governance and decision-making roles to ensure our decision making reflects the priorities and lived experience of young people. We set ourselves an ambitious target of 25% under-30 representation across different role types in guiding: national trustees, lead volunteers, commissioners and advisers; over 8,000 roles in total. We are delighted that the proportion of young lead volunteers (31%) and Council members (35%) exceeded our target. Our young trustee representation fell to 0% towards the end of 2018 as two trustees turned 30, which impacted negatively on our overall youth representation results for 2018. In 2019 we will continue to focus on making the large number of commissioner and adviser roles more accessible and attractive to younger members and increase the diversity of our Board of Trustees.

Social action has always been at the heart of guiding and in 2018 our members once again gave back to their communities in all sorts of ways - from fundraising for other charities and collecting products for food banks, to campaigning for change nationally and supporting community projects. We were disappointed that young member engagement in social action dropped compared to 2017. However, we expect this to increase again in 2019 in response to the roll-out of our new programme which has a specific 'Take Action' theme, the launch of our new Future Girl advocacy manifesto, and the introduction of a national week of social action.

There was a lower level of national advocacy activity during 2018 compared to previous years as our Girls Matter initiative expired in 2017. This meant there were fewer opportunities to build public awareness of Girlguiding's advocacy agenda and fewer activities that enabled girls to speak up on issues they care about. Despite a lower level of public affairs and national campaigning activity, the proportion of the public who feel Girlguiding gets girls' views heard on the issues that matter to them held steady at 41%. A new manifesto from young members was developed during 2018 and our new advocacy programme will be launched in 2019, giving us many more opportunities to amplify girls' voices when they talk about what matters to them.

"I'm getting to connect with lots of amazing girls that I might not have connected with if I hadn't been a Girl Guide"

What we will achieve in 2019

- Launch our new advocacy platform Future Girl to drive change on the issues that matter most to girls and young women and give girls a platform to champion change.
- Engage all our members in a week of collective social action in October 2019.
- Develop a youth participation strategy and increase young people's involvement in our governance and decision making.





We will increase the number of girls from all backgrounds who can access the benefits of guiding.

Girlguiding is open to every girl and young woman, and we want to reach out to those who may not ever have considered guiding as something they could get involved in, or who don't have access to a local guiding unit. By actively promoting the fun, friendship, opportunities and adventure of guiding, we aim to grow our membership and extend the benefits of guiding even further.

What we achieved in 2018

- Developed an ambitious new offer for 18 to 30 year-old members, which will provide empowering opportunities for adventure, skills development, personal development and fun.
- Developed a flexible membership offer so adults who need to step back from active volunteering can stay involved and engaged with Girlguiding.
- Built a team of growth and development staff backed by grant funding from Pears Foundation, UPS Foundation and Youth United Foundation to deliver new units in targeted local areas, enabling us to expand into new areas, reduce our waiting lists and diversify our membership.
- Developed comprehensive, sector-leading guidance on including transgender members, in line with our value of inclusivity.
- Developed improved ways to communicate and engage with girls and parents to improve their experience and help retain them for longer, including a dedicated parents' communication channel that has increased the number of emails parents receive.
- Launched a new volunteer recruitment campaign, #InspireGirls, that encouraged over 2,400 women to register their interest in volunteering. The campaign also succeeded in reaching over 3.5 million people and attracting over 43,000 new visitors to the campaign web page.

Progress against our Access performance targets

What we want to achieve by 2020	Our 2017 result	Our 2018 result
Girlguiding membership grows by at least 17,000 annually from 2019	501,590	490,022 (-2%)
Increase number of new units opened	389	408
55% of the general public would recommend Girlguiding to a girl they know	55%	53%
Increase in 'on message' national media coverage	90%	98%



2018 was the second year of delivering Girlguiding's growth strategy. We were delighted to secure a further £718,000 in external grant funding from the government to support this vital work. In 2017 we recognised that it will take time for our growth strategy to impact significantly on our overall membership numbers, but while our membership numbers dropped slightly again in 2018, the speed of decline is slowing which is encouraging. In further positive news we opened 408 new units, beating our 2017 result and enabling us to take guiding into more new communities.

We were delighted that our on-message media coverage reached 98% in 2018, exceeding our 2017 figure of 90%. The extensive positive coverage of our new programme launch and Girls' Attitudes Survey results supported this achievement. Encouragingly, however, we also maintained this on-message level in the face of negative media coverage relating to our trans inclusion policy, demonstrating our ability to effectively communicate our key messages to the media and general public.

The likelihood of the general public to recommend Girlguiding to a girl they know remained strong in 2018 at 53%, boosted by positive coverage of our new programme launch and online volunteer recruitment campaign. Negative coverage of our transgender inclusion policy and the low level of national advocacy activity during the year are likely to have hampered further progress against this target.

"I feel lucky to be a part of the Guides and feel like if at times I feel sad or down I will always have someone to talk to"

What we will achieve in 2019

- Launch new guidance and resources to support girls' wellbeing and good mental health.
- Set up new units in areas of social deprivation. Seek further external funding to build local capacity for membership growth and help extend our reach to girls and volunteers from under-represented communities.
- Redesign our volunteer journey to make it easier for new volunteers to join Girlguiding and match them with the volunteering role that suits their skills, interest and the time they can offer.
- Develop new inclusion resources and support to help our leaders include all girls.



Capacity



We will improve our structures, processes and capacity.

Having the right resources in place means that we can offer our members a safe, consistent and high-quality guiding experience. From technological support to long-term strategic planning, we provide a structure that is fit for purpose and adapts with the changing needs of Girlguiding.

What we achieved in 2018

- Developed new workstreams to implement the recommendations from Girlguiding's operational effectiveness review in order to reduce the administrative burden on our adult members.
- Clarified the roles and responsibilities of each level of guiding, along with reviewing the size and scope of our vital commissioner roles.
- Developed new fundraising streams by auditing existing local and national fundraising activity, and developing a new legacy and in-memory giving strategy.
- Launched new partnerships with the British Army, AMEY, Google, Legal & General and Easyjet.
- Began work to develop a new strategy and impact measurement for the organisation
- Upgraded our membership and IT systems
- Improved our customer service to all members and the public by implementing clear customer service standards and updated systems and processes.
- Delivered the first stage of our digital transformation strategy so we are making the most effective use of digital tools and channels across Girlguiding.
- Launched our new online shop.

Progress against our Capacity performance targets

What we want to achieve by 2020	Our 2017 result	Our 2018 result
Income growth in line with budget (member subscriptions, national fundraising and trading)	£15.1m	£18.9m
85% of Girlguiding staff and volunteers would recommend Girlguiding as an organisation to work or volunteer for	85%	82%

In 2018 our total income was higher than budget after our most successful trading year ever, thanks to an enthusiastic response from our members to our new programme resources. Our fundraising performance was ahead of budget as we successfully gained new grant income for the next three years. Year on year our member subscriptions grew by 10.8% due to an increase in subscription rate, despite a small decline in paying members.

Once again 2018 saw a high level of volunteer and staff satisfaction, with 82% saying they would recommend Girlguiding as an organisation to work or volunteer for. While our annual membership survey captures a huge amount of positive qualitative feedback from our volunteers, we remain focused on continuously improving the volunteering experience in line with their feedback. Priorities for 2019 include reducing admin for volunteers; making it easier to access training and development; recognising the skills and qualifications volunteers bring from outside guiding; and making it easier for volunteers to take girls to outside activities and on trips.



“It was 100% the best decision I’ve made in my life to come back to Guiding after a long absence”
Girlguiding volunteer



What we will achieve in 2019

- Establish a major donor giving club and engage a network of philanthropic fundraising individuals in Girlguiding.
- Launch new and exciting partnerships that open up careers to girls in industries where women are under-represented and give our members access to expert knowledge, opportunities to develop their skills, and other rewards and benefits.
- Launch a new Girlguiding Strategy for 2020 onwards.
- Deliver new and updated policies and procedures for volunteers as part of the compliance framework with a particular focus on health, safety and welfare.
- Deliver a review of staff pay and benefits.



Structural information

Governing document and constitution

The Guide Association is incorporated by Royal Charter and is registered as a charity (charity registration number 306016, OSCAR registration number SC038436) with its headquarters at 17-19 Buckingham Palace Road, London SW1W 0PT. Our charitable purpose, vision and mission are set out on page 16. The Association has its affairs managed and regulated by a Board of Trustees. The constitution of Girlguiding's Council and the Board of Trustees, and the exercise of powers by the Council and Trustees, are set out in the bye-laws to the Royal Charter.

The Board of Trustees has five sub-committees: Audit and Risk, Finance, Nominations and Governance, Remuneration and the Operational Board. Terms of reference for each committee clarify the roles and responsibilities of each, their decision-making remit, and the requirements for them to exercise scrutiny and make recommendations to the Board. The decision-making framework for both the sub-committees and the CEO and senior staff is laid down in the Scheme of Delegated Authority which is reviewed annually by the Board of Trustees.

Revised bye-laws came into effect in February 2018. This followed recommendation by the Trustee Board and approval by the Council of a new, stand-alone role of chair of the board (the chair role having been undertaken by the chief guide prior to that change). This enables greater focus by the chief guide on volunteer leadership, and by the chair on governance leadership.

Organisation structure

Guiding within the United Kingdom is organised into a number of geographical areas to provide support, lines of two-way communication and opportunities for young members, leaders and commissioners to make decisions and take responsibility. Each of the six regions of England and the three countries of Scotland, Ulster and Wales has a chief commissioner, who is chair of a board of trustees which

is appointed according to the country or region constitution and which is responsible for the administration of guiding in that country or region. This report is of the Association's central organisation and reflects the activities it undertakes on behalf of the Association as a whole. It has not consolidated the results from Countries, Divisions, Districts, and Units as these are separate charities and are responsible for their own finances.

The Board of Trustees of the charity

Chair of the Board

Catherine Irwin (from 01.05.18)
Val Elliott (interim to 30.04.18)

Chief Guide

Amanda Medler (from 22.02.18)

Deputy Chief Guide

Sally Illsley (until 22.02.18)
Julie Bell (from 01.08.18)

Treasurer

Robert Cox

Jaki Booth
Maya Dibley
Val Elliott
Alex Farrow
Carole Graham MBE (until 31.01.19)
Su Hassall
Margaret Mackie
Della Salway
Helen Shreeve (from 01.02.18)

Appointment and induction of trustees

The members of the Board of Trustees are appointed pursuant to the Royal Charter and Bye-laws. The chief, assistant and deputy guides are appointed in accordance with regulations proposed by the Board and approved by the Council; the chair and other trustees are appointed by the Board. In all appointments, the Nominations and Governance Committee is involved in the process to ensure a breadth of professional background and experience suitable to direct the affairs of the charity. There are established procedures for the induction of each trustee to ensure that they are aware of the responsibilities of a trustee and the ways of working within the charity. All trustees are required to take

part in group trustee training sessions at least once a year and trustees are also invited to attend specialist one-off training sessions on aspects of their role offered by sector training organisations.

The Guide Association's key management personnel

Chief Executive

Julie Bentley (to 27.07.18)
Angela Salt (from 14.01.19)

Deputy Chief Executive and Strategy Director

Ruth Marvel (and acting CEO from 28.07.18 to 13.01.19)

Strategy Director

Berenice Levenez (interim from 27.04.18 to 13.01.19)

Marketing and Communications Director

Devia Gurjar (to 04.01.19)
Charlie Wells (interim from 17.12.18)

Operations Director

Jonathan Whitehead

Corporate Resources Director

Gary Hocking (until 25.02.18)

Commercial, Property and IT Director

Gary Hocking (from 26.02.18)

Finance and Professional Services Director

Christine Grant (from 26.02.18)

Professional advisers and consultants

The professional advisers and consultants during 2018 have been as follows:

Bankers

National Westminster Bank Plc,
169 Victoria Street, London SWE1 5BT

Fund managers

CCLA, Senator House, 85 Queen Victoria Street, London EC4V 4ET

Newton Investment Management Limited, BNY Mellon Centre, 160 Queen Victoria Street, London EC4V 4LA

Cazenove Capital Management,
1 London Wall, London EC2Y 5AU

Auditors

BDO LLP, 55 Baker St, London W1U 7EU

Legal consultants

Bates Wells Braithwaite, 10 Queen Street Place, London, EC4R 1BE

Statement of the trustees' responsibilities

The trustees are responsible for preparing the trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Charity law requires the Board of Trustees to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the group and parent charity and of the incoming resources and application of resources of the group and parent charity for the year. In preparing those financial statements the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis of accounting unless it is inappropriate to presume that the charity will continue in business.

The Board of Trustees is responsible for keeping proper accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the group and parent charity and enable them to ensure that the financial statements comply with the Charities Act 2011

and the Charities and Trustee Investment (Scotland) Act 2005, regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and regulations made thereunder. They are also responsible for safeguarding the assets of the group and parent charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board of Trustees is responsible for the maintenance and integrity of the financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements and other information included in annual reports may differ from legislation in other jurisdictions.



Notes

The Guide Association and public benefit

'Girlguiding' is an operating name of The Guide Association which is incorporated/governed by Royal Charter, and is a registered charity in both England and Wales (number 306016) and Scotland (OSCR SC038436).

The charity's trustees have a duty to report on the charity's public benefit in the Annual Report. The benefit that the charity brings to girls and young women, their community and the wider world is explicit in our charitable purpose.

Our charitable purpose

'To promote the education of girls and young women to help them develop emotionally, mentally, physically and spiritually so they can make a positive contribution to their community and the wider world.'

It is also reflected clearly in Girlguiding's vision and mission, which are a fresh expression of the charity's purpose and direction which spearhead the strategic plan for 2015 to 2020 and beyond.

Our vision

An equal world where all girls can make a positive difference, be happy, safe and fulfil their potential.

Our mission

Through fun, friendship, challenge and adventure we empower girls to find their voice, inspiring them to discover the best in themselves and to make a positive difference in their community.

Our promise

Central to Girlguiding is the Promise, the words that every girl and young woman joining the charity use to express their undertaking to be the best that they can be through guiding and to give back to their community through their involvement in the movement. This is in itself a truly grassroots expression of the charity's public benefit at work.

I promise that I will do my best:
To be true to myself and develop my beliefs,
To serve the Queen and my community,
To help other people
and To keep the (Brownie) Guide Law.

Public benefit in 2018

The pages of this report detail the framework that the trustees have adopted to maximise benefit to Girlguiding's members, their communities and the world beyond. We have referred to the Charity Commission's general guidance on public benefit in setting our strategic plan. In particular, the trustees consider how planned activities will contribute to the aims and objectives we have set.

- The Excellence strategic strand aims to maximise the benefit to each individual member in guiding.
- The Access strategic strand aims to maximise the number of girls who benefit from the Girlguiding programme.
- The Voice strategic strand aims to give our young members the opportunity to be the change in our organisation, in their communities and in the wider world.
- The Capacity strategic strand aims to improve the structure, processes and decision making across the organisation.

This report details the targets that the trustees have set in each of these areas for 2020, shows how those targets have been achieved in 2018 to deliver public benefit, and indicates the priority areas for action for 2019 to guide the next steps in the journey.

Environmental statement

Girlguiding is taking steps to reduce any negative impact of our activities on the environment. This includes initiatives to increase recycling, use sustainable packaging and alternatives to single-use plastic and increase our energy efficiency. We will review our environmental impact report during 2019. Through our programme and advocacy we

offer girls opportunities to better understand environmental issues and make positive decisions to live more sustainably.

Risk statement

The major risks facing the Association are continually reviewed and monitored in line with Girlguiding's Risk Management Framework and a suite of corporate, departmental and project risk registers. The corporate risk register and associated risk reports are scrutinised quarterly by the Audit and Risk Committee which oversees the organisational management of risk on behalf of the Board of Trustees. An internal Risk Management Board and the annual independent auditor's report provide additional assurance to the Audit and Risk Committee and Executive team that the correct organisational risks have been identified and that risk is being managed proactively and effectively across the Association.

The trustees consider that the principal risks faced by the organisation are:

- Membership decline: because girls are not getting what they need from guiding or choose not to join. Mitigation is sought through the business plan and detailed the Excellence and Access strategic themes on pages 6 and 10.
- Inadequate levels of volunteer recruitment and retention: waiting lists grow and units close due to lack of volunteers leading to overall membership decline and lower income. Mitigation is sought through the growth strategy and business plan and detailed under the Excellence strategic theme on page 6.
- Girls or volunteers suffer serious harm as a consequence of a safeguarding or health and safety related issue. Mitigation is sought through the business plan and comprehensive policies and procedures and volunteer training and detailed under Excellence and Capacity strategic themes on pages 6 and 12.

Serious incidents

Serious incidents are notified through a framework for reporting; incidents are logged, scrutinised and assessed by senior staff and the Audit and Risk Committee for meeting the threshold for reporting to the Charity Commission. We have policies on safeguarding and whistleblowing, the latter covers a broad area including fraud and misconduct.

Behind the reporting of incidents lies a series of policies, frameworks and processes for notifying and managing incidents, depending on their nature. This includes having in place dedicated teams for managing safeguarding, compliance and complaints; mandatory training on key areas to include safeguarding; a case management system for all safeguarding incidents supported by the safeguarding team (and safeguarding panel of experts to bring further scrutiny and advice to complex cases); a process for receiving disclosures, allegations and concerns; and a code of conduct for volunteers and staff.

Organisational structure and decision-making

The Board of Trustees has overall responsibility for the decisions of the Association and has delegated its authority in specific areas to the chief executive and her senior managers, and to the following sub-committees of the Board, under an approved Scheme of Delegated Authority and committee terms of reference:

- Audit and Risk
- Finance
- Nominations and Governance
- Remuneration
- Operational Board.

Charity Governance Code

The Board of Trustees is committed to good governance and to its own and the charity's continuous improvement in delivering its purpose most effectively for the public benefit. It is clear about the charity's aims and seeks to ensure that these are being delivered effectively and sustainably, keeping under review the Code's recommended practice and seven principles of

organisational purpose: leadership, integrity, decision making, risk and control, board effectiveness, diversity, and openness and accountability.

The Board strives for best practice in accordance with the Charity Governance Code; many of the measures it takes in achieving this are addressed in this report. In 2018 the Board of Trustees completed a self-assessment against the sections within the Code to inform its annual work plan, and the Board commits to ongoing review against the principles set.

Volunteers

The Association is grateful for the dedication and support of our volunteers across the countries and regions in which Girlguiding operates, who give their time and energy to help our girls and young members to achieve their potential, make a difference and be their best.

Setting pay at Girlguiding

Following a charity sector salary benchmarking review in 2014, and associated job evaluation exercise, all staff salaries, including that of the chief executive, were determined. All jobs including that of the chief executive are placed in a salary band that reflects similar roles within the sector. Salary progression is linked to length of service and each year staff move to a higher salary step within the respective band until they reach the top of the band. In line with good practice salaries are reviewed regularly against the market. As a UK employer with over 250 employees, Girlguiding is required by law to publish data about its gender pay gap for 2018. In 2018 Girlguiding has a small negative gap in favour of female employees: between the average male and female employees we have a mean gender pay gap of -3%. Male employees have a lower median pay than females as we have a negative median gender pay gap of -30.5%. The difference in pay is £3.74 per hour. Of our employees, 80.5% are female and this atypical workforce balance influences our data.

Fundraising statement

At Girlguiding we want to help more girls to learn new skills, make friends, have adventures and grow in confidence. We can only do this thanks to the commitment of our valued supporters. When you give to Girlguiding your gift makes a big difference to the lives of girls and young women.

We are committed to responsible fundraising practices, follow the Fundraising Code of Practice, are registered with the Fundraising Regulator and have signed up to the fundraising promise. Our fundraising activity will always be legal, open, honest and respectful.

At Girlguiding we make all reasonable efforts to ensure the ongoing compliance of third parties with the Fundraising Code of Practice and the law. The work we undertake with commercial participators and professional fundraisers is governed by a contract or terms and conditions which set out the obligations of the parties involved. Similarly, all work we do with fundraising agencies is governed by a contract. We do not currently carry out door-to-door, street or telephone fundraising.

We take our responsibility towards our donors very seriously. We strongly believe that no one should ever feel pressured into giving and take steps to ensure that the vulnerable are protected. We will not contact anyone unless they have requested or consented to receiving fundraising communications. Supporters can opt out of receiving fundraising or any other communications at any time. We will never sell, swap or share their data.

It is our aim for all those donating to Girlguiding to have an extremely positive experience. However, we recognise that there may be times when supporters are not happy with their experience. In 2018 we received 34 complaints. We are committed to investigating complaints and resolving them swiftly. If you are not satisfied with your experience, we want to hear about it. Your feedback enables us to improve our fundraising service.

Review of financial position

The financial statements annexed to this report are those of the Association's headquarters and reflect the activities it undertakes on behalf of Girlguiding as a whole. Countries and regions, counties, divisions, districts and units are separate charities and are responsible for their own finances.

The Statement of Financial Activities (SoFA)

Incoming and outgoing resources for the year are detailed in the SoFA, together with net gains or losses on investments. These are shown separately for the Association's unrestricted funds, which may be used at the discretion of the Board of Trustees, and the Association's restricted trust and special funds, which must be spent in accordance with the donors' wishes.

Overview of 2018

2018 saw a considerable rise in income and contribution from activities.

Net income for the year amounted to £2,454,184 (2017: £728,862). This includes a loss on investments of £31,282 (2017: gain of £550,499).

Total funds carried forward at 31 December 2018 amounted to £51,562,908 (2017: £49,108,723).

Income and expenditure

Income

Total income amounted to £24,975,864 (2017: £20,775,794), an increase of 20.2%.

Key variances:

- Subscriptions rose by 10.8% to £7,139,222 (2017: £6,443,331). This reflects an increase in subscription rate to £15 in combination with a fall in membership.
- Donations, legacies and grants increased by 101.3% to £2,660,860 (2017: £1,321,612). This is due to an increase in one off unrestricted legacy receipts by 208% and a substantial increase in restricted grant income by 147%. £1,141,000 new grant income was received from Pears Foundation to support development work across Girlguiding for a three year period.
- Trading income. Following the successful launch of the new programme, trading income rose to £8,779,554 (2017: £6,747,893), an increase of 30.1%. After expenditure the contribution from our trading subsidiary amounted to £3,854,409, up from £2,416,062 in 2017.

Expenditure

Total expenditure amounted to £22,490,398 (2017: £20,597,431), an increase of 9.2%.

The Cost of Generating Funds increased by £497,029 to £5,833,759 (2017: £5,336,730). This was mainly as a result of selling more products through our trading company due to the new programme.

Our overall Charitable Expenditure was £16,656,639 (2017: £15,260,701). The costs for charitable expenditure has been broken down by the four themes. The direct costs for these activities were either directly attributed to a theme, or an appropriate allocation basis was used to charge costs across the themes.

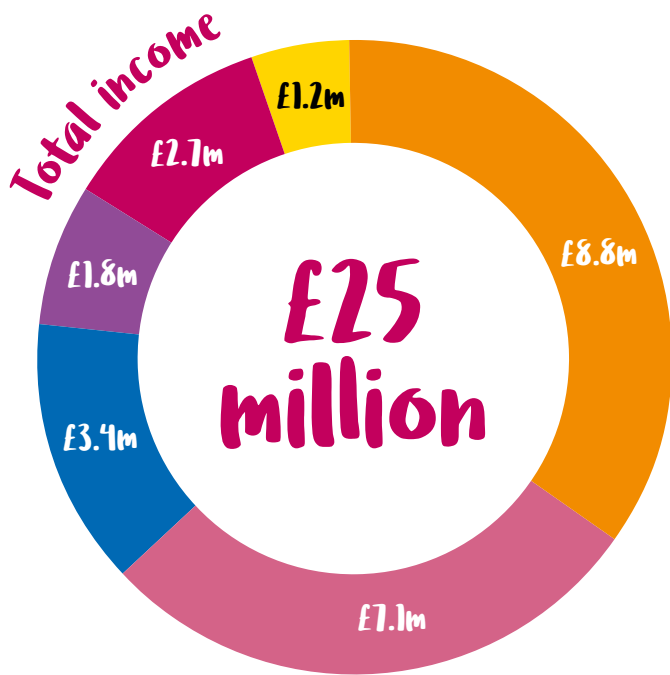
Charitable expenditure arises from staff cost (44%), non pay direct costs (34%) and support costs (22%). The costs of our activities by theme are set out on page 19.

Investment movements

A net loss on investments of £31,282 was incurred for 2018 (2017: gain of £550,499). This arose from a combination of an increase in the value of the Nadler Hotel investment property of £575,000 and a loss on investment movements on our investment portfolio of £606,282 due to market uncertainties at the balance sheet date.



Our income and how we spend it to support our members



Gross trading income

Sale of products and information to our membership and licensing income
£8.8 million

Subscriptions

Fees from our membership
£7.1 million

Girlguiding Activity Centres

Accommodation and activity income generated by our centres
£3.4 million

Donations, legacies and grants

Includes donations from public, people leaving gifts in their will and grants from trusts
£2.7 million

Investment income

From investment property and financial investments
£1.8 million

Events, publications and other

This includes the Big Gig event and corporate income
£1.2 million

Excellence

Expenditure on youth programmes, enabling volunteers to deliver high quality guiding and on safeguarding to ensure we provide a safe space for girls.
£6.4 million

Cost of generating funds

Cost of the trading company and cost of fundraising activities seeking donations, grants and legacies.
£5.8 million

Capacity

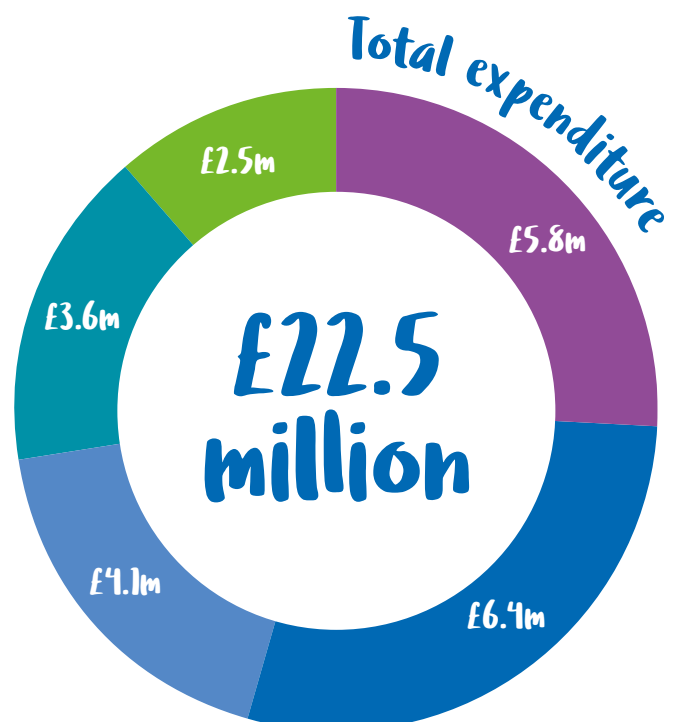
Expenditure on improving our structure, processes and capacity, including our Girlguiding Activity Centres.
£4.1 million

Access

Expenditure on analysis to inform decision making on growth, marketing to promote our organisation and the delivery of grant funded projects to increase the number of girls who can access guiding.
£3.6 million

Voice

Expenditure on improving the way we listen and on public relations to promote the voice of girls and young women.
£2.5 million



Review of financial position (cont)

The Balance Sheet

Tangible fixed assets

The Association holds various tangible fixed assets to support its activities. These are the Headquarters (HQ) building, the Members' Trading Service premises and the Girlguiding Activity Centres. A total of £686,391 was spent on fixed assets in the year. This included expenditure on projects to increase our capacity. We spent £163,609 on the upgrade to our membership system and £129,210 on our IT systems.

In 2018 we made two adjustments as a result of the changes made to SORP (FRS 102). Our depreciation policy was revised to take account of the new component accounting requirements. This has resulted in a prior year adjustment of £153,444 in both the consolidated and charity accounts. Further details are given in notes 11 and 27. The second revision only applied to the charity accounts. We can now report properties that are rented to group companies as fixed assets instead of investment properties. This has resulted in a £1,500,000 revaluation loss in 2018 as the prior year revaluation gain is reversed. See note 12 for further details.

Investment policy

Total unrestricted investments were valued at £38.1 million at 31 December 2018 (2017: £38.8 million).

The conversion of part of the Headquarters building to an investment property in 2015 provides rental income which will help to fund day-to-day running costs and to fund strategically important revenue and capital projects in the future. The investment property has been revalued to £32,200,000 (2017: £31,625,000).

The Association holds financial investments as an important part of our reserves. The value of financial investments was £6,579,637 at 31 December 2018 (2017: £7,926,252).

The Finance Committee regularly reviews the performance of investments. Prior to 2018 financial

investments were managed by external fund managers. Following a review of investment performance in 2017 by an external investment consultant, Stanhope Consulting, our investments with Cazenove were transferred 50/50 to CCLA and Newton Investment Management.

The investment performance target is to achieve a positive real return over the long-term. The investments in CCLA and Newton Investment Management are in single managed investment funds, both of which invest in a diversified list of assets. Previously at Cazenove funds were directly invested in equities and other asset classes within agreed asset allocation ranges. At Cazenove the return on investments over the last 3 years was 9.8% compared to a benchmark of 11.5%, falling short of the performance target by 1.7%.

Reserves

Free reserves represent the working capital of the Association available to support short and medium-term objectives and to safeguard against unexpected decreases in income. Charity Commission guidance defines free reserves as 'income which becomes available to the charity and is to be expended at Trustees' discretion in furtherance of any of the charity's objectives, but is not yet spent, committed or designated'. They exclude assets not freely available to spend on the charity's purposes - its tangible fixed assets and the investment property, an asset let on a lease for long-term financial return. The Finance Committee has examined the needs and challenges faced by the Association in both the short and the medium term, along with relevant financial forecasts, and has formulated a policy to meet those needs. This policy, approved in November 2017, requires target free reserves to be maintained with a minimum level of three months' unrestricted operational expenditure to ensure compliance with the principle of extending income for the advantage of our beneficiaries. A maximum level of free reserves has been set at 150% of the

minimum level. At the year end this target range was between £4,121,000 and £6,181,000. The level of free reserves at the balance sheet date was £6,827,397 (2017: £5,883,078). 50% of the excess over target reserves represents late adjustments for anticipated legacy receipts at the year end. Designation of reserves will be made for development activity in 2019.

Designated funds

The specific uses and needs to be met by the designated funds are detailed separately in note 19 to the financial statements.

Endowed funds

During 2018, following the completion of a review of funds and their uses, a number of endowed funds were transferred to restricted funds. As at 31 December 2018 no endowed funds were held (2017: £361,887).

Financial statements for 2018

The annual financial statements for 2018 are annexed to this report and include a report by the Association's auditors, BDO LLP. The financial statements comply with current statutory requirements and with the requirements of the Association's Royal Charter and were approved by the Board of Trustees at its meeting on 10 June 2019 to be submitted to the Association's Annual General Meeting for adoption.

The Treasurer was authorised to sign the annual financial statements on behalf of the Board of Trustees.

Annual report

This report was approved by the Board of Trustees at its meeting on 10 June 2019 and the chair of trustees was authorised to sign the report and the annual financial statements on its behalf.



Catherine Irwin
Chair of Trustees
10 June 2019



Independent Auditor's report to the trustees of The Guide Association

Opinion

We have audited the financial statements of The Guide Association ('the Parent Charity') and its subsidiaries ('the Group') for the year ended 31 December 2018 which comprise the consolidated and charity statement of financial activities, the consolidated and charity balance sheet, the consolidated and charity cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Charity's affairs as at 31 December 2018 and of the Group's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011 and Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006, as amended in 2010.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Group and the Parent Charity in accordance with the ethical requirements relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions related to going concern

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

- 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 or the Parent Charity'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.

Other information

The other information comprises the information included in the Annual Report and Financial Statements, other than the financial statements and our auditor's report thereon. The other information comprises: The Trustees' Report; Structural Information; Statement of Trustees' Responsibilities; Notes to the Trustees Report; and Review of Financial Position. The Trustees are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance or conclusion 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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005 require us to report to you if, in our opinion;

- the information contained in the financial statements is inconsistent in any material respect with the Trustees' Annual Report; or
- proper accounting records have not been kept by the Parent Charity; or
- the Parent Charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

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

In preparing the financial statements, the Trustees are responsible for assessing the Group's and the Parent Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Group or the Parent Charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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

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

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

Use of our report

This report is made solely to the Charity's trustees, as a body, in accordance with the Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the Charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and the Charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



BDO LLP
Statutory Auditor
London,
United Kingdom

Date: 11 June 2019

BDO LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

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

Consolidated statement of financial activities

For the year ended 31 December 2018

	Notes	Unrestricted funds £	Restricted funds £	Endowed funds £	2018 Total funds £	2017 Restated Total Funds £
Income from:						
Donations, legacies and grants	2	946,826	1,714,034	-	2,660,860	1,321,612
Charitable activities:						
Subscriptions		7,139,322	-	-	7,139,322	6,443,331
Training & Activity Centres		3,419,671	-	-	3,419,671	3,122,908
Events	3	602,051	-	-	602,051	579,967
Publications		31,521	-	-	31,521	40,965
Trading activities	4	8,779,544	-	-	8,779,544	6,747,893
Investments	5	1,805,175	23,984	-	1,829,159	1,850,021
Other	6	504,490	9,246	-	513,736	669,097
Total income		23,228,600	1,747,264	-	24,975,864	20,775,794
Expenditure on:						
Raising funds	7	5,833,759	-	-	5,833,759	5,336,730
Charitable activities	8	15,561,016	1,095,623	-	16,656,639	15,260,701
Total expenditure		21,394,775	1,095,623	-	22,490,398	20,597,431
Net (losses)/gains on investments		17,430	(48,712)	-	(31,282)	550,499
Net income/(expenditure)		1,851,255	602,929	-	2,454,184	728,862
Transfers between funds	19/20	-	361,887	(361,887)	-	-
Net movement in funds		1,851,255	964,816	(361,887)	2,454,184	728,862
Reconciliation of funds:						
Total funds brought forward at 1 January 2018	19/20	47,503,476	1,243,361	361,887	49,108,724	48,379,862
Total funds carried forward at 31 December 2018	19/20	49,354,731	2,208,177	-	51,562,908	49,108,724

All gains and losses recognised in the year are included in the statement of financial activities.

All amounts arise from continuing activities.

The notes to the financial statements form part of these accounts.

Charity statement of financial activities

For the year ended 31 December 2018

	Notes	Unrestricted funds £	Restricted funds £	Endowed funds £	2018 Total funds £	2017 Restated Total Funds £
Income from:						
Donations, legacies and grants	2	946,826	1,714,034	-	2,660,860	1,321,612
Charitable activities						
Subscriptions		7,139,322	-	-	7,139,322	6,443,331
Training & Activity Centres		3,419,671	-	-	3,419,671	3,122,908
Events	3	602,051	-	-	602,051	579,967
Publications		31,521	-	-	31,521	40,965
Trading activities	4	133	-	-	133	-
Investments	5	1,940,175	23,984	-	1,964,159	1,985,021
Other	6	157,201	9,246	-	166,447	179,278
Donation from subsidiary		3,854,410	-	-	3,854,410	2,416,062
Total income		18,091,310	1,747,264	-	19,838,574	16,089,144
Expenditure on:						
Raising funds	7	532,930	-	-	532,930	564,186
Charitable activities	8	15,724,555	1,095,623	-	16,820,178	15,346,595
Total expenditure		16,257,485	1,095,623	-	17,353,108	15,910,781
Net gains/(losses) on investments		17,430	(48,712)	-	(31,282)	550,499
Net income/(expenditure)		1,851,255	602,929	-	2,454,184	728,862
Transfers between funds	19/20	-	361,887	(361,887)	-	-
Other recognised gains/(losses)						
Net loss on revaluation of investment property	12	(1,500,000)	-	-	(1,500,000)	-
Net movement in funds		351,255	964,816	(361,887)	954,184	728,862
Reconciliation of funds:						
Total funds brought forward at 1 January 2018	19/20	49,003,476	1,243,361	361,887	50,608,724	49,879,862
Total funds carried forward at 31 December 2018	19/20	49,354,731	2,208,177	-	51,562,908	50,608,724

All gains and losses recognised in the year are included in the statement of financial activities.
All amounts arise from continuing activities.

The notes to the financial statements form part of these accounts.

Consolidated balance sheet

As at 31 December 2018

	Notes	£	2018 £	Restated 2017 £
Fixed assets				
Tangible fixed assets	11		9,157,218	9,229,734
Investments	12		38,779,637	39,551,252
			47,936,855	48,780,986
Current assets				
Stocks	14	1,077,106		630,515
Debtors	15	1,847,828		798,335
Cash at bank and in hand		4,977,135		3,884,611
		7,902,069		5,313,461
Current liabilities				
Creditors due within one year	16	(3,504,650)		(3,710,921)
Net current assets/(liabilities)			4,397,419	1,602,540
Long-term liabilities				
Creditors due after one year	17		(475,000)	(950,000)
Provisions for liabilities and charges	18		(296,366)	(324,802)
Net assets			51,562,908	49,108,724
General funds				
Designated funds	19	1,170,116		765,664
Unrestricted funds	19	48,184,615		46,737,812
			49,354,731	47,503,476
Restricted funds	20		2,208,177	1,243,361
Endowed funds	20		-	361,887
Total funds	13		51,562,908	49,108,724

Approved and authorised by the Board of Trustees on 10 June 2019 and signed on their behalf by:



Catherine Irwin - Chair



Robert Cox - Honorary Treasurer

The notes to the financial statements form part of the accounts.

Charity balance sheet

As at 31 December 2018

	Notes	£	2018 £	Restated 2017 £
Fixed assets				
Tangible fixed assets	11		9,157,218	9,229,734
Investments	12		38,929,637	41,201,252
			48,086,855	50,430,986
Current assets				
Stocks	14	53,917		57,680
Debtors	15	4,664,111		2,254,316
Cash at bank and in hand		2,824,297		2,753,880
		7,542,325		5,065,876
Current liabilities				
Creditors due within one year	16	(3,294,906)		(3,613,336)
Net current assets/(liabilities)			4,247,419	1,452,540
Long-term liabilities				
Creditors due after one year	17		(475,000)	(950,000)
Provisions for liabilities and charges	18		(296,366)	(324,802)
Net assets			51,562,908	50,608,724
General funds				
Designated funds	19	1,170,116		765,664
Unrestricted funds	19	48,184,615		48,237,812
			49,354,731	49,003,476
Restricted funds	20		2,208,177	1,243,361
Endowed funds	20		-	361,887
Total funds			51,562,908	50,608,724

Approved and authorised by the Board of Trustees on 10 June 2019 and signed on their behalf by:



Catherine Irwin - Chair



Robert Cox - Honorary Treasurer

The notes to the financial statements form part of the accounts.

Consolidated statement of cash flow

As at 31 December 2018

	£	2018 £	Restated 2017 £
Cash flows from operating activities:			
Net cash provided by (used in) operating activities (1.)		(790,577)	(927,569)
Cash flows from investing activities:			
Investment income and interest received	1,829,159		1,850,021
Payments to acquire tangible fixed assets	(686,391)		(1,023,701)
Purchase of fixed asset investments	(6,539,818)		(2,037,837)
Sale of fixed asset investments	7,156,347		2,727,338
		1,759,297	1,515,821
Cash flows from financing activities:			
Decrease/(increase) in cash held for investment		123,804	577,903
Change in cash and cash equivalents in the year (2.)		1,092,524	1,166,155

Notes to the statement of cash flow

	£	2018 £	Restated 2017 £
1. Reconciliation of net income/(expenditure) to net cash flow from operating activities			
Net income/expenditure for the year (as per the SoFA)		2,454,184	728,862
Adjustments for:			
(Gains)/losses on investments	31,282		(550,499)
Investment income	(1,829,159)		(1,850,021)
Depreciation charges	758,907		616,227
Loss on disposal of tangible fixed assets	-		5,486
(Increase)/decrease in stocks	(446,591)		180,123
(Increase)/decrease in debtors	(1,049,493)		430,935
Increase/(decrease) in creditors and provisions	(709,707)		(488,682)
		(3,244,761)	(1,656,431)
Net cash provided by (used in) operating activities		(790,577)	(927,569)

	2018 £	Change in year £	2017 £	Change in year £	2016 £
2. Analysis of the balances of cash as shown in the balance sheet					
Cash at bank and in hand	4,977,135	1,092,524	3,884,611	1,166,155	2,718,456

The notes to the financial statements form part of these accounts.

Charity statement of cash flow

As at 31 December 2018

	£	2018 £	Restated 2017 £
Cash flows from operating activities:			
Net cash provided by (used in) operating activities (1.)		(1,947,684)	(1,326,946)
Cash flows from investing activities:			
Investment income and interest received	1,964,159		1,985,021
Payments to acquire tangible fixed assets	(686,391)		(1,023,701)
Purchase of fixed asset investments	(6,539,818)		(2,037,837)
Sale of fixed asset investments	7,156,347		2,727,338
		1,894,297	1,650,821
Cash flows from financing activities:			
Decrease/(Increase) in cash held for investment		123,804	577,903
Change in cash and cash equivalents in the year (2.)		70,417	901,778

Notes to the statement of cash flow

	£	2018 £	Restated 2017 £
1. Reconciliation of net income/(expenditure) to net cash flow from operating activities			
Net income/expenditure for the year (as per the SoFA)		2,454,184	728,862
Adjustments for:			
(Gains)/losses on investments	31,282		(550,499)
Investment income	(1,964,159)		(1,985,021)
Depreciation charges	758,907		616,227
Loss on disposal of tangible fixed assets	-		5,486
(Increase)/decrease in stocks	3,763		(4,504)
(Increase)/decrease in debtors	(2,409,795)		193,588
Increase/(decrease) in creditors and provisions	(821,866)		(331,085)
		(4,401,868)	(2,055,808)
Net cash provided by (used in) operating activities		(1,947,684)	(1,326,946)

	2018 £	Change in year £	2017 £	Change in year £	2016 £
2. Analysis of the balances of cash as shown in the balance sheet					
Cash at bank and in hand	2,824,297	70,417	2,753,880	901,778	1,852,102

The notes to the financial statements form part of these accounts.

Notes to the financial statements

For the year ended 31 December 2018

1 Accounting policies

These are the financial statements of the Association's central organisation and reflect the activities it undertakes on behalf of the Association as a whole. Countries and Regions, Counties, Divisions, Districts and units are responsible as separate charities for their own finances. The principal accounting policies applied in the preparation of the financial statements are as follows:

(a) Basis of accounting

These financial statements have been prepared in accordance with 'Accounting and Reporting by Charities': Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Charities Act 2011.

The financial statements are prepared in accordance with the historical cost convention except for the revaluation of certain fixed asset investments.

The Association constitutes a public benefit entity as defined by FRS102.

There are no material uncertainties about the Association's ability to continue as a going concern.

(b) Basis of consolidation

The consolidated financial statements include the results of the Association and its subsidiary, The Guide Association Trading Service Ltd. All activities are consolidated on a line-by-line basis in the Statement of Financial Activities. Accordingly, the Consolidated Statement of Financial Activities (SoFA) reflects the incoming resources and resources expended of the Group and not the Association as an individual entity.

(c) Fund accounting - unrestricted funds

The Association's unrestricted funds consist of funds which may

be used for its purposes at its discretion. These comprise the General Fund and the Building & Equipment designated fund. The specific uses and needs to be met by the designated fund are detailed separately in note 19 to the financial statements.

(d) Fund accounting - restricted and endowed funds

The Association's restricted and endowed funds consist of a number of different funds where the donor has imposed restrictions on their use which are legally binding. The accounting records separate those restricted funds from the unrestricted funds of the Association, and also distinguish between those funds from which the capital is expendable (restricted funds) and those where the capital must be maintained (permanently endowed funds). A schedule of the movements on the various funds during the year is set out in Note 20.

(e) Income

Income is recognised when there is evidence of entitlement, receipt is probable and the amount can be measured reliably. In particular:

- donations are accounted for on receipt
- subscriptions are accounted for when receivable from units at the end of February
- grants are accounted for once a formal offer of funding is received, subject to satisfying any performance related conditions. In the event that a grant is subject to conditions that require a level of performance before the Association is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the Association and it is probable that those conditions will be fulfilled in the reporting period

- legacies are accounted for when probate has been granted and the executor has advised the legacy will be payable.

(f) Basis of allocation or apportionment of expenditure

Expenditure during the year is analysed into the categories required by the SORP:

- cost of raising funds
- charitable activities

Note 8 to the financial statements provides an analysis of activities in furtherance of the Association's objects according to function. Support costs reflect the Associations' overall establishment and corporate service costs allocated on an activity based apportionment. Governance costs are also allocated on an activity based apportionment. Cost of raising funds includes expenditure incurred on behalf of the Association in relation to investment manager fees, sponsorship and fund-raising costs and the operational costs of the trading subsidiary.

(g) Investments

Quoted investments are valued initially at cost and subsequently at market value within the financial statements. Realised and unrealised gains or losses on investments are accounted for in full within the particular fund to which the investment forms a part. The holdings of investments of certain restricted and endowed funds are merged and managed in an investment pool. The funds hold units in the investment pool which represent their share of the capital value of the investments plus any un-invested cash or debtors which exist at the year end. Investment properties are measured initially at cost and subsequently at fair value at the reporting date.

(h) Depreciation

Depreciation is provided on all tangible fixed assets (except land) on a straight-line basis to write off the cost of those assets over their estimated useful lives. No depreciation is provided on investment properties.

In 2018 the depreciation policy was revised in line with changes in the SORP (FRS 102) for component accounting. This was applied to the refurbishment works for the HQ building, where the electrical and mechanical were separately identified from the building works. This resulted in a prior year adjustment of £153,664 for the depreciation charge. The principal rates of depreciation are:-

- freehold buildings - 1.33% to 10%
- long leasehold - over the life of lease
- assets under construction - no depreciation
- membership Database - 20%
- equipment, fittings and vehicles:
 - computer equipment - 30%
 - mechanical - 10%
 - electrical - 5%
 - fittings - 10% to 20%
 - other equipment - 10% to 20%
 - vehicles - 25%

(i) Stocks

Stocks are valued at the lower of cost and net realisable value.

(j) Debtors

Debtors are measured at their recoverable amounts.

(k) Creditors

Amounts due to creditors are measured at their settlement amount. Deferred income is recognised as the amount receivable as an advanced payment for goods or services that must be provided.

(l) Self-insured claims provision

Provision is made for the self-insured element of notified insurance claims

on the basis of advice from the Association's insurance brokers, and is measured at the best estimate of the settlement amount.

(m) Pensions

The Association operates a defined contribution pension scheme on behalf of its employees. The scheme is operated by Scottish Widows. The amount charged to the SoFA in respect of pension costs and other post-retirement benefits is the contributions payable in the period. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

(n) Operating leases

Rentals applicable to operating leases are charged to the SoFA over the period in which the costs are incurred.

(o) Heritage assets

The Association holds a vast written and photographic archive of the history of the Association, the value of which is in the information it contains for Association members and the public's research. It is not possible to place a monetary value on this archive, therefore the asset is not recognised in the balance sheet of the Association. The Association has procedures in place to ensure that the asset is adequately preserved and maintained.

The archive was placed into storage during construction of the investment property and refurbishment of office accommodation at the Association's headquarters. A project has now been initiated to find a permanent home, with consideration being given to locations within the Girlguiding national estate. In October and November 2018, proposals were invited from specialist Archive and Heritage consultancies to undertake the review and consultation with members, with the successful consultancy being appointed in November. A report with findings will be presented to Trustees in 2019.

(p) Prior year adjustment

A prior year adjustment was made to comply with the amendment to the SORP (FRS 102) for component accounting. The adjustment was for the refurbishment of the headquarters building where the electrical and mechanical components were separately identified from the rest of the refurbishment costs. The result of this change raised the cumulative depreciation charge by £153,664 in the Consolidated and Charity accounts. The previously stated consolidated funds at 31 December 2017 of £49,262,388 was reduced by £153,644 to £49,108,724. (Charity funds at 31 December 2017 of £50,762,388 was reduced by £153,644 to £50,608,724.) Further details are given in notes 11 and 27.

(q) Critical accounting judgements and estimation uncertainty

In preparing financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements. The judgements and estimates considered by the trustees to have the most significant effect on amounts recognised in the financial statements relate to (i) the provision for self-insured claims, which is made on the basis of advice from the Association's insurance brokers and is measured at the best estimate of the settlement amount, and (ii) the fair value of financial and property investments, which is made on the basis of advice from our investment managers and our external chartered surveyor and would be consistent with redeemed value if the asset were to be liquidated. The trustees do not consider there are any further critical judgements or key sources of estimation uncertainty requiring disclosure other than those already described within note 1.

Notes to the financial statements

For the year ended 31 December 2018

	Unrestricted funds £	Restricted funds £	Endowed funds £	2018 Total £	2017 Total [see Table 1] £
2 Donations, legacies and grants					
Consolidated and charity					
Individual donations	16,455	100,708	-	117,163	111,321
Legacies and in memorial donations	559,271	56,666	-	615,937	199,787
Grants	371,100	1,556,660	-	1,927,760	1,010,504
	946,826	1,714,034	-	2,660,860	1,321,612

[Table 1] Analysis of 2017 Donations, Legacies and Grants by fund	Unrestricted funds £	Restricted funds £	Endowed funds £	Total 2017 £
Consolidated and charity				
Individual donations	18,229	93,092	-	111,321
Legacies and in memorial donations	179,308	20,479	-	199,787
Grants	379,331	631,173	-	1,010,504
	576,868	744,744	-	1,321,612

Girlguiding would like to thank the following partners for their generous support of the charity in 2018:

- Players of People's Postcode Lottery
- Pears Foundation
- The Royal Astronomical Society and the RAS200 project
- Esmée Fairbairn Foundation
- Dove Self-Esteem Project
- HM Government for funding our youth programmes via the Tampon Tax Fund
- Department for Digital, Culture, Media & Sport via Youth United Foundation
- The Jenour Foundation
- The Roger Raymond Charitable Trust
- The Spear Charitable Trust
- Anthony and Deirdre Montagu Charitable Trust
- Fort Foundation
- P F Charitable Trust
- Scott (Eredine) Charitable Trust
- The Constance Travis Charitable Trust
- Souter Charitable Trust
- The Rest-Harrow Charitable Trust
- Aviva Community Fund
- RG Hills Charitable Trust
- The Privy Purse Charitable Trust
- Amey
- Cotswold Outdoor
- easyJet
- Google
- Legal & General
- Merlin Entertainments
- Odeon
- PGL Travel Ltd
- Pets at Home Ltd
- Rolls-Royce
- SGN
- Tesco PLC
- The British Army
- The UPS Foundation

We'd also like to thank the following supporters:

- The supporters who generously left a gift to Girlguiding in their will.
- The families and friends who gave gifts in memory of lifelong supporters
- The runners, the trekkers, the cyclists and the bakers who gave their time and energy to raise money for Girlguiding
- Our generous and loyal supporters who have kindly given donations

Notes to the financial statements

For the year ended 31 December 2018

3 Events income	Unrestricted funds £	Restricted funds £	Endowed funds £	2018 Total £	2017 Total [see Table 2] £
Consolidated and charity					
BIG GIG	458,927	-	-	458,927	456,887
Community events	62,125	-	-	62,125	116,806
Other charity events	80,999	-	-	80,999	6,274
	602,051	-	-	602,051	579,967

<i>[Table 2] Analysis of 2017 Events Income by fund</i>	<i>Unrestricted funds £</i>	<i>Restricted funds £</i>	<i>Endowed funds £</i>	<i>Total 2017 £</i>
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Consolidated and charity				
BIG GIG	456,887	-	-	456,887
Community events	116,806	-	-	116,806
Other charity events	6,274	-	-	6,274
	579,967	-	-	579,967

4 Trading income	Unrestricted funds £	Restricted funds £	Endowed funds £	2018 Total £	2017 Total [see Table 3] £
Consolidated					
Members' Trading Service	8,336,836	-	-	8,336,836	6,309,763
Licence fees and royalties	442,708	-	-	442,708	438,130
	8,779,544	-	-	8,779,544	6,747,893
Charity					
Licence fees and royalties	133	-	-	133	-
	133	-	-	133	-

<i>[Table 3] Analysis of 2017 Trading Income by fund</i>	<i>Unrestricted funds £</i>	<i>Restricted funds £</i>	<i>Endowed funds £</i>	<i>Total 2017 £</i>
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Consolidated				
Members' Trading Service	6,309,763	-	-	6,309,763
Licence fees and royalties	438,130	-	-	438,130
	6,747,893	-	-	6,747,893

Charity				
Licence fees and royalties	-	-	-	-
	-	-	-	-

Notes to the financial statements

For the year ended 31 December 2018

	Unrestricted funds £	Restricted funds £	Endowed funds £	Total 2018 £	Total 2017 [see Table 4] £
5 Investment income					
Consolidated					
Listed investments:					
UK bonds and cash	14,303	2,438	-	16,741	27,859
UK equities	49,095	9,212	-	58,307	100,925
Property	30,089	4,075	-	34,164	41,319
Absolute Return funds	40,483	3,258	-	43,741	6,111
Overseas equities	21,621	4,507	-	26,128	23,891
Overseas bonds	349	449	-	798	7,865
Interest on cash deposits	5,235	45	-	5,280	12
	161,175	23,984	-	185,159	207,982
Investment property:					
Rental Income	1,644,000	-	-	1,644,000	1,642,039
	1,805,175	23,984	-	1,829,159	1,850,021

[Table 4]
Analysis of 2017
Investment Income by fund

	Unrestricted funds £	Restricted funds £	Endowed funds £	Total 2017 £
Consolidated				
Listed investments:				
UK bonds and cash	22,122	4,688	1,049	27,859
UK equities	74,915	20,761	5,249	100,925
Property	33,318	6,386	1,615	41,319
Absolute Return funds	4,754	1,083	274	6,111
Overseas equities	16,568	5,845	1,478	23,891
Overseas bonds	5,328	2,025	512	7,865
Interest on cash deposits	-	12	-	12
	157,005	40,800	10,177	207,982
Investment property:				
Rental Income	1,642,039	-	-	1,642,039
	1,799,044	40,800	10,177	1,850,021

Notes to the financial statements

For the year ended 31 December 2018

	Unrestricted funds £	Restricted funds £	Endowed funds £	Total 2018 £	Total 2017 [see Table 5] £
Charity					
Listed investments:					
UK bonds and cash	14,303	2,438	-	16,741	27,859
UK equities	49,095	9,212	-	58,307	100,925
Property	30,089	4,075	-	34,164	41,319
Absolute Return funds	40,483	3,258	-	43,741	6,111
Overseas equities	21,621	4,507	-	26,128	23,891
Overseas bonds	349	449	-	798	7,865
Interest on cash deposits	5,235	45	-	5,280	12
	161,175	23,984	-	185,159	207,982
Investment property:					
Rental income	1,779,000	-	-	1,779,000	1,777,039
	1,940,175	23,984	-	1,964,159	1,985,021

[Table 5]
Analysis of 2017
Investment income by fund

	Unrestricted funds £	Restricted funds £	Endowed funds £	Total 2017 £
Charity				
Listed investments:				
UK bonds and cash	22,122	4,688	1,049	27,859
UK equities	74,915	20,761	5,249	100,925
Property	33,318	6,386	1,615	41,319
Absolute Return funds	4,754	1,083	274	6,111
Overseas equities	16,568	5,845	1,478	23,891
Overseas bonds	5,328	2,025	512	7,865
Interest on cash deposits	-	12	-	12
	157,005	40,800	10,177	207,982
Investment property:				
Rental income	1,777,039	-	-	1,777,039
	1,934,044	40,800	10,177	1,985,021

Notes to the financial statements

For the year ended 31 December 2018

	Unrestricted funds £	Restricted funds £	Endowed funds £	Total 2018 £	Total 2017 [see Table 6] £
6 Other income					
Consolidated					
Corporate sponsorship	412,003	-	-	412,003	566,829
International trips sponsorship	76,122	-	-	76,122	93,656
Other	16,365	9,246	-	25,611	8,612
	504,490	9,246	-	513,736	669,097
Charity					
Corporate sponsorship	53,714	-	-	53,714	61,560
International trips sponsorship	76,122	-	-	76,122	93,656
Other	27,365	9,246	-	36,611	24,062
	157,201	9,246	-	166,447	179,278

[Table 6] Analysis of 2017 Other Income by fund	Unrestricted funds £	Restricted funds £	Endowed funds £	Total 2017 £
Consolidated				
Corporate sponsorship	566,829	-	-	566,829
International trips sponsorship	93,656	-	-	93,656
Other	-	8,612	-	8,612
	660,485	8,612	-	669,097
Charity				
Corporate sponsorship	61,560	-	-	61,560
International trips sponsorship	93,656	-	-	93,656
Other	15,450	8,612	-	24,062
	170,666	8,612	-	179,278

Notes to the financial statements

For the year ended 31 December 2018

	Staff costs £	Other direct costs £	Support costs £	Total 2018 £	Total 2017 £
7 Cost of generating funds					
Consolidated					
Seeking donations, grants and legacies	390,437	92,900	-	483,337	543,531
Operating costs of trading company	1,056,489	3,561,211	709,370	5,327,070	4,773,199
Investment management costs	-	23,352	-	23,352	20,000
Total	1,446,926	3,677,463	709,370	5,833,759	5,336,730
Charity					
Seeking donations, grants and legacies	390,437	119,141	-	509,578	544,186
Investment management costs	-	23,352	-	23,352	20,000
Total	390,437	142,493	-	532,930	564,186

	Staff costs £	Other direct costs £	Support costs £	Total 2018 £	Restated Total 2017 £
8 Charitable expenditure					
Consolidated					
Excellence	2,684,278	2,497,725	1,214,810	6,396,813	5,963,873
Capacity	1,780,524	1,517,055	794,335	4,091,914	3,434,697
Access	1,736,987	1,107,942	794,335	3,639,264	3,736,329
Voice	1,153,157	581,223	794,268	2,528,648	2,125,802
	7,354,946	5,703,945	3,597,748	16,656,639	15,260,701
Charity					
Excellence	2,684,278	2,543,170	1,214,810	6,442,258	6,006,431
Capacity	1,780,524	1,552,552	794,335	4,127,411	3,435,978
Access	1,736,987	1,156,749	794,335	3,688,071	3,776,103
Voice	1,153,157	615,013	794,268	2,562,438	2,128,083
	7,354,946	5,867,484	3,597,748	16,820,178	15,346,595

Notes to the financial statements

For the year ended 31 December 2018

9 Analysis of support costs	Charitable expenditure £	Trading operation £	Total 2018 £	Restated Total 2017 £
Consolidated				
Governance	112,591	13,389	125,980	122,941
Finance & Legal	1,335,464	53,324	1,388,788	783,968
Insurance	420,476	22,907	443,383	352,844
Property management	278,966	279,795	558,761	605,098
Catalogues	-	244,500	244,500	210,323
Information technology	1,262,101	95,455	1,357,556	1,488,827
Human resources	188,150	-	188,150	193,456
	3,597,748	709,370	4,307,118	3,757,457
Charity				
Governance	112,591	-	112,591	109,730
Finance	1,335,464	-	1,335,464	726,288
Insurance	420,476	-	420,476	330,422
Property management	278,966	-	278,966	332,663
Information technology	1,262,101	-	1,262,101	1,412,613
Human resources	188,150	-	188,150	193,456
	3,597,748	-	3,597,748	3,105,172

Finance costs include £34,762 of auditor's remuneration (2017: £33,851), of which costs of £31,585 are in respect of Audit services (2017: £30,110).

	2018 Total staff costs £	2017 Total staff costs £
10 Staff numbers and remuneration		
Gross salaries and wages	7,676,801	7,101,075
Employer's national insurance	712,427	647,449
Employer's pension contribution	412,644	348,162
	8,801,872	8,096,686
The average number of employees in the year, calculated on a headcount basis, was:	2018 No.	2017 No.
Excellence	112	115
Capacity	85	76
Access	50	53
Voice	39	35
	286	279
The number of employees whose emoluments exceeded £60,000 in the year were:	2018	2017
£60,001 - £70,000	8	3
£70,001 - £80,000	2	1
£80,001 - £90,000	-	2
£90,001 - £100,000	1	-
£100,001 - £110,000	-	1

The emoluments received by Julie Bentley, Chief Executive Officer, who resigned in 2018, were a salary of £61,588, pension contribution of £6,053 and national insurance costs of £7,829 (2017: £102,864 salary, £10,286 pension, £13,071 national insurance). Emoluments for other key management personnel of the Association (as shown on page 14) totalled £434,906 (2017: £346,579), which included pension contributions of £24,239 (2017: £17,129) and national insurance costs of £44,815 (2017: £39,584).

Members of the Board of Trustees are not remunerated. Expenses reimbursed in the year for travel and out-of-pocket expenses amounted to £16,324 to 13 members (2017: £17,970 to 13 members).

The Association owns a long-leasehold let, which is available for the use of the Chief Guide and her team during her term of office. The Association pays the service and utility costs of the flat, which totalled £8,910 in the year (2017: £11,874).

Notes to the financial statements

For the year ended 31 December 2018

11 Tangible fixed assets	Freehold land & buildings Restated £	Long leasehold property £	Assets under construction £	Equipment fittings & vehicles Restated £	Total £
Consolidated and charity Cost					
At 1 January 2018	9,313,711	129,318	155,959	8,960,714	18,559,702
Additions	71,205	19,727	303,395	292,064	686,391
Disposals	-	-	-	-	-
Transfer between categories	-	-	(8,881)	8,881	-
At 31 December 2018	9,384,916	149,045	450,473	9,261,659	19,246,093
Accumulated depreciation					
At 1 January 2018	3,374,881	72,197	-	5,882,890	9,329,968
Provision for the year	101,342	2,675	-	654,890	758,907
Disposals	-	-	-	-	-
At 31 December 2018	3,476,223	74,872	-	6,537,780	10,088,875
Net book value at 31 December 2018	5,908,693	74,173	450,473	2,723,879	9,157,218
Net book value at 31 December 2017	5,938,830	57,121	155,959	3,077,824	9,229,734

All assets are used for direct charitable purposes.

A prior year adjustment has been made to the costs for the refurbishment of the headquarters building to comply with the amendment to SORP (FRS 102) for component accounting. Costs of £1,117,750 have been transferred from freehold buildings to fittings in respect of the mechanical and electrical components. There has been a net increase in prior year brought forward accumulated depreciation of £153,664, with a reduction in charge for freehold building of £54,163 and an increase in fittings charge of £207,827. Note 27 details the prior year adjustment.

Notes to the financial statements

For the year ended 31 December 2018

	Unrestricted funds £	Restricted funds £	Endowed funds £	Total 2018 £	Total 2017 £
12 Investments					
Consolidated					
Listed investments					
Market value at 1 January 2018	7,119,490	319,413	329,453	7,768,356	8,007,358
Acquisitions at cost	5,886,164	653,654	-	6,539,818	2,037,837
Disposal proceeds	(6,518,493)	(637,854)	-	(7,156,347)	(2,727,338)
Net gain/(loss) on revaluation of investments	(1,567,928)	(143,574)	-	(1,711,502)	390,906
Realised gain on redemption	1,010,358	94,862	-	1,105,220	59,593
Market value at 31 December 2018	5,929,591	286,501	329,453	6,545,545	7,768,356
Cash held for investment	92	34,000	-	34,092	157,896
Transfer between funds	-	329,453	(329,453)	-	-
Portfolio value at 31 December 2018	5,929,683	649,954	-	6,579,637	7,926,252
Historical cost at 31 December 2018	6,425,286	672,954	-	7,098,240	6,618,956

Most of the investments of the Association are held in pooled managed funds. Investments that exceed 5% of the total market value are as follows: COIF Charities Investment Fund £2,938,002 (2017: Nil) and Newton SRI Fund for Charities £2,908,580 (2017: Nil).

The table below shows the asset allocation structure of the total investment portfolio.

	Unrestricted funds	Restricted funds	Endowed funds	Total 2018	Total 2017
UK bonds and cash	699,052	34,000	-	733,052	2,056,890
Pooled funds	5,230,631	615,954	-	5,846,585	-
UK equities	-	-	-	-	2,041,460
Absolute Return funds	-	-	-	-	630,803
Property	-	-	-	-	1,069,015
Overseas bonds	-	-	-	-	213,108
Overseas equities	-	-	-	-	1,914,976
Portfolio value at 31 December 2018	5,929,683	649,954	-	6,579,637	7,926,252

Notes to the financial statements

For the year ended 31 December 2018

	Unrestricted funds £	Restricted funds £	Endowed funds £	Total 2018 £	Total 2017 £
Consolidated					
Investment property					
Market value at 1 January 2018	31,625,000	-	-	31,625,000	31,525,000
Acquisitions at cost	-	-	-	-	-
Disposal proceeds	-	-	-	-	-
Net gain on revaluation of investment property	575,000	-	-	575,000	100,000
Market value at 31 December 2018	32,200,000	-	-	32,200,000	31,625,000
Total value of investments	38,129,683	649,954	-	38,779,637	39,551,252

The freehold investment property comprising Nadler Hotel was valued as at 31 December 2018 by an external valuer, Gerald Eve LLP, a regulated firm of Chartered Surveyors. The valuations were prepared in accordance with the requirements of the RICS Valuation - Professional Standards: January 2014 (revised April 2015), the international Valuation Standards and the financial reporting standard applicable in the UK and Republic of Ireland (FRS102). The valuation of this property was on the basis of Fair Value, equated to Market Value, on the assumption of an investment. It was principally derived using the Profits and Investment Methods of Valuation.

	Unrestricted funds £	Restricted funds £	Endowed funds £	Total 2018 £	Total 2017 £
Charity					
Listed investments					
Market value at 1 January 2018	7,119,490	319,413	329,453	7,768,356	8,007,358
Acquisitions at cost	5,886,164	653,654	-	6,539,818	2,037,837
Disposal proceeds	(6,518,493)	(637,854)	-	(7,156,347)	(2,727,338)
Net gain/(loss) on revaluation of investments	(1,567,928)	(143,574)	-	(1,711,502)	390,906
Realised gain on redemption	1,010,358	94,862	-	1,105,220	59,593
Market value at 31 December 2018	5,929,591	286,501	329,453	6,545,545	7,768,356
Cash held for investment	92	34,000	-	34,092	157,896
Transfer between funds	-	329,453	(329,453)	-	-
Portfolio value at 31 December 2018	5,929,683	649,954	-	6,579,637	7,926,252
Historical cost at 31 December 2018	6,425,286	672,954	-	7,098,240	6,618,956

The table below shows the asset allocation structure of the total investment portfolio.

	Unrestricted funds	Restricted funds	Endowed funds	Total 2018	Total 2017
UK bonds and cash	699,052	34,000	-	733,052	2,056,890
Pooled funds	5,230,631	615,954	-	5,846,585	-
UK equities	-	-	-	-	2,041,460
Absolute Return funds	-	-	-	-	630,803
Property	-	-	-	-	1,069,015
Overseas bonds	-	-	-	-	213,108
Overseas equities	-	-	-	-	1,914,976
Portfolio value at 31 December 2018	5,929,683	649,954	-	6,579,637	7,926,252

	Unrestricted funds £	Restricted funds £	Endowed funds £	Total 2018 £	Total 2017 £
Charity					
Investment property					
Market value at 1 January 2018	33,125,000	-	-	33,125,000	33,025,000
Acquisitions at cost	-	-	-	-	-
Release of investment losses for property transferred to tangible fixed assets	(1,500,000)	-	-	(1,500,000)	-
Net loss on revaluation of investment property	575,000	-	-	575,000	100,000
Market value at 31 December 2018	32,200,000	-	-	32,200,000	33,125,000
Investment in subsidiary	150,000	-	-	150,000	150,000
Total value of investments	38,279,683	649,954	-	38,929,637	41,201,252

Girlguiding has applied the revised standard in SORP (FRS 102) that allows charities that rent properties to group companies to report it as fixed assets rather than as an investment property. In the Charity accounts, this applied to Broadheath which is rented to Guide Association Trading Service. It was disposed as an investment property and it had a carrying value of £1,500,000, comprising a cost of £199,618 and revaluation gain of £1,300,382. To align with the Group accounts it was transferred to tangible fixed asset as a fully depreciated asset with a cost of £199,618 and net book value of £nil.

Notes to the financial statements

For the year ended 31 December 2018

13 Analysis of net assets between funds	Tangible fixed assets £	Investments £	Assets £	Liabilities £	Total 2018 £	Total Restated 2017 [see Table 7] £
Consolidated and charity						
Endowed funds						
Country and Region funds	-	-	-	-	-	239,218
Headquarters' funds	-	-	-	-	-	122,669
Total endowed funds	-	-	-	-	-	361,887
Restricted funds						
Country and Region funds	-	46,141	3,484	-	49,625	102,506
Headquarters' funds	-	499,945	1,414,771	-	1,914,716	785,828
Girlguiding Activity Centres	-	103,868	139,372	-	243,240	352,022
Other funds	-	-	596	-	596	3,005
Total restricted funds	-	649,954	1,558,223	-	2,208,177	1,243,361
Unrestricted funds						
General fund	9,157,218	38,129,683	5,173,730	(4,276,016)	48,184,615	46,737,812
Buildings & equipment fund	-	-	1,170,116	-	1,170,116	765,664
Total unrestricted funds	9,157,218	38,129,683	6,343,846	(4,276,016)	49,354,731	47,503,476
Total funds	9,157,218	38,779,637	7,902,069	(4,276,016)	51,562,908	49,108,724

[Table 7] Analysis of 2017 Net Assets by fund	Restated Tangible fixed assets £	Investments £	Assets £	Liabilities £	Total Restated 2017 £
Consolidated and charity					
Endowed funds					
Country and Region funds	-	232,353	6,865	-	239,218
Headquarters' funds	-	112,098	10,571	-	122,669
Total endowed funds	-	344,451	17,436	-	361,887
Restricted funds					
Country and Region funds	-	99,564	2,942	-	102,506
Headquarters' funds	-	90,905	714,478	(19,555)	785,828
Girlguiding Activity Centres	-	191,981	160,041	-	352,022
Other funds	-	1,638	1,367	-	3,005
Total restricted funds	-	384,088	878,828	(19,555)	1,243,361
Unrestricted funds					
General fund	9,229,734	38,822,713	3,651,533	(4,966,168)	46,737,812
Buildings & equipment fund	-	-	765,664	-	765,664
Total unrestricted funds	9,229,734	38,822,713	4,417,197	(4,966,168)	47,503,476
Total funds	9,229,734	39,551,252	5,313,461	(4,985,723)	49,108,724

Notes to the financial statements

For the year ended 31 December 2018

	Unrestricted funds £	Restricted funds £	Endowed funds £	Total 2018 £	Total 2017 £
14 Stocks					
Consolidated					
Stocks for resale	1,063,811	-	-	1,063,811	616,624
Consumable stocks	13,295	-	-	13,295	13,891
	1,077,106	-	-	1,077,106	630,515
Charity					
Stocks for resale	40,622	-	-	40,622	43,789
Consumable stocks	13,295	-	-	13,295	13,891
	53,917	-	-	53,917	57,680

	Unrestricted funds £	Restricted funds £	Endowed funds £	Total 2018 £	Total 2017 £
15 Debtors due within one year					
Consolidated					
Trade debtors	512,851	-	-	512,851	448,053
Other debtors	19,906	84	-	19,990	52,367
Prepayments and accrued income	519,530	795,457	-	1,314,987	297,915
	1,052,287	795,541	-	1,847,828	798,335
Charity					
Trade debtors	103,687	-	-	103,687	121,272
Amounts due from subsidiary *	3,241,032	-	-	3,241,032	1,789,412
Other debtors	19,906	84	-	19,990	52,367
Prepayments and accrued income	503,945	795,457	-	1,299,402	291,265
	3,868,570	795,541	-	4,664,111	2,254,316

* Amount due from the wholly owned subsidiary being the balance of the 2018 donation.

Notes to the financial statements

For the year ended 31 December 2018

	Unrestricted funds £	Restricted funds £	Endowed funds £	Total 2018 £	Total 2017 £
16 Creditors due within one year					
Consolidated					
Trade creditors	1,145,086	-	-	1,145,086	1,112,542
Deferred income (see note 16a)	1,064,176	-	-	1,064,176	1,117,060
Accruals and other creditors	1,057,270	-	-	1,057,270	1,261,319
Income tax and national insurance	187,197	-	-	187,197	190,979
VAT	50,921	-	-	50,921	29,021
	3,504,650	-	-	3,504,650	3,710,921
Charity					
Trade creditors	1,042,941	-	-	1,042,941	1,069,566
Deferred income (see note 16a)	1,042,465	-	-	1,042,465	1,117,060
Accruals and other creditors	971,382	-	-	971,382	1,206,661
Income tax and national insurance	187,197	-	-	187,197	190,979
Amounts due to subsidiary	-	-	-	-	49
VAT	50,921	-	-	50,921	29,021
	3,294,906	-	-	3,294,906	3,613,336

Trade Creditors includes £11,835 of pension contributions payable to Scottish Widows (2017: £10,508).

	Balance 1 January 2018 £	Income released in current year £	Income deferred in current year £	Balance 31 December 2018 £
16A Analysis of movement in deferred income				
Consolidated				
Deferred Income	1,117,060	(1,590,082)	1,537,198	1,064,176
Charity				
Deferred Income	1,117,060	(1,590,082)	1,515,487	1,042,465

	Unrestricted funds £	Restricted funds £	Endowed funds £	Total 2018 £	Total 2017 £
17 Creditors due after one year					
Consolidated and charity					
Accruals and other creditors	475,000	-	-	475,000	950,000
	475,000	-	-	475,000	950,000

	Balance 1 January 2018 £	Paid during the year £	Provision in the year £	Balance 31 December 2018 £
18 Provisions for liabilities and charges				
Consolidated and charity				
Self-insured claims provision	324,802	107,914	(136,350)	296,366

Notes to the financial statements

For the year ended 31 December 2018

19 Movement in unrestricted funds	Restated Balance 1 January 2018 £	Income £	Expenditure £	Net investment gains/(losses) £	Transfers £	Balance 31 December 2018 £
Consolidated						
General fund	46,737,812	23,228,600	(21,388,227)	17,430	(411,000)	48,184,615
Buildings & equipment fund	765,664	-	(6,548)	-	411,000	1,170,116
	47,503,476	23,228,600	(21,394,775)	17,430	-	49,354,731

Consolidated 2017 Unrestricted funds	Restated Balance 1 January 2017 £	Income £	Expenditure £	Net investment gains/(losses) £	Transfers £	Restated Balance 31 December 2017 £
General fund	44,228,580	19,971,461	(19,604,369)	464,050	1,678,090	46,737,812
Buildings & equipment fund	272,212	-	(6,548)	-	500,000	765,664
	44,500,792	19,971,461	(19,610,917)	464,050	2,178,090	47,503,476

Charity	Restated Balance 1 January 2018 £	Income £	Expenditure £	Net investment gains/(losses) £	Transfers £	Balance 31 December 2018 £
General fund	48,237,812	18,091,310	(16,250,937)	(1,482,570)	(411,000)	48,184,615
Buildings & equipment fund	765,664	-	(6,548)	-	411,000	1,170,116
	49,003,476	18,091,310	(16,257,485)	(1,482,570)	-	49,354,731

Charity 2017 Unrestricted funds	Restated Balance 1 January 2017 £	Income £	Expenditure £	Net investment gains/(losses) £	Transfers £	Restated Balance 31 December 2017 £
General fund	45,728,580	15,284,811	(14,917,719)	464,050	1,678,090	48,237,812
Buildings & equipment fund	272,212	-	(6,548)	-	500,000	765,664
	46,000,792	15,284,811	(14,924,267)	464,050	2,178,090	49,003,476

The main uses of the designated funds are described below:

Buildings and equipment fund

This fund has been set up to ensure there are adequate funds available for the renewal and replacement of the Association's fixed assets. A recommended target level of reserves has been set at £1.5m for this fund, which is in addition to free reserves. In 2018, £411,000 was transferred into this fund towards this target.

Notes to the financial statements

For the year ended 31 December 2018

20 Movement in endowed and restricted funds	Balance 1 January 2018 £	Income £	Expenditure £	Net investment gains/(losses) £	Transfers £	Balance 31 December 2018 £
Consolidated and charity						
Endowed funds						
Support for Countries & Regions	239,218	-	-	-	(239,218)	-
Support for UK Guiding	122,669	-	-	-	(122,669)	-
	361,887	-	-	-	(361,887)	-
Restricted funds						
Support for Countries & Regions	102,507	3,484	(2,941)	(53,424)	239,218	288,844
Support for UK Guiding	785,827	1,594,991	(913,592)	85,601	122,669	1,675,496
Support for Training & Activity Centres (TACs)	352,022	148,765	(176,651)	(80,896)	-	243,240
Other funds	3,005	24	(2,439)	7	-	597
	1,243,361	1,747,264	(1,095,623)	(48,712)	361,887	2,208,177

2017 Movement in Endowed and Restricted funds	Balance 1 January 2017 £	Income £	Expenditure £	Net investment gains/(losses) £	Transfers to general fund £	Balance 31 December 2017 £
Consolidated and charity						
Endowed funds						
Support for Countries & Regions	227,005	6,865	(6,317)	11,665	-	239,218
Support for UK Guiding	124,992	3,312	95	5,628	(11,358)	122,669
	351,997	10,177	(6,222)	17,293	(11,358)	361,887
Restricted funds						
Support for Countries & Regions	1,081,563	32,708	(30,151)	55,573	(1,037,186)	102,507
Support for UK Guiding	907,290	666,977	(794,372)	5,932	-	785,827
Support for Training & Activity Centres (TACs)	1,535,345	94,422	(155,768)	7,569	(1,129,546)	352,022
Other funds	2,874	49	-	82	-	3,005
	3,527,072	794,156	(980,291)	69,156	(2,166,732)	1,243,361

Country and Region funds are used to generate income that is distributed to nine Countries and Regions in proportion to their membership. UK Guiding funds are used to provide grants to the membership, for example to set up new units, to support members with a disability and to provide travel bursaries. TAC funds are used to provide grants to leaders attending trainings held at Foxlease and Waddow Hall and for the upkeep of one of our activity centre properties.

21 Financial commitments

As at 31 December 2018 the Association had no capital commitments (2017: £nil).

As at 31 December 2018 the Association's subsidiary, the Guide Association Trading Service Limited, had entered into £3.12 million (2017 £2.92 million) of advance stock purchase orders with suppliers within the ordinary course of business.

	2018 £	2017 £
22 Operating lease commitments		
Minimum lease payments for land and buildings under non-cancellable operating lease:		
Not later than 1 year	63,448	63,448
Later than 1 year and not later than 5 years	111,034	174,482
	174,482	237,930

23 Contingent assets

The Charity has been advised of an interest in a legacy, where part of the estate includes a tenanted property. The Charity's share of the property is £115,000. This has not been included in the accounts as the conditions for recognition of income have not been met.

24 Investment in subsidiary

The Association's subsidiary, the Guide Association Trading Service Limited, operates the trading service and the shop activities.

The Guide Association owns the whole of the issued ordinary share capital, amounting to £150,000, of the Guide Association Trading Service Limited, a company registered in England (company number 04301686). As a wholly owned subsidiary, the Association is exempt, under Financial Reporting Standard No.8, from reporting its transactions and balances with this entity. The subsidiary donates its profits to the Association under Gift Aid and therefore the net movement in funds for the Association as an entity equals the net movement for the consolidated group.

During the year the Guide Association Trading Service Limited achieved sales of £8,526,616 (2017: £6,396,312). Of those sales, £189,780 were sales to the Association. The Association charged £160,304 in management fees. The Guide Association Trading Service achieved a net profit of £3,854,409 (2017: £2,416,062) and this was donated under Gift Aid to the Association. At the year end The Guide Association Trading Service had £4,500,775 of assets and £4,350,775 of liabilities.

25 The Guide Association Trust Corporation

Guide Association Trust Corporation is a company limited by guarantee and incorporated under the Companies Act. It acts as a custodian trustee and holds land, freehold or leasehold buildings and investments on behalf of guiding units. It is funded by the Guide Association as a service to guiding units and the expenses are included in management and administration expenditure in these financial statements. Financial statements of the Guide Association Trust Corporation are available from the Guide Association, 17-19 Buckingham Palace Road, London SW1W 0PT.

26 Related party transactions

There are no related party transactions requiring disclosure other than those with the Association's subsidiary (as explained in note 24).

Notes to the financial statements

For the year ended 31 December 2018

27 Prior year adjustment

In 2018 the SORP (FRS 102) was amended to remove the undue cost or effort exemption for depreciating assets comprising two or more major components which have substantially different useful economic lives. This adjustment has been applied to the refurbishment of the headquarters. Previously all of the works were classed as freehold property with a 50 year life, whereas now the mechanical and electrical components have been separately identified, with a 10 year and 20 year life respectively. This has resulted in an increased depreciation charge. A reconciliation of amounts presented in both the Consolidated and Charity accounts is set out below.

Consolidated

Reconciliation of total funds	£
Funds as previously stated at 1 January 2017	48,472,750
Adjustment of - increased depreciation charge arising from mechanical and electrical components	(92,888)
Funds as stated in accordance with amended FRS 102 1 January 2017	48,379,862

Charity

Reconciliation of total funds	£
Funds as previously stated at 1 January 2017	49,972,750
Adjustment of - increased depreciation charge arising from mechanical and electrical components	(92,888)
Funds as stated in accordance with amended FRS 102 1 January 2017	49,879,862

The depreciation charge for the prior year (to 31 December 2017) has been restated using raised depreciation rates. This has resulted in an increased charge of £60,776, thereby reducing the consolidated surplus from £789,638 to £728,862.

Our vision

An equal world where all girls can make a positive difference, be happy, safe and fulfil their potential.

