

For the year ended 31 December 2014



WE DISCOVER, WE GROW

Girlguiding

# ANNUAL REPORT

AND FINANCIAL STATEMENTS



Reg charity no 306016

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The trustees of The Guide Association are pleased to present their Report for 2014.

## STATEMENT OF PURPOSE

Girlguiding enables girls and young women to develop their potential and to make a difference to the world.

## GOVERNING DOCUMENT AND CONSTITUTION

The Guide Association is incorporated by Royal Charter and is registered as a charity (Charity registration number 306016, OSCR registration number SC038436) with its headquarters at 17-19 Buckingham Palace Road, London SW1W 0PT. 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.



## 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 an Executive Committee which is appointed according to the Country or Region constitution and which is responsible for the administration of guiding in that Country or Region.

### The Board of Trustees of the charity

Gill Slocombe, **Chief Guide**  
 Angela Milln, **Deputy Chief Guide**  
 Graham Littlewood, **Treasurer**  
 Jaki Booth (from 12.02.15)  
 Hilary Cooper  
 Maya Dibley  
 Val Elliott  
 Cathy Fraser (until 12.02.15)  
 Zoe Harris  
 Su Hassall (from 12.02.15)  
 Helen Humphreys (from 12.02.15)  
 Benny Lawrie  
 Sue Lomas  
 Tracey Murray (until 12.02.15)  
 Rosalyn Old  
 Helen Timbrell

### Appointment and induction of trustees

The members of the Board of Trustees are selected and appointed by a Nominations and Governance Committee to ensure a breadth of professional background and experience suitable to direct the affairs of The Association. 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 Association.

### The Guide Association's directors

Julie Bentley, **Chief Executive**  
 Sue Field, **Deputy Chief Executive**  
 Becky Hewitt, **Director of Communications & Public Relations**  
 Jo Hobbs, **Director of Guiding Services**

### Professional advisers and consultants

The professional advisers and consultants during 2014 have been as follows:

#### Bankers

National Westminster Bank Plc  
 169 Victoria Street  
 London SW1E 5BT

#### Fund Managers

Cazenove Capital Management  
 12 Moorgate  
 London EC2R 6DA

#### Auditors

BDO LLP  
 55 Baker St  
 London W1U 7EU

#### Legal consultant

Bates, Wells and Braithwaite  
 Scandinavian House  
 2-6 Cannon St  
 London EC4M 6YH



## INTRODUCTION

We know all girls are amazing and important - we want them to know that too. Guiding is an adventurous journey that helps girls to develop the character and resilience that will give them a head start in whatever they do. Through fun, friendship, challenge and adventure, the girls and young women we work with do things they never thought they could and make friends for life. We help girls discover how much they're capable of, through experiences they might not otherwise have had.

We run Rainbows (5 to 7 years), Brownies (7 to 10 years), Guides (10 to 14 years) and The Senior Section (14 to 25 years), enabling girls and young women to develop their potential, whatever their ability or background. We offer new opportunities to girls in a broad diversity of communities through our expanding network of 100,000 volunteers.

Our Strategic Plan focuses on increasing the number of girls who benefit from guiding. Our goal is to support our volunteers to be able to provide fantastic guiding opportunities the length and breadth of the UK.

Our volunteers are the lifeblood of our charity; without them there would be no guiding, and hundreds of thousands of girls would lose out on opportunities and adventure. The Board of Trustees warmly thanks every volunteer for enabling our charity - and our girls - to thrive.

2014 was the third and final year of our 2012-14 Strategic Plan. When we established our vision for the three years, we wanted to be where MORE girls choose to be. Our trustees are delighted to present a picture of organisational growth again in 2014.

Gill Slocombe  
*Chair of Trustees and Chief Guide*



## AIM 1: OPPORTUNITY

By 2014 we will have increased our membership by inspiring and supporting adult volunteers, girls and young women to grow quality guiding at a local level to offer more opportunities to more girls.

In the year to 2014 our membership rose from 553,633 to 559,996, a growth of over 6,300 members. This means that we have increased by more than 21,000 members in the lifetime of this Strategic Plan.

The greatest rise in 2014 was in the number of Rainbows. This followed the introduction of our 'Make a Rainbow' campaign, which encouraged our volunteers to open more units for our youngest section. Thanks to the success of the campaign, we had nearly 4,000 more girls aged 5 to 7 as members at the end of 2014, and 99 more Rainbow units. We have continued to receive more interest from people (through our online 'Join Us' system) wishing to be a part of guiding than we have been able to satisfy, with over 200,000 enquiries in 2014. At the end of the year, there were more than 80,000 girls waiting for places.

To help our Countries and Regions find places to welcome more girls into guiding, we have introduced centrally funded Growing Guiding support

workers this year. These additional staff members are based around the UK and work with volunteers to increase our membership. We also trained hundreds of volunteers to give them the support and confidence they need in using our Join Us system. Excitingly, we even got our young members involved in recruiting more girls - after all, who better to talk about the adventure that is guiding than our the girls and young women themselves? A new Growing Guiding Challenge - with, naturally, a badge to work towards - provided them with ideas for promoting guiding and, more importantly, encouraged them to come up with their own suggestions.

Through our membership of the Youth United network of uniformed youth organisations we continued to receive funding from the government's Supporting Inclusion Project. Our first project exceeded its original targets, introducing over 1,300 girls and 329 adult volunteers to guiding, and creating 123 new units in areas of high social deprivation coupled with low youth provision.

Following on from this success, we secured a further grant to put a Development Worker in every Country and Region, with the aim of creating 1,500 new places and 220 new adult Leaders.

We have also received support from Youth United to fund a pilot partnership project with the National Citizen Service (NCS) to create pathways to help young people continue their journey of social action by signing up to a bespoke 'Lead into guiding' training course. To date we have delivered over 20 taster sessions to a range of 16- to 17-year-old NCS graduates, received over 600 expressions of interest and delivered three short training programmes, enabling 21 young people to learn about leadership within Girlguiding.



## AIM 2: INFLUENCE

By 2014 we will have decision-making processes charity-wide that are actively and consistently influenced by the views and opinions of our young members.

Youth participation is vital within Girlguiding at all levels, and this year we reviewed our Youth Participation Trainers' Toolkits to ensure that our Trainers are as well equipped as possible to deliver this important message to volunteers everywhere. A networking day saw members from our Countries and Regions review progress against the Youth Participation strategy that had been agreed in 2010, and consider the next steps in prioritising the influence of our young members in all we do.

Many of our young members assume a leadership role as Young Leaders, and this year we completed the revision of our Young Leader Qualification as well as exploring how we can best use e-learning in developing youth leadership roles. We consulted girls in the development of all our programmes and resources, and as we began to renew our digital offering this year we travelled around the UK to involve young members of all ages in helping us understand their online wants and needs.

This was the last year of our existing Strategic Plan, which meant it was time

to build a new one. We held strategic planning consultation events in every Country and Region, engaging girls from every section. Rainbows, Brownies and Guides contributed their ideas to the development of the Strategic Plan through 14 focus groups across the UK, and over 800 girls aged 14 and above contributed their thoughts through an online survey. We revisited our values this year, and created an online 'values scrapbook' game that thousands of girls played to inform us how we should express our values for the future.

We set ourselves a target this year of getting 4,000 girls to give us their views on the issues that concern them outside guiding. We achieved this by:

- canvassing 1,400 girls inside and outside of guiding for our annual Girls' Attitudes Survey
- asking 2,400 young members from Brownie-age upwards to establish eight calls to action in our Girls Matter campaign (see 'Voice' on page 7), which was launched at the three main party conferences
- holding an online consultation on girls and sport, in which more than 250 girls took part.

To ensure that our Girls Matter Campaign was relevant to girls at local unit level, we worked in partnership with the Parliament's Public Engagement and Learning Team on a cross-sectional resource for them.

Our Advocate panel (a group of young members who discuss the issues girls care about and seek change) has continued to flourish. In 2014 we expanded it to 18 young women aged 14 to 25 representing all of our Countries and Regions. Our Advocates spoke out in London's City Hall on International Women's Day, in Birmingham at the Clothes Show Live, at multiple events and parliamentary groups, and as a key part of our national media presence.



## AIM 3: VOICE

By 2014 we will be recognised as the voice of girls and young women with a vibrant brand proposition that unites members UK-wide, communicates a powerful, cohesive message to external audiences and clearly distinguishes our offer from that of other youth providers.

This year, we have continued to take a bolder approach to challenging perceptions of our charity and giving girls a louder voice on the issues they care about.

Our celebrations for the Big Brownie Birthday (marking 100 years of the section) generated over 2,000 pieces of national and regional coverage, which included both our Buckingham Palace Tea Party with our President, HRH The Countess of Wessex, and Laura Robson, tennis star and BBB champion, and the amazing party at No 10 Downing Street. We also marked the occasion with our first-ever high street partnership with Debenhams - which saw its new 'I was a Brownie' T-shirts fly off the shelves.

It was also a fantastic year for girls' voices as we launched our Girls Matter campaign - eight calls to politicians in the run-up to the General Election. Our campaign, which was based on a consultation with 2,400 girls, has nearly 5,000 pledges of support so far. Our young Advocates spoke brilliantly at fringe events at the three main party conferences, and our campaign has been backed by MPs across the political spectrum. Girls have been speaking out in the media too - and we secured 46 national media hits with girls' voices this year against a target of 30. We also launched our brand-new Girls Can merchandise range to give people more ways to show their support for our charity.

The launch of 'Free Being Me' (an exciting partnership with the World Association of Girl Guides and Girl Scouts and the Dove Self-Esteem Project, which enables girls to celebrate their individuality and to challenge the myth of the perfect appearance) also gave girls a chance to speak out about body confidence. We attended Pride for the first time in Brighton, celebrating diversity in our membership, and our Peer Educators and Advocates made news in outlets from *Woman's Hour* and *The Daily Telegraph* to *Daybreak* and *Cosmopolitan* - and also shouted out about our positive messages at the Clothes Show Live. Their efforts saw us shortlisted for a Body Image Campaigners of the Year at the Body Confidence Awards.

Every year we ask girls in the UK about the issues that matter to them. In 2014 we launched our sixth Girls' Attitudes Survey report at an event in Parliament and it was well reported across the national media.

We also launched a brand-new test website in the autumn - while seeing an uplift in traffic to our existing website of 13 per cent.

Our efforts to proudly promote Girlguiding continue to pay off - nfpSynergy's sector research showed



that awareness of the charity remained consistently high throughout 2014 (63 per cent) and that we were the UK's most inclusive charity. Girlguiding was also ranked the second most empowering and the second most challenging charity in 2014.

This is important because it means that more people become aware of us - that we are a charity that requires support and that if they volunteer their time to help us we can welcome more girls.



## AIM 4: ACTION

By 2014 we will consistently deliver a good-quality, age-appropriate, relevant programme, offering action, challenge and adventure.

In 2014 we celebrated 100 years of our biggest section, the Brownies. Nearly 170,000 Brownies completed the Big Brownie Birthday Challenge to earn the coveted badge, and 89 per cent of Brownie section volunteers said that they had celebrated the event with girls in their unit. We transformed our Activity Centres into guiding's World Centres, enabling 731 Brownies to enjoy an internationally themed adventure without having to pack their real passports. Celebrate!, a cross-sectional national event for World Thinking Day (the joint birthday of Robert and Olave Baden-Powell) at Alexandra Palace in London and themed around the Big Brownie Birthday, gave a staggering 8,000 members the opportunity to try activities ranging from climbing and indoor zorbing to roller disco and circus skills. Buckingham Palace laid on an unforgettable birthday party for 50 Brownies and their parents/carers, while over 100 Brownies partied at No 10 Downing Street. A suite of colourful and newly designed books for Brownies was also launched to coincide with the celebrations.

The year saw the introduction of a new Guide uniform following consultation with Guide-age members about their wants and needs. The new uniform, designed by fashion students at Arts University Bournemouth (AUB), offers girls a choice of clothing combinations to suit the wide range of activity opportunities they are likely to encounter in guiding.

As mentioned in 'Voice' (on page 7), 'Free Being Me' was a new major programme initiative in 2014. The resource, with its empowering messages about body confidence, is intended to reach 3.5 million girls worldwide. Girlguiding trained over 370 Peer Educators to deliver it, and more than 28,000 girls benefited from it in the first year alone.

At Camp CEO, a pilot Girlguiding event supported by players of People's Postcode Lottery, 20 of our members

aged 14 to 17 were mentored by 12 of the UK's top women executives. Adventurous activities and challenges were interspersed with talks and coaching on careers, networking and overcoming challenges to encourage young women to aim for the top. The learnings from the event will be shared with a wider audience in guiding.

We produced an attractive and useful downloadable resource in partnership with the Dame Kelly Holmes Legacy Trust to mark the Commonwealth Games. It encouraged members across all sections to take on sports-based challenges to help them learn more about the Commonwealth, develop their skills and be more active. Additional programme initiatives included a Guide age-resource, developed in collaboration with DFID and Girl Hub. *Go For It! Breaking barriers* explores obstacles and challenges caused by gender inequality, discrimination and poverty that many girls face.

The *Girls Matter: Hear our voice* multi-section resource was launched at the end of 2014, in the run-up to the 2015 General Election, to empower girls of all ages to develop their understanding of democracy and the part they can play in the UK's decision-making processes. The programme is designed to encourage girls to get vocal about politics and to make their voices heard on the issues they care about.

The delivery of great programme relies on great training and support for our volunteers. In 2014 we:

- introduced 'Beginning to Lead' e-learning modules aimed at 12- to 15-year-olds, covering planning, facilitation, communication and teamwork, and mapped them to the Young Leader Qualification
- trained 56 Commissioners in skills to help them develop their roles
- researched and identified the most suitable external quality-assurance frameworks
- agreed on a plan to pilot a unit-level quality framework
- launched a new Trainer Qualification
- delivered conferences for County Commissioners and Tutors
- launched an online County Commissioner Handbook
- developed e-learning modules for Commissioners; 540 people have completed them so far.

2016 will mark 100 years of guiding for The Senior Section age group. Consultation has been in progress this year to understand what our members want from this occasion so that we can repeat the success story that the Big Brownie Birthday has been.





## AIM 5: ORGANISATION

By 2014 we will have reviewed structures and processes to establish a more responsive and flexible style of organisational leadership.

2014 saw the replacement of our former Executive Committee by a new, smaller, strategy-focused Board of Trustees, concluding the first stage of our governance review. New governance sub-committees were introduced and the way forward for the second stage of our governance review - what the future of our National Council and the election of the Chief Guide will look like - was agreed. The Council will continue to bring together membership representatives from all Countries and Regions to exchange views on policy and strategy issues. In future, 50 per cent of Council members will be aged 26 and under to ensure a strong youth voice.

The Council will continue to receive a report from the Board of Trustees and senior staff at its annual meeting (the Association's AGM). Other Council responsibilities will include appointing a President and Patron as and when needed, and agreeing the recruitment process for the Chief Guide and participating in it.

Following a year of consultation and prioritising, the trustees have approved a new five-year Girlguiding Strategic Plan for 2015 to 2020, as well as the Vision, Mission and Values for the charity. Our new Vision is 'An equal world where all girls can make a positive difference, be happy, safe and fulfil their potential'. Our new values - caring, challenging, empowering, fun, inclusive and inspiring - will underpin everything we do in pursuit of 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'.



## AIM 6: SUPPORT

By 2014 we will continue to be in a sustained, stable financial position with optimised, diverse income streams and resources that are employed effectively to support the charity's Statement of Purpose.

Fundraising at Girlguiding is going from strength to strength. In 2014 the Fundraising Team delivered an income of £1,249,974 on a target of £700,000. Of this, £852,660 came from grants (statutory sources, trusts and foundations), £266,633 from corporates, £101,601 from individual supporters and £213,349 from legacies.

Our Trading arm has also had a bumper year, generating a profit of £2.8 million to support the charity in its work with girls and young women the length and breadth of the UK.

Our project to refurbish our London headquarters and lease out a part of it to generate income to support our future activities has taken longer than expected, resulting in the relocation of our head office to a second temporary location for the first part of 2015. Our staff team looks forward to moving back home later in the year.

In 2014 we continued on our journey of equipping staff with the skills they need to deliver our strategy and supporting our volunteers to deliver an excellent experience for the girls. Following a review of all job

descriptions, we completed a full-scale benchmarking exercise against the charity sector, revisited our pay scales and made the necessary adjustments to salaries across the board in order to ensure we are in a position to recruit and retain the highest-quality team. We provided additional e-learning opportunities for our staff to supplement our ongoing programme of face-to-face training, completed the introduction of our new HR self-service administration system and introduced pension auto-enrolment. Girlguiding also introduced an apprenticeship scheme, recruiting three apprentices at its Activity Centres. Following the success of this initiative, the charity will take on a further round of apprentices in 2015.

In 2014 we started to invest in the delivery of a new digital strategy and in the preliminary stages of a new membership system, with the aim of improving communications with and services for our membership. The review of our Activity Centres by the Board of Trustees following a consultation with our members on their use and future was deferred until 2015 in order to give the new board time to settle in.



## CONCLUSION

This report highlights the major advances for us as a UK charity in 2014. Underpinning every success is the contribution that our dedicated volunteers across the UK make every day. Without them there would be no Girlguiding.

2014 was a year of consultation on our direction and the realignment of priorities under the guidance of our new Board of Trustees, but it was also a year of candles and excitement as we celebrated 100 years of our biggest section, with The Big Brownie Birthday.

This was the last year of our current Strategic Plan and a chance to reassess our progress and reflect on what we should be focusing our energies on in the years ahead. Following extensive consultation, we have a new Strategic Plan, which sees us reaffirm our commitment to enable even more girls and young women to benefit from membership of our fantastic charity, for their own fun and development, and also to support them to grow into positive citizens of their local communities and the wider world.

As our public profile increased, so too did demand for our services: during 2014 we saw a big rise in the numbers of girls on our waiting lists and therefore a need for more volunteers. We are trialling new ways to support our volunteer networks to meet demand and continuing to encourage volunteers to give their time in increasingly flexible ways.

In 2015 we will embark upon the delivery of our new five-year Strategic Plan. We will continue to strive to improve the excellence of our programme offer and delivery; increase the number of girls from all backgrounds who can access the benefits of guiding; improve the ways we listen to and promote the voice of girls and young women; and to underpin all this by improving our processes, structures and capacity. We look forward to the next five years with excitement and optimism.



## Objectives and activities for the public benefit

The Board of Trustees confirms that it has taken due regard of the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities.

### Environmental statement

Girlguiding seeks to create a culture in which environmental considerations are integrated into all policy decisions and business activities across the organisation.

### Risk statement

The major risks facing Girlguiding are continually reviewed and carefully scrutinised by the Audit and Risk Committee and the Board of Trustees.

A risk log has been developed for key organisation-led projects. These risks are reviewed and systems revised at meetings during the year involving the trustees and senior managers. In

addition, a risk management group continues to analyse evidence from insurance claims to identify areas of local guiding activity where generic advice and guidance to volunteers could be strengthened.

## REVIEW OF FINANCIAL POSITION

The financial statements annexed to this report are those of the central charity and reflect the activities it undertakes on behalf of the Association as a whole. Countries and Regions, Counties, Divisions, Districts and units 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.

Net incoming resources for the year amounted to £354,732, compared with £391,316 in 2013. Total gains on investments amounted to £44,490 compared with gains of £672,436 in 2013.

An important feature of the SOFA is the analysis of outgoing resources between direct charitable expenditure on the Association's activities and governance. Direct charitable expenditure represents 99% (2013: 99%) of the total resources expended.

The principal source of income remains the annual membership subscription payable by members to the charity, and the main secondary source of income is from the trading activities of the wholly owned trading subsidiary. Expenditure takes the form of costs incurred in supporting the activities of the members, the administrative costs of operating the HQ establishment and the costs of administering, managing and operating the Activity Centres belonging to HQ.



## The Balance Sheet

### Tangible fixed assets

The Association holds various tangible fixed assets to support its activities. These are the HQ building, the members' Trading Service premises and Activity Centres. A total of £4,200,608 was spent on fixed assets in the year - £27,656 on buildings, £60,069 on technology systems and equipment, £229,000 on the Digital Strategy Project, £45,969 on vehicles and equipment, and £3,837,914 on the work in progress in the HQ building project.

### Investment policy

A large proportion of the Association's reserves are held in investments. These are held to provide investment income to fund day-to-day running costs and to fund strategically important revenue and capital projects in the future. Professional fund management companies are employed to manage the funds and their performance is reviewed regularly by our Audit and Risk Committee. Performance is benchmarked against appropriate performance indices.

Unrestricted capital fund investments were valued at £7,899,585 at 31 December 2014. This represents an increase of £283,793 (3.7%) from their £7,615,792 value at 31 December 2013.

### Reserves policy

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'. The Board of Trustees 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 currently requires a minimum level of free reserves of £3 million. Free reserves represent about £202 for each guiding unit supported.

### Designated funds

The specific uses and needs to be met by the designated funds are detailed above.

The Association's free reserves are made up as follows:	2014 £'000	2013 £'000
General fund	10,880	10,452
Less: unrestricted fixed assets for the Association's use	(5,342)	(5,015)
<b>Free reserves</b>	<b>5,538</b>	<b>5,437</b>

### Capital fund

It has been the policy of the Association to build up a fund of capital for investment with a view to obtaining capital growth and income yield to finance future projects and to ensure income to support the activities of the Association for the longer term. The fund is invested in an investment portfolio achieving an income yield of at least 3% and the construction of an investment property expected to yield at least 11.75%, and preserving the capital value of these funds over the long term. The construction of the investment property is expected to convert a material part of the fund investments of the capital fund into property investments. The investment property is scheduled for completion before the end of 2015.

### Growing Guiding fund

Up to £150,000 will be designated every year from general fund donations received during the year. During 2014, £545,007 was distributed in support of the purposes of this fund.

### Designated insurance fund

The Association has taken advice from its insurance brokers as to the likely annual cost that they will need to fund and has designated funds to meet the cost of potential future claims.

### Designated Activity Centre building fund

This fund was set up to provide for building improvements at Blackland Farm, Foxlease and Waddow Hall.

### Financial statements for 2014

The annual financial statements for 2014 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 14 May 2015 to be submitted to the Association's Annual General Meeting for adoption.

The Honorary 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 14 May 2015 and the Chief Guide was authorised to sign the report and the annual financial statements on its behalf.



Gill Slocombe  
Chair of Trustees and Chief Guide  
14 May 2015

## STATEMENT OF THE TRUSTEES' RESPONSIBILITIES

The trustees are responsible for preparing the 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 Statement of Recommended Practice (SORP)
- make judgments and accounting estimates that are reasonable and prudent
- prepare the financial statements on the going concern basis 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 and Trustee Investment (Scotland) Act 2005, regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Charities Act 2011 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.



# INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE GUIDE ASSOCIATION

We have audited the financial statements of The Guide Association for the year ended 31 December 2014 which comprise the consolidated statement of financial activities, the charity statement of financial activities, the consolidated balance sheet, the charity balance sheet, the consolidated cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

## Respective responsibilities of trustees and auditor

As explained more fully in the Statement of 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.

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under section 144 of the Charities Act 2011 and report in accordance with regulations made under those Acts. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

## Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

## Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charity's affairs as at 31 December 2014 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
- have been prepared in accordance with the requirements of the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

## Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the information given in the trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- proper and sufficient accounting records have not been kept; or
- the parent charity financial statements are not in agreement with the accounting records or returns; or
- we have not received all the information and explanations we require for our audit.



*[Handwritten signature]*

BDO LLP  
Statutory Auditor  
London, United Kingdom  
Date: 14 May 2015

BDO LLP is eligible to act as an auditor in terms of 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 (incorporating the profit and loss account) FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	Unrestricted funds	Restricted funds	Endowed funds	2014 Total funds	2013 Total funds
		£	£	£	£	£
<b>Incoming resources</b>						
<b>Incoming resources from charitable activities</b>						
Subscriptions		5,521,043	-	-	5,521,043	5,357,847
Members' trading income	2	11,206,544	-	-	11,206,544	10,380,785
Investment income	3	246,147	59,177	14,027	319,351	372,807
Donations and legacies	4	428,856	190,814	-	619,670	316,760
Events income	5	921,150	-	-	921,150	818,488
Grants and other income	6	413,879	490,959	-	904,838	260,456
<b>Total incoming resources</b>		<b>18,737,619</b>	<b>740,950</b>	<b>14,027</b>	<b>19,492,596</b>	<b>17,507,143</b>
<b>Resources expended</b>						
<b>Charitable expenditure:</b>						
<b>Activities in furtherance of the Association's objects</b>						
Association's objects	7	18,541,879	447,350	19,287	19,008,516	16,992,688
Governance costs	8	129,348	-	-	129,348	123,139
<b>Total resources expended</b>		<b>18,671,227</b>	<b>447,350</b>	<b>19,287</b>	<b>19,137,864</b>	<b>17,115,827</b>
<b>Net incoming/(outgoing) resources for the year</b>		<b>66,392</b>	<b>293,600</b>	<b>(5,260)</b>	<b>354,732</b>	<b>391,316</b>
<b>Net gains/(losses) on investments</b>	11	<b>61,079</b>	<b>(7,175)</b>	<b>(9,414)</b>	<b>44,490</b>	<b>672,436</b>
<b>Net movement in funds</b>		<b>127,471</b>	<b>286,425</b>	<b>(14,674)</b>	<b>399,222</b>	<b>1,063,752</b>
<b>Balances brought forward at 1 January 2014</b>		<b>22,981,567</b>	<b>2,966,564</b>	<b>333,739</b>	<b>26,281,870</b>	<b>25,218,118</b>
<b>Balances carried forward at 31 December 2014</b>		<b>23,109,038</b>	<b>3,252,989</b>	<b>319,065</b>	<b>26,681,092</b>	<b>26,281,870</b>

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

All amounts arise from continuing activities.



# CHARITY STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	Unrestricted funds	Restricted funds	Endowed funds	2014 Total funds	2013 Total funds
		£	£	£	£	£
<b>Incoming resources</b>						
<b>Incoming resources from charitable activities</b>						
Subscriptions		5,521,043	-	-	5,521,043	5,357,847
Members' trading income	2	2,733,027	-	-	2,733,027	2,670,061
Investment income	3	246,147	59,177	14,027	319,351	372,807
Donations and legacies	4	428,856	190,814	-	619,670	316,760
Events income	5	921,150	-	-	921,150	818,488
Grants and other income	6	499,356	490,959	-	990,315	354,821
Donation from subsidiary		2,752,364	-	-	2,752,364	2,328,509
<b>Total incoming resources</b>		<b>13,101,943</b>	<b>740,950</b>	<b>14,027</b>	<b>13,856,920</b>	<b>12,219,293</b>
<b>Resources expended</b>						
<b>Charitable expenditure:</b>						
<b>Activities in furtherance of the Association's objects</b>						
Association's objects	7	12,921,203	447,350	19,287	13,387,840	11,716,742
Governance costs	8	114,348	-	-	114,348	111,235
<b>Total resources expended</b>		<b>13,035,551</b>	<b>447,350</b>	<b>19,287</b>	<b>13,502,188</b>	<b>11,827,977</b>
<b>Net incoming/(outgoing) resources for the year</b>		<b>66,392</b>	<b>293,600</b>	<b>(5,260)</b>	<b>354,732</b>	<b>391,316</b>
<b>Net gains/(losses) on investments</b>	11	<b>61,079</b>	<b>(7,175)</b>	<b>(9,414)</b>	<b>44,490</b>	<b>672,436</b>
<b>Net movement in funds</b>		<b>127,471</b>	<b>286,425</b>	<b>(14,674)</b>	<b>399,222</b>	<b>1,063,752</b>
<b>Balances brought forward at 1 January 2014</b>		<b>22,981,567</b>	<b>2,966,564</b>	<b>333,739</b>	<b>26,281,870</b>	<b>25,218,118</b>
<b>Balances carried forward at 31 December 2014</b>		<b>23,109,038</b>	<b>3,252,989</b>	<b>319,065</b>	<b>26,681,092</b>	<b>26,281,870</b>

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

# CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2014

	Notes	2014		2013	
		£	£	£	£
<b>Fixed assets</b>					
Tangible fixed assets	10		9,877,604		6,887,365
Investments	11		9,585,689		9,376,186
			<u>19,463,293</u>		<u>16,263,551</u>
<b>Current assets</b>					
Stocks	13	753,060		864,951	
Debtors	14	1,283,428		1,204,231	
Short-term bank deposits		5,000,000		5,000,000	
Cash at bank and in hand		5,431,462		4,987,306	
		<u>12,467,950</u>		<u>12,056,488</u>	
<b>Current liabilities</b>					
Creditors due within one year	16	(4,804,179)		(1,643,051)	
<b>Net current assets</b>			<b>7,663,771</b>		<b>10,413,437</b>
<b>Long-term liabilities</b>					
Provisions for liabilities and charges	17		(445,972)		(395,118)
<b>Net assets</b>			<u><b>26,681,092</b></u>		<u><b>26,281,870</b></u>
<b>Unrestricted funds</b>					
<i>General funds</i>	18		10,880,130		10,452,183
<i>Designated funds</i>					
Capital fund			11,159,443		11,098,364
Growing Guiding fund			434,158		829,165
Insurance fund			350,000		310,000
Activity Centre buildings fund			285,307		291,855
			<u>23,109,038</u>		<u>22,981,567</u>
<b>Restricted funds</b>	19		<b>3,252,989</b>		<b>2,966,564</b>
<b>Endowed funds</b>	19		<b>319,065</b>		<b>333,739</b>
<b>Total funds</b>			<u><b>26,681,092</b></u>		<u><b>26,281,870</b></u>

Approved and authorised for issue by the Board of Trustees on 14 May 2015.

*Gill Slocombe*

GILL SLOCOMBE - Chair of Trustees and Chief Guide

*Graham Littlewood*

GRAHAM LITTLEWOOD - Honorary Treasurer

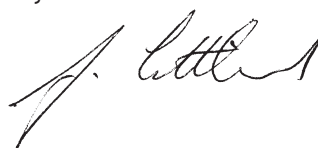
# CHARITY BALANCE SHEET AS AT 31 DECEMBER 2014

	Notes	2014		2013	
		£	£	£	£
<b>Fixed assets</b>					
Tangible fixed assets	10		9,877,604		6,887,365
Investments	11		9,735,689		9,526,186
			<u>19,613,293</u>		<u>16,413,551</u>
<b>Current assets</b>					
Stocks	13	60,994		63,955	
Debtors	14	2,253,505		1,178,761	
Short-term bank deposits		5,000,000		5,000,000	
Cash at bank and in hand		3,566,554		4,264,157	
		<u>10,881,053</u>		<u>10,506,873</u>	
<b>Current liabilities</b>					
Creditors due within one year	16	(4,617,282)		(1,493,436)	
<b>Net current assets</b>			<b>6,263,771</b>		<b>9,013,437</b>
<b>Long-term debtors</b>					
Long-term loan due from subsidiary	15		1,250,000		1,250,000
<b>Long-term liabilities</b>					
Provisions for liabilities and charges	17		(445,972)		(395,118)
<b>Net assets</b>			<u><u>26,681,092</u></u>		<u><u>26,281,870</u></u>
<b>Unrestricted funds</b>					
<i>General funds</i>	18	10,880,130		10,452,183	
<i>Designated funds</i>					
Capital fund		11,159,443		11,098,364	
Growing Guiding fund		434,158		829,165	
Insurance fund		350,000		310,000	
Activity Centre buildings fund		<u>285,307</u>		<u>291,855</u>	
			<b>23,109,038</b>		<b>22,981,567</b>
<b>Restricted funds</b>	19		<b>3,252,989</b>		<b>2,966,564</b>
<b>Endowed funds</b>	19		<b>319,065</b>		<b>333,739</b>
<b>Total funds</b>			<u><u>26,681,092</u></u>		<u><u>26,281,870</u></u>

Approved and authorised for issue by the Board of Trustees on 14 May 2015.



GILL SLOCOMBE - Chair of Trustees and Chief Guide



GRAHAM LITTLEWOOD - Honorary Treasurer

# CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2014

	2014		2013	
	£	£	£	£
Net cash inflow from operating activities		4,487,426		1,449,141
<b>Returns on investments and servicing of finance</b>				
Investment income and interest received		319,351		372,807
<b>Capital expenditure and financial investment</b>				
Payments to acquire tangible fixed assets	(4,200,608)		(892,330)	
Purchase of fixed asset investments	(527,278)		(2,928,613)	
Sale of fixed asset investments	379,665		2,896,552	
Increase in cash held for investment	(17,400)		(164,430)	
Loan repayments received	3,000		3,000	
		<u>(4,362,621)</u>		<u>(1,085,821)</u>
		444,156		736,127
<b>Management of liquid resources</b>				
Transfers from short-term bank deposits		-		188,812
<b>Increase in cash</b>		<u>444,156</u>		<u>924,939</u>

## NOTES TO THE CASH FLOW STATEMENT

	2014		2013	
	£	£	£	£
<b>1. Reconciliation of net incoming resources to net cash inflow from operating activities</b>				
Net incoming resources for the year		354,732		391,316
Investment income		(319,351)		(372,807)
Depreciation		1,209,469		1,217,068
Loss on disposal of tangible fixed assets		900		3,040
Decrease in stocks		111,891		118,935
Increase in debtors		(82,197)		(447,766)
Increase in creditors and provisions		3,211,982		539,355
<b>Net cash inflow from operating activities</b>		<u>4,487,426</u>		<u>1,449,141</u>

## 2. Analysis of the balances of cash as shown in the balance sheet

	2014	Change in year	2013	Change in year	2012
	£	£	£	£	£
Cash at bank and in hand	5,431,462	444,156	4,987,306	924,939	4,062,367

# NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2014

## 1. ACCOUNTING POLICIES

These are the financial statements of the Association's Headquarters 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.

These financial statements have been prepared in accordance with the recommendations of the Statement of Recommended Practice (SORP) (2005) 'Accounting and Reporting by Charities' and in accordance with applicable accounting standards.

The principle accounting policies applied in the preparation of the financial statements are as follows.

### a. Basis of accounting

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

### 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 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 four designated funds (the Capital fund, the Growing Guiding fund, the Insurance fund and the Activity Centre buildings fund).

The specific uses and needs to be met by the designated funds are detailed separately in Note 18 to the financial statements.

### d. Fund accounting - restricted and endowed funds

The Association's trust and special funds consist of a number of different funds where the donor has imposed restrictions on the use of the funds 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 (endowed funds). A schedule of the movements on the various funds during the year is set out in Note 19.

### e. Incoming resources

Trading income, investment income and grants are accounted for when due. Legacies are credited to incoming resources when the Association becomes entitled to the income, there is certainty of receipt and the amount is quantifiable. Subscriptions are accounted for on a receivable basis and run for a calendar year, payable by units at the end of February. Other incoming resources are accounted for when received.



# NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2014

## f. Basis of allocation or apportionment of expenditure

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

- activities in furtherance of the Association's objects
- governance costs
- cost of generating funds.

Note 7 to the financial statements provides an analysis of activities in furtherance of the Association's objects according to function. Support costs reflect the Headquarters' overall establishment and communication costs allocated on an activity-based apportionment.

Governance costs include trustee meeting costs, advisory fees and audit expenditure. Cost of generating funds includes expenditure incurred on behalf of the Association in relation to investment manager fees, sponsorship and fundraising costs.

## g. Investment assets

Investment assets are valued within the financial statements at market value in accordance with the SORP. Realised and unrealised gains or losses on assets are therefore accounted for in full within the particular fund of which the asset forms a part.

## h. Investment pool

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 uninvested cash or debtors which exist at the year end.

## i. 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. The principal rates of depreciation are:

- Freehold buildings - 1.333% to 10%
- Long leasehold - over the life of lease
- Assets under construction - no depreciation
- Streamline database - 20%
- Equipment, fittings and vehicles:
  - Computer equipment - 30%
  - Other equipment - 10% to 20%
  - Fittings - 10%
  - Vehicles - 25%

## j. Stocks

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

## k. 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.

## l. Pensions

The Association operates a defined contribution pension scheme on behalf of its employees. The scheme is operated by Scottish Widows. The pension charge represents the amounts payable by the company to these funds in respect of the year.

## m. Operating leases

Rentals applicable to operating leases are charged to the Statement of Financial Activities over the period in which the costs are incurred.

## n. 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.



## NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2014

### 2. MEMBERS' TRADING INCOME

	Unrestricted funds	Restricted funds	Endowed funds	Total 2014	Total 2013
	£	£	£	£	£
<b>CONSOLIDATED</b>					
Members' Trading Service	8,084,114	-	-	8,084,114	7,310,050
Activity Centres	2,595,572	-	-	2,595,572	2,546,401
Magazines	78,546	-	-	78,546	86,799
Annuals	46,963	-	-	46,963	25,866
Licence fees and royalties	401,349	-	-	401,349	411,669
	<b>11,206,544</b>	<b>-</b>	<b>-</b>	<b>11,206,544</b>	<b>10,380,785</b>
<b>CHARITY</b>					
Activity Centres				2,595,572	2,546,401
Magazines				78,546	86,799
Annuals				46,963	25,866
Licence fees and royalties				11,946	10,995
				<b>2,733,027</b>	<b>2,670,061</b>

### 3. INVESTMENT INCOME

UK bonds and cash	50,612	15,228	3,735	69,575	100,397
UK equities	103,219	34,365	8,428	146,012	157,877
Property	35,647	5,535	1,357	42,539	39,483
Absolute Return funds	4,122	774	190	5,086	3,949
Overseas equities	25,949	1,113	273	27,335	5,391
Overseas bonds	6,626	-	-	6,626	7,512
Interest on cash deposits	19,972	2,162	44	22,178	58,198
	<b>246,147</b>	<b>59,177</b>	<b>14,027</b>	<b>319,351</b>	<b>372,807</b>

### 4. DONATIONS AND LEGACIES

Individual donations	19,467	82,134	-	101,601	185,497
Legacies and in memorial donations	124,169	89,180	-	213,349	79,047
Trusts and foundations	285,220	19,500	-	304,720	52,216
	<b>428,856</b>	<b>190,814</b>	<b>-</b>	<b>619,670</b>	<b>316,760</b>

### 5. EVENTS INCOME

BIG GIG	711,885	-	-	711,885	796,352
Other charity events	209,265	-	-	209,265	22,136
	<b>921,150</b>	<b>-</b>	<b>-</b>	<b>921,150</b>	<b>818,488</b>

## NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2014

### 6. GRANTS AND OTHER INCOME

	Unrestricted funds	Restricted funds	Endowed funds	Total 2014	Total 2013
	£	£	£	£	£
<b>CONSOLIDATED</b>					
Grants	66,952	480,988	-	547,940	68,515
Other income	346,927	9,971	-	356,898	191,941
	<b>413,879</b>	<b>490,959</b>	<b>-</b>	<b>904,838</b>	<b>260,456</b>
<b>CHARITY</b>					
Grants				547,940	68,515
Other income				442,375	286,306
				<b>990,315</b>	<b>354,821</b>

Girlguiding would like to thank the following for their generous support of the charity in 2014: Youth United Foundation, Cabinet Office, Pears Foundation, the Bernard Sunley Charitable Foundation, players of People's Postcode Lottery, the Sylvia Adams Charitable Trust, our corporate partners, all the kind supporters who generously left a gift to Girlguiding in their wills, the families and friends who gave gifts in memory of life-long supporters, and all the runners, trekkers, cyclists and bakers who gave their time and energy to raise money for Girlguiding.

### 7. ACTIVITIES IN FURTHERANCE OF THE CHARITY'S OBJECTS

	Staff costs	Other direct costs	Support costs	Total 2014	Total 2013
	£	£	£	£	£
<b>CONSOLIDATED</b>					
<b>Members' trading</b>					
Mail order and shops	909,766	4,124,608	666,241	5,700,615	5,373,901
Activity Centres	1,257,689	1,458,566	41,520	2,757,775	2,617,642
Magazines	-	309,932	-	309,932	337,430
Annuals	-	35,829	-	35,829	30,604
<b>Services for members</b>					
Opportunity	609,156	543,626	538,815	1,691,597	1,649,131
Influence	235,835	381,160	136,541	753,536	537,612
Voice	511,646	233,839	432,001	1,177,486	1,093,381
Action	1,089,591	1,521,487	641,635	3,252,713	2,268,817
Organisation	572,159	227,995	438,247	1,238,401	1,168,078
Support	392,864	146,086	1,551,682	2,090,632	1,916,092
	<b>5,578,706</b>	<b>8,983,128</b>	<b>4,446,682</b>	<b>19,008,516</b>	<b>16,992,688</b>



## NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2014

	Staff costs	Other direct costs	Support costs	Total 2014	Total 2013
	£	£	£	£	£
<b>CHARITY</b>					
<b>Members' trading</b>					
Activity Centres	1,257,689	1,514,470	41,520	2,813,679	2,679,546
Magazines	-	309,932	-	309,932	337,430
Annuals	-	35,829	-	35,829	30,604
<b>Services for members</b>					
Opportunity	609,156	545,737	538,815	1,693,708	1,652,461
Influence	235,835	384,626	136,541	757,002	542,947
Voice	511,646	236,346	432,001	1,179,993	1,096,375
Action	1,089,591	1,533,433	641,635	3,264,659	2,286,941
Organisation	572,159	229,972	438,247	1,240,378	1,170,506
Support	392,864	148,114	1,551,682	2,092,660	1,919,932
	<b>4,668,940</b>	<b>4,938,459</b>	<b>3,780,441</b>	<b>13,387,840</b>	<b>11,716,742</b>

### 8. GOVERNANCE COSTS

	Unrestricted funds	Restricted funds	Endowed funds	Total 2014	Total 2013
	£	£	£	£	£
<b>CONSOLIDATED</b>					
Meeting costs	38,299	-	-	38,299	35,336
Consultants	20,000	-	-	20,000	20,000
Governance review	39,049	-	-	39,049	39,049
Auditors' remuneration - Audit	27,000	-	-	27,000	27,000
- Other services	5,000	-	-	5,000	1,754
Total	<b>129,348</b>	<b>-</b>	<b>-</b>	<b>129,348</b>	<b>123,139</b>
<b>CHARITY</b>					
Meeting costs				38,299	35,336
Consultants				20,000	20,000
Governance review				39,049	39,049
Auditors' remuneration - Audit				17,000	16,850
Total				<b>114,348</b>	<b>111,235</b>

## NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2014

### 9. STAFF NUMBERS AND REMUNERATION

	2014 Total staff costs	2013 Total staff costs
	£	£
Gross salaries and wages	4,890,646	4,500,918
Employer's pension contribution	436,480	190,827
Employer's National Insurance	251,580	397,965
	<u>5,578,706</u>	<u>5,089,710</u>

The average number of employees in the year, calculated on a full-time equivalent basis, was:

	2014 No.	2013 No.
Members' trading	73	74
Services for members:		
Opportunity	16	17
Influence	7	6
Voice	14	13
Action	31	25
Organisation	15	15
Support	9	9
	<u>165</u>	<u>159</u>

The number of employees whose emoluments exceeded £60,000 in the year were:

	2014	2013
£60,001 - £70,000	1	1
£70,001 - £80,000	1	-
£80,001 - £90,000	-	1
£90,001 - £100,000	1	-

Pension contributions of £26,101 to a defined contribution scheme were made for the above higher-paid staff.

Members of the Board of Trustees are not remunerated. Expenses reimbursed for travel and out-of-pocket expenses amounted to £18,850 to 27 members (2013: £20,559 to 28 members).

The Association owns a long leasehold flat, which is available for the use of the Chief Guide during her term of office. The Association pays the service and utility costs of the flat, which totalled £7,235 in the year (2013: £10,779).

## NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2014

### 10. TANGIBLE FIXED ASSETS

	Freehold land & buildings	Long leasehold property	Assets under construction	Equipment fittings & vehicles	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 January 2014	7,049,207	129,318	783,898	6,233,580	14,196,003
Additions	27,656	-	4,066,914	106,038	4,200,608
Disposals	-	-	-	(20,776)	(20,776)
At 31 December 2014	7,076,863	129,318	4,850,812	6,318,842	18,375,835
<b>Accumulated depreciation</b>					
At 1 January 2014	2,846,851	61,862	-	4,399,925	7,308,638
Provision for the year	147,991	4,052	-	1,057,426	1,209,469
Disposals	-	-	-	(19,876)	(19,876)
At 31 December 2014	2,994,842	65,914	-	5,437,475	8,498,231
<b>Net book amount</b>					
At 31 December 2014	4,082,021	63,404	4,850,812	881,367	9,877,604
At 31 December 2013	4,202,356	67,456	783,898	1,833,655	6,887,365

Assets to the amount of £4,621,812 have been allocated for the purpose of the construction of an investment property.

All other assets are used for direct charitable purposes.

The trustees are aware that there is a material difference between the disclosed value of land and buildings in these accounts and the market value of the land and buildings belonging to the Association, but do not believe that there is value, commensurate with the associated cost, in ascertaining that market value at this time.

### 11. INVESTMENTS

	Unrestricted funds	Restricted funds	Endowed funds	Total 2014	Total 2013
	£	£	£	£	£
<b>CONSOLIDATED</b>					
Market value at 1 January 2014	7,460,266	1,372,297	332,990	9,165,553	8,461,056
Acquisitions at cost	422,747	97,138	7,393	527,278	2,928,613
Disposal proceeds	(227,656)	(123,953)	(28,056)	(379,665)	(2,896,552)
Net gain on revaluation of investments	61,079	(7,175)	(9,414)	44,490	672,436
Market value at 31 December 2014	7,716,436	1,338,307	302,913	9,357,656	9,165,553
Cash held for investment	183,149	44,207	677	228,033	210,633
Portfolio value at 31 December 2014	7,899,585	1,382,514	303,590	9,585,689	9,376,186
Historical cost at 31 December 2014	7,094,551	1,118,396	253,139	8,466,086	8,917,569

## NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2014

Most of the investments of the Association are held in pooled managed funds. Investments in pooled managed funds that exceed 5% of the total market value are as follows:

The Equity Income Trust for Charities, the Schroder Strategic Credit Fund and the Schroder UK Corporate Bond Fund.

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

	Unrestricted funds	Restricted funds	Endowed funds	Total 2014	Total 2013
UK bonds and cash	2,182,439	365,212	73,333	2,620,984	2,612,052
UK equities	2,553,776	769,812	174,240	3,497,828	3,662,028
Absolute Return funds	466,646	86,171	19,504	572,321	552,148
Property	557,908	93,077	21,067	672,052	622,273
Overseas bonds	346,270	68,242	15,446	429,958	418,568
Overseas equities	1,792,546	-	-	1,792,546	1,509,117
<b>Total</b>	<b>7,899,585</b>	<b>1,382,514</b>	<b>303,590</b>	<b>9,585,689</b>	<b>9,376,186</b>

### CHARITY

Investments held by the charity also include an additional £150,000 (2013: £150,000) investment in the subsidiary company (Note 22).

## 12. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Tangible fixed assets	Investments	Net current assets	Total
	£	£	£	£
<b>Endowed funds</b>				
Country and Region funds	-	204,790	8,631	213,421
HQ funds	-	98,800	6,844	105,644
<b>Total endowed funds</b>	<b>-</b>	<b>303,590</b>	<b>15,475</b>	<b>319,065</b>
<b>Restricted funds</b>				
Country and Region funds	-	975,666	41,305	1,016,971
HQ funds	-	231,309	448,386	679,695
Activity Centre funds	1,068,913	174,096	310,671	1,553,680
Other funds	-	1,443	1,200	2,643
<b>Total restricted funds</b>	<b>1,068,913</b>	<b>1,382,514</b>	<b>801,562</b>	<b>3,252,989</b>
<b>Unrestricted funds</b>				
General fund	5,342,330	1,000,000	4,537,800	10,880,130
Growing Guiding fund	-	-	434,158	434,158
Insurance fund	-	-	350,000	350,000
Designated Activity Centre buildings fund	-	-	285,307	285,307
Capital fund	3,466,361	6,899,585	793,497	11,159,443
<b>Total unrestricted funds</b>	<b>8,808,691</b>	<b>7,899,585</b>	<b>6,400,762</b>	<b>23,109,038</b>
<b>Total funds</b>	<b>9,877,604</b>	<b>9,585,689</b>	<b>7,217,799</b>	<b>26,681,092</b>

## NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2014

### 13. STOCKS

	Unrestricted funds	Restricted funds	Endowed funds	Total 2014	Total 2013
	£	£	£	£	£
<b>CONSOLIDATED</b>					
Stocks for resale	733,343	-	-	733,343	844,379
Consumable stocks	19,717	-	-	19,717	20,572
	<b>753,060</b>	<b>-</b>	<b>-</b>	<b>753,060</b>	<b>864,951</b>

### CHARITY

Stocks for resale				41,277	43,383
Consumable stocks				19,717	20,572
				<b>60,994</b>	<b>63,955</b>

### 14. DEBTORS DUE WITHIN ONE YEAR

	Unrestricted funds	Restricted funds	Endowed funds	Total 2014	Total 2013
	£	£	£	£	£
<b>CONSOLIDATED</b>					
Trade debtors	472,977	-	-	472,977	483,896
Other debtors	151,322	4,395	-	155,717	79,391
Prepayments and accrued income	489,765	-	-	489,765	634,944
VAT	161,969	-	-	161,969	-
Loans to Countries and Regions	3,000	-	-	3,000	6,000
	<b>1,279,033</b>	<b>4,395</b>	<b>-</b>	<b>1,283,428</b>	<b>1,204,231</b>

### CHARITY

Trade debtors				125,853	87,254
Amounts due from subsidiary *				1,350,290	417,331
Other debtors				155,717	79,391
Prepayments and accrued income				456,676	588,785
VAT				161,969	-
Loans to Countries and Regions				3,000	6,000
				<b>2,253,505</b>	<b>1,178,761</b>

Loans to Countries & Regions amount to £3,000 (2013: £6,000) due from Guides Cymru; £0 of this loan falls due for repayment after more than one year (2013: £3,000).

\* Amount due from the wholly owned subsidiary being the balance of the 2014 donation.

## NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2014

### 15. DEBTORS DUE AFTER ONE YEAR

	Total 2014	Total 2013
	£	£
<b>CHARITY</b>		
Amounts due from subsidiary *	1,250,000	1,250,000
	<u>1,250,000</u>	<u>1,250,000</u>

\* The long-term loan is secured on the assets of the subsidiary and repayable by written demand giving not less than 12 months' notice. Interest is charged on the loans at a rate of 3% over bank base rate for the long-term loan.

### 16. CREDITORS DUE WITHIN ONE YEAR

	Unrestricted funds	Restricted funds	Endowed funds	Total 2014	Total 2013
	£	£	£	£	£
<b>CONSOLIDATED</b>					
Trade creditors	1,240,839	-	-	1,240,839	946,504
Deferred income	3,229,297	-	-	3,229,297	340,984
Accruals and other creditors	334,043	-	-	334,043	355,563
	<u>4,804,179</u>	-	-	<u>4,804,179</u>	<u>1,643,051</u>
<b>CHARITY</b>					
Trade creditors				1,136,075	844,498
Deferred income				3,229,297	340,984
Accruals and other creditors				251,910	307,954
				<u>4,617,282</u>	<u>1,493,436</u>

Trade creditors includes £71,266 of pension contributions payable to Scottish Widows (2013: £0).

Deferred income includes £2,900,000 of advanced rent received from the tenant who will occupy the investment property under construction at 17-19 Buckingham Palace Road, London (2013: £0).

### 17. PROVISIONS FOR LIABILITIES AND CHARGES

	Balance 1 January 2014	Paid during the year	Provision in the year	Balance 31 December 2014
	£	£	£	£
<b>CONSOLIDATED AND CHARITY</b>				
Self-insured claims provision	395,118	(95,587)	146,441	445,972
	<u>395,118</u>	<u>(95,587)</u>	<u>146,441</u>	<u>445,972</u>

## NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2014

### 18. UNRESTRICTED FUNDS

	Balance 1 January 2014	Transfers of expenditure	Designation out of general fund	Net incoming resources/ investment gains	Balance 31 December 2014
	£	£	£	£	£
General fund	10,452,183	570,586	(209,031)	66,392	10,880,130
Capital fund	11,098,364	-	-	61,079	11,159,443
Growing Guiding fund	829,165	(545,007)	150,000	-	434,158
Insurance fund	310,000	(19,031)	59,031	-	350,000
Activity Centre building fund	291,855	(6,548)	-	-	285,307
	<b>22,981,567</b>	<b>-</b>	<b>-</b>	<b>127,471</b>	<b>23,109,038</b>

The main uses of the designated funds are described below.

#### Capital fund

It has been the policy of the Association to build up a fund of capital for investment with a view to obtaining capital growth and income yield to finance future projects and to ensure income to support the activities of the Association for the longer term. The fund is invested in an investment portfolio achieving an income yield of at least 3% and the construction of an investment property expected to yield at least 11.75%, and preserving the capital value of these funds over the long term. The construction of the investment property is expected to convert a material part of the fund investments of the capital fund into property investments. The investment property is scheduled for completion before the end of 2015.

#### Growing Guiding fund

Up to £150,000 will be designated every year from general fund donations received during the year. During 2014, £545,007 was distributed in support of the purposes of this fund.

#### Designated insurance fund

The Association has taken advice from its insurance brokers as to the likely annual cost that they will need to fund and has designated funds to meet the cost of potential future claims.

#### Designated TAC building fund

This fund was set up to provide for building improvements at Blackland Farm, Foxlease and Waddow Hall.

### 19. MOVEMENT IN ENDOWED AND RESTRICTED FUNDS

	Balance 1 January 2014	Transfers 2014	Incoming resources	Outgoing resources	Net investment losses	Balance 31 December 2014
	£	£	£	£	£	£
<b>Endowed funds</b>						
Support for Countries & Regions	214,625	-	8,631	(8,748)	(1,087)	213,421
Support for UK guiding	119,114	-	5,396	(10,539)	(8,327)	105,644
	<b>333,739</b>	<b>-</b>	<b>14,027</b>	<b>(19,287)</b>	<b>(9,414)</b>	<b>319,065</b>
<b>Restricted funds</b>						
Support for Countries & Regions	1,022,526	-	41,305	(41,680)	(5,179)	1,016,972
Support for UK guiding	438,415	-	510,038	(267,476)	(1,283)	679,694
Support for Activity Centres	1,503,040	-	189,539	(138,194)	(705)	1,553,680
Other funds	2,583	-	68	-	(8)	2,643
	<b>2,966,564</b>	<b>-</b>	<b>740,950</b>	<b>(447,350)</b>	<b>(7,175)</b>	<b>3,252,989</b>

## NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2014

Included in the restricted Activity Centre funds is the restricted Activity Centre Building Appeal fund that totals £865,116 at the end of 2014. This has been spent on building Group Adventure Houses at Foxlease, Waddow and Blackland Farm and will be amortised over the life of the new buildings. HQ restricted funds include amounts received and restricted to specific appeals during the year. Endowed funds represent bequests made for the furtherance of guiding activities including disability funds, outdoor and travel bursaries. The apparent surplus in the 'Support for UK Guiding' restricted fund has arisen because of the timing differences between the receipt of funding support for this purpose from the Youth United Fund (UYSAF) and the expenditure of these funds. This will reverse during the 2015 financial year.

### 20. FINANCIAL COMMITMENTS

As at 31 December 2014 the Association had £8,427,953 of capital expenditure to which it was financially committed (£1,000,000 in 2013).

As at 31 December 2014 the Association's subsidiary, the Guide Association Trading Service Limited, had entered into £2.65 million (2013: £2.64 million) of advance stock purchase orders with suppliers within the ordinary course of business.

### 21. OPERATING LEASE COMMITMENTS

The annual commitment in respect of equipment leases was as follows:

	2014	2013
	£	£
<b>Leases:</b>		
Expiring within 5 years	404,141	168,793

### 22. 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. 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 £8,164,053 (2013: £7,408,005) and a net profit of £2,752,364 (2013: £2,328,509) was donated under Gift Aid to the Association.

### 23. THE GUIDE ASSOCIATION TRUST CORPORATION

The Trust Corporation is a Company limited by guarantee and incorporated under the Companies Act. It acts as sole 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 Trust Corporation are available from the Guide Association, 17-19 Buckingham Palace Road, London SW1W 0PT.