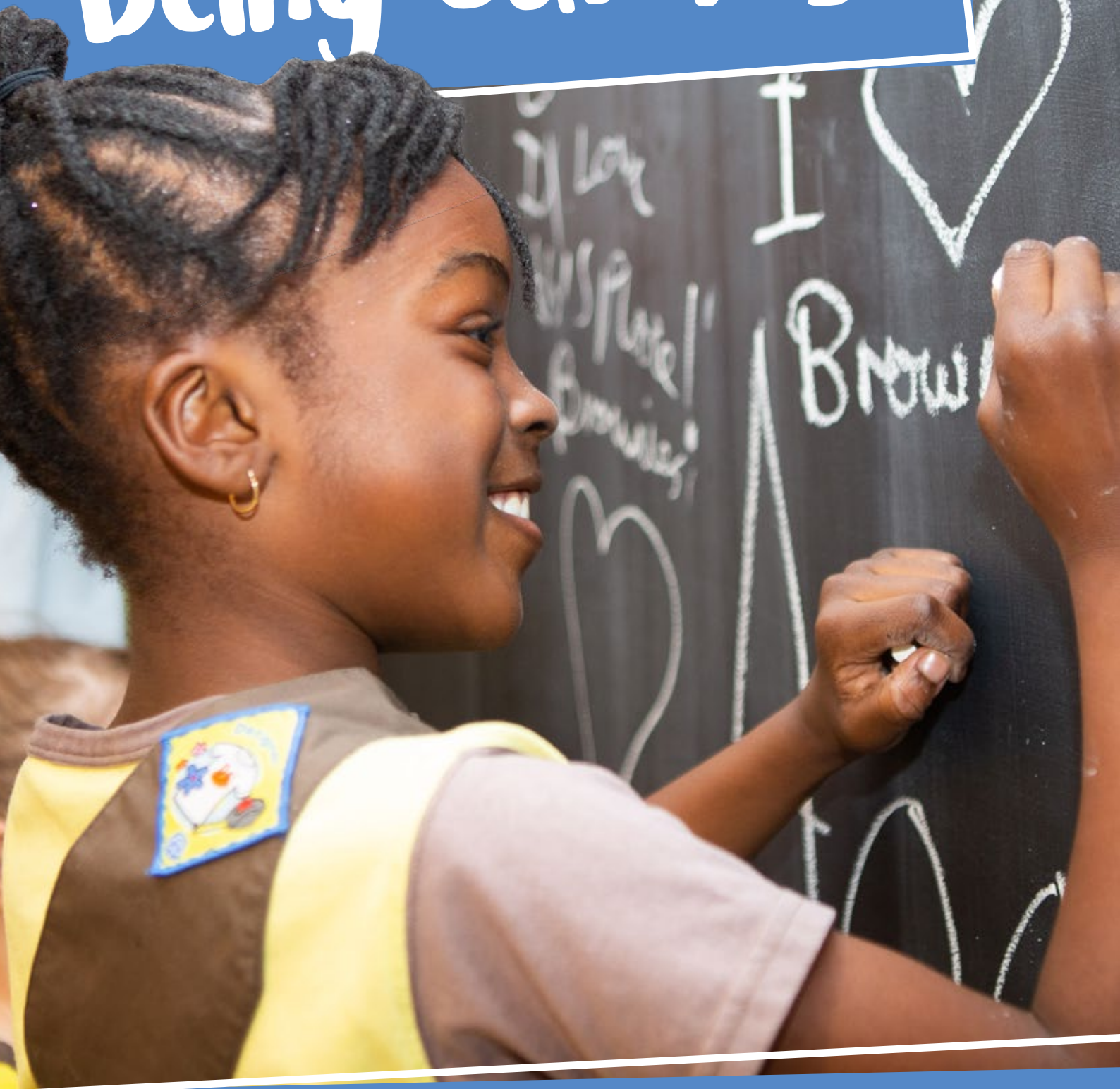


Being our best



Girlguiding's annual report
and financial statements

For the year ended 31 December 2019



WE DISCOVER, WE GROW

Girlguiding

Girlguiding is the leading charity for girls and young women in the UK. Our remarkable volunteers inspire girls to find their voice and grow in confidence, giving them a space where they can be themselves, have fun, build new 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, be 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.

Thank you for being part of it

Thanks to our volunteers who run 27,000 units across every part of the UK and beyond. In 2019 we were proud to deliver 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 Rangers (aged 14 to 18).



Contents

Introduction	4
Achievements and review	6
● Excellence	6
● Voice	7
● Access	8
● Capacity	9
Future plans	10
Structural information	12
Statement of the trustees' responsibilities	13
Notes	13
Review of financial position	16
Independent auditor's report	18
Consolidated statement of financial activities	20
Charity statement of financial activities	21
Consolidated balance sheet	22
Charity balance sheet	23
Consolidated statement of cash flow	24
Charity statement of cash flow	26
Notes to the financial statements	28

Introduction

The trustees of Girlguiding are pleased to present their report for 2019.

As the UK's largest charity for girls and young women, we exist to help girls discover the best in themselves and empower them to make a positive difference in the world.

2019 was the final year of our strategic plan - Being Our Best - which built firm foundations for us to ensure Girlguiding remains modern and relevant for the new decade and beyond. As we close Being Our Best there is much to be proud of. Being Our Best brought a new programme for all girls and young women; the roll out of extensive safeguarding training with 28,861 people being trained in 2019 alone, and a focus on elevating girls' voices with our Future Girl manifesto. Thank you to everyone who embraced the opportunities that Being Our Best gave us.

2019 had many highlights, including hearing girls' voices through our first Future Girl campaign and week of social action on the environment. Over 100,000 girls made plastic promises and spoke out about plastic pollution. Seeing them make a stand as Planet Protectors through their plastic promises was inspiring. We also welcomed Angela Salt as our new CEO in January of 2019. Angela brought extensive knowledge of the voluntary sector via her experience of leading VSO UK (Voluntary Service Overseas) and her work on the London Olympics.

We continued to offer girls incredible experiences: 28,426 members visited our activity centres; over 4,000 attended the sixth year of Wellies and Wristbands; over 45,000 members went to our exclusive ODEON screenings of Frozen and more than 11,000 had a great time at Big Gig - all things that make Girlguiding a fun and vibrant place. And we were also delighted to welcome new corporate partners in 2019, including the Royal Air Force, the Royal Society of Chemistry and De Puy Synthes.

We started 2020 looking ahead to the launch of Girlguiding's Strategy: today, tomorrow, together. We remain ambitious for girls and young women and our new strategy looks at how we can make a bigger impact and strengthen our work together. This strategy is a culmination of several years of diagnostic work, including extensive consultation with our members, staff and the public. Unfortunately, our One Team launch conference was cancelled due to the Covid-19 crisis, but we have launched the strategy virtually, using online platforms. Our strategy addresses how we can create exceptional experiences for girls and young women, and we will be bringing to life youth participation and continuing to develop our programme of activities to strengthen member experience. We have also been considering how we can develop a rewarding volunteer experience - and will be embracing flexible volunteering and making volunteering an

even more rewarding and enriching experience for our members and communities. And finally our strategy also focusses on being inclusive and impactful, so we will continue to welcome all to build a Girlguiding community that reflects the world around us and to demonstrate the impact that we have on girls and young women and the communities in which they live.

The current landscape that we are living in is as uncertain as any since the Second World War. The Covid-19 crisis has substantially impacted everyone's lives, and our operations and finances have not been immune. Face-to-face unit meetings have suspended, but we have launched Adventures at home to ensure that our brilliant set of activities can be accessed by volunteers, girls and young women - both those who are part of Girlguiding and those who are not, and some units have continued to meet online. Our financial position has been seriously affected - though how seriously we do not yet know, as the crisis continues. Through careful planning we have substantial reserves and a strong balance sheet, but that is not proof against the enormous losses expected this year, and the expected continuing financial effects in 2021. There is more detail on the operational and financial implications under Future plans, below.

Thank you to our volunteers, staff, supporters and donors. The generosity with which you give your time, commitment, energy and funding allows us to deliver Girlguiding and have a lasting impact on girls' and young women's lives, as well as on the wider society. The success of this organisation is testament to the tremendous mix of determination, passion, skill, ambition and care with which our volunteers run the 27,000 Rainbow, Brownie, Guide and Ranger groups that meet every week across the UK.



Catherine Irwin
Chair of Trustees





Our strategic plan focussed on four areas of Girlguiding: Excellence, Voice, Access and Capacity. On the following pages we show what our 2019 aims were for each strand, and what we achieved during the year.



Excellence



What did we achieve in 2019?

- **Safeguarding training:** we aimed to continue the staged roll-out of our safeguarding training programme to volunteers, with all volunteers trained by December 2020.

How did we do? Although we did not meet our 2019 target, our safeguarding training is on target to meet our December 2020 completion date.

- **First aid training:** we aimed to develop and update our first aid training in line with new policies and procedures.

How did we do? We've worked on reviewing the content of our 1st Response training, which will now be finalised and rolled out in 2020.

- **18-30 offer:** we aimed to further develop our offer for the 18-to-30 age group.

How did we do? Members of our 18-30 community worked with staff to develop an offer and a network of on-the-ground coordinators in each region. They also added information to the website. We are now working to name and market this offer and we are using our learnings from this project in our proposed 2020 business planning and strategic project proposals.

- **Safeguarding review:** we aimed to review safeguarding cases to make sure we learn from the past.

How did we do? We successfully finished this project in Q4 2019, having collated all our volunteer information. We extended this project to British Girlguiding Overseas and branches who also took part in the review. We've shared our learnings with countries and regions and have created our recommended action plan.

- **Mental health issues:** we aimed to deliver new resources that will help leaders support girls who are experiencing mental health issues.

How did we do? With an inclusion manager recruited in 2019 we are able to better support this issue. We improved, and will keep improving in 2020, the guidance for volunteers.

- **Learning and development:** we aimed to put in place a learning and development strategy that will help volunteers feel more confident and comfortable in their roles, and that will support high quality guiding.

How did we do? We completed a competency framework. The wider piece of work has been paused and re-phased to make sure it's in line with the new strategic priorities.

Progress against our Excellence performance targets

The recommendation of our membership is important to us: 91% of young members said they would recommend Girlguiding to a friend, vs 86% in 2018, moving us close to the target of 97%.

Keeping our community safe is our top priority. Our leadership qualification includes safeguarding and risk assessments, which all leaders and assistant leaders are required to complete. In September 2017 we refreshed and rolled out additional training: A Safe Space for all our volunteers, including leaders, commissioners and trainers.

The deadline for all our volunteers to have completed the training is 31 December 2020.

We continue to build our support for volunteers and a rewarding volunteer offer: 76% of volunteers told us that they feel supported and understand their role (vs an ambitious target of 95%). This work will continue with the focus on our strategic goal to create a rewarding volunteer experience.





What did we achieve in 2019?

- **Future Girl:** we aimed to launch our new advocacy platform Future Girl, which drives change on the issues that matter most to girls and young women and gives girls a platform to champion change.

How did we do? We had a successful campaign launch with widespread UK media coverage and social engagement. We met our targets on member involvement with 25% of our units involved, and 100,000 members. Our external audiences also engaged well through the #PlasticPromise microsite.

- **Social action engagement:** we aimed to engage all our members in a week of collective social action in October 2019.

How did we do? We had a successful social action week with strong engagement from our membership, who took part in the specially created unit meeting activity. Response from MPs and decision-makers was positive and we continue to build strong relationships to support our social action work.

- **Youth participation:** we aimed to develop a youth participation strategy and increase young people's involvement in our decision-making.

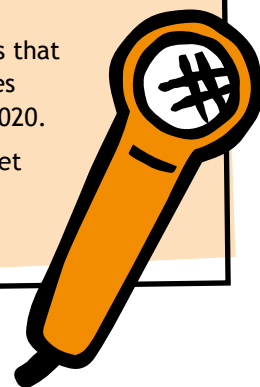
How did we do? The work we've done on the youth participation strategy, working with Participation People, has formed part of Girlguiding's strategy.

Progress against our Voice performance targets

We had some ambitious targets around Voice and whilst we have not met all of them, we're pleased at the commitment to girl voice within the organisation and the progress that we've made. We targeted 25% of Girlguiding governance and volunteer roles outside units to be occupied by women under 30, and we've achieved 10% in 2019. In 2019 we recruited new trustees - specifically targeting under 30 year olds - and we're delighted that three trustees under the age of 30 have joined our trustee board in 2020. There is additionally significant representation of under 30s on our Council.

We aimed for 55% of the general public to think Girlguiding gets girls' views heard on the issues that matter to them. In 2019, we didn't hit this target and we'll find new ways of getting girls voices heard to influence the public perception of Girlguiding and tell the story of the movement in 2020.

Our ambitious target of 100% of young members to take part in social action was a stretch target and we have delivered a programme that allowed for 73% to take part in 2019, including our plastic promise campaign in October.





What did we achieve in 2019?

- **Wellbeing and mental health:** we aimed to launch new guidance and resources to support members' wellbeing and good mental health.

How did we do? We released new guidance to support members during spring and summer 2019. *Mental health and guiding* gives guidance to support and include members with mental health problems.

- **Social deprivation:** we aimed to set up new units in areas of social deprivation; to find more external funding to build units and reach girls and volunteers in underrepresented communities.

How did we do? We've opened/re-opened 111 units in areas of social deprivation, with 51 of these being in the most deprived 25% of the UK (according to national deprivation measures). Projects such as Space to Grow Together, Uniformed Youth Fund and Delivering Diversity have been helping us develop new tools to grow into new and underrepresented communities.

- **Improve volunteering journey:** we aimed 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.

How did we do? We scoped what we needed for the volunteer experience work; local areas trialled new approaches to flexible volunteering and it is now a key part of the volunteer strategic priority for 2020.

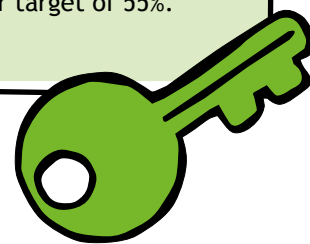
- **Inclusion:** we aimed to help our leaders include all girls by developing new inclusion resources and support.

How did we do? We released new guidance to support members during spring and summer 2019. This included: good practice guidance for including disabled young members and making reasonable adjustments; guidance for welcoming refugees and asylum seekers, and maternity, pregnancy and adoption support. Working with the National Autistic Society we prepared guidance on supporting autistic members. *Supporting young carers* gives guidance on supporting young people with caring responsibilities.

Progress against our Access performance targets

We have consistently increased the number of units opening: 389 opened in 2017, followed by 408 in 2018 and 622 in 2019. This has been significant and important in efforts to reach new areas of the country but has not stemmed the decline in membership which declined -4.5% in 2019 (vs a growth target of +17,000 members annually).

Externally we have seen a steady increase in on-message national media, moving from 90% in 2017 to 98% in 2019. And 54% of the general public would recommend Girlguiding to a girl they know vs our target of 55%.



Capacity



What did we achieve in 2019?

- **Donors and fundraising:** we aimed to start a major donor giving club and create a network of philanthropic supporters in Girlguiding.

How did we do? We developed a major donor strategy in 2019 and held meetings throughout the year to connect with philanthropic individuals.

- **Industry partnership:** we aimed to launch new partnerships that open up new experiences to girls and work with industries where women are under-represented. Our partnerships give our members access to expert knowledge; opportunities to develop their skills, and other rewards and benefits.

How did we do? We welcomed new corporate partners in 2019 including the Royal Air Force, the Royal Society of Chemistry and De Puy Synthes. These new and exciting partnerships open up conversations with industries where women are under-represented and give our members access to expert knowledge, and opportunities.

- **2020 strategy:** we aimed to launch a new Girlguiding strategy for 2020 onwards.

How did we do? We consulted with 50,000 girls, volunteers, parents, staff and the general public to inform our future strategy. Girlguiding's Strategy - today, tomorrow, together, launched online (due to Covid-19) in quarter one 2020.

- **Compliance policies:** we aimed to create and update compliance policies and procedures for volunteers, with a particular focus on health, safety and welfare.

How did we do? We have updated policies and procedures in 2019 and continue to do so.

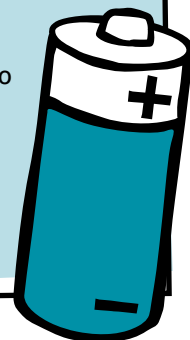
- **Pay and benefits review:** we aimed to review staff pay and benefits.

How did we do? We reviewed staff pay and benefits in winter 2019/20. The proposed rollout in 2020 has been delayed by the Covid-19 crisis, and is now expected in late 2020 or early 2021.

Progress against our Capacity performance targets

Our income from member subscriptions, national fundraising and trading was £15.1m in 2017, rising to £18.9m in 2018 due to the relaunch of the programme. As well as the new programme sales, trading saw an increase in sales of core items including uniform. In 2019 the picture is strong at £16.7m.

Being recognised as a good employer is important to us. 86% of Girlguiding staff and volunteers would recommend Girlguiding as an organisation to work or volunteer for, vs 85% target.



Future plans

2020 marks the first year of Girlguiding's Strategy - today, tomorrow, together.

Over the last two years 50,000 people in the Girlguiding community - members, volunteers, staff, parents and partners - told us what matters to them today and what they want for Girlguiding in the future. The research found three key themes which have formed the pillars of our strategy:

1. Let's create exceptional experiences for girls and young women

We want to offer experiences which are so fun, accessible and empowering that they inspire more girls, young women and volunteers to join than ever before. So we're going to keep putting girls at the centre of everything we do. Every decision we make - big or small - should be led by our girls and young women.

We will:

- Continue to develop our award-winning programme and the unique Girlguiding experience, by creating more inspiring and enriching activities for girls.
- Be led by girls, allowing our young members to influence and shape what happens in Girlguiding by putting them at the heart of decision-making.
- Continue to connect girls, young women and volunteers who might not otherwise get to meet.

2. Let's develop a rewarding volunteer experience

We want volunteering to be flexible so it's easier for people to give their time. So we're going to create opportunities that fit around people's lives. This will give more people the opportunity to share their talents and deliver great guiding to reach more girls and young women.

We will:

- Offer better support for our volunteers by investing in our digital and IT, to reduce the admin burden. Volunteers can then spend more of their time creating great experiences for girls and young women.
- Develop more effective ways to recruit and welcome volunteers, making it easier to be part of Girlguiding.
- Develop a flexible volunteering offer and more

roles that make it easier for people to offer their time and talents.

- Create volunteer opportunities that make volunteering a more rewarding and enjoyable experience.
- Develop a digital learning programme that allows members to access training in skills from leadership to building campfires. We will use peer mentoring and qualifications to build peoples' confidence, and let them be creative.

3. Let's be more inclusive and make a bigger impact

We want Girlguiding to have an even bigger impact and influence on local communities and across the UK. We're going to find fresh and exciting ways to welcome new girls and volunteers to make sure our community develops to reflect the world around us. We're going to make more people better aware of Girlguiding by proudly telling the world about our amazing achievements, and we're going to keep making girls' voices heard.

We will:

- Grow the number of people who know about Girlguiding and want to join us through inspiring campaigns and ambassadors.
- Ensure Girlguiding is open to all girls, working with local communities to create new opportunities and develop how we think, talk and work so our membership better reflects the world we live in.
- Make an impact together, supporting our Future Girl manifesto to make change in the world on issues that are most important to girls.
- Demonstrate and measure our impact, to show the value that Girlguiding gives to individuals and communities.



All of the above aspirations remain our goals for 2020, and we will do everything we can to achieve them. However, the serious effect of the Covid-19 crisis cannot be downplayed, either on our activities or our financial position.

Our training and activity centres have closed, like all hospitality premises, and there is no re-opening date in sight. Our trading company suspended operations until mid-May in order to practice social distancing, but is now once again serving our members as they continue working on badges and other activities, and our neighbours and tenants at The Resident Victoria, a highly successful boutique hotel in the heart of London, have also suspended operations, with a predictable impact on their ability to pay rent as it falls due. All told, these issues are likely to cost Girlguiding a minimum of £3.5 million and, depending on the length and nature of social distancing, this figure could rise to £5 million.

In order to safeguard our financial position, we moved quickly to identify a reduced staffing need and furloughed half of our staff, saving £1 million in the process up to the end of June 2020. We are

in any case reviewing staffing levels and other costs based on a range of scenarios. This will inevitably impact on areas of our activities and ambition, but will continue to pursue our strategy.

We have looked at our cash position, as it is cyclical and a proportion of our free reserves are held in investments to preserve their real value in the long term. Taking both projected cash and easily realisable financial investments into account, trustees are satisfied that the Association has sufficient funds to bridge the period in early 2021 before we receive 2021's subscription income. Trading has arranged loan financing of £1 million under the Government's CBILS scheme, to be drawn down in September 2020, to support its working capital requirements; it expects to be able to repay the loan by September 2021.

While the world in 2020 feels uncertain, we believe our strategy is the right one to build a strong movement that will aid our national recovery, connect communities and deliver real changes in the lives of our members.

Structural information

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 byelaws to the Royal Charter.

The board of trustees has the following sub committees: audit and risk, finance, nominations and governance, and remuneration. There is also an operational board comprising senior volunteers who address key operational issues and feed into the work of the sub-committees and board. Terms of reference for each group clarify the roles and responsibilities of each, their decision-making and consultation 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 byelaws 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 has enabled greater focus by the chief guide on volunteer leadership, and by the chair on governance leadership.

Organisation structure

Girlguiding 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 voluntary position of 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.

The board of trustees of the charity

Chair of the Board

Catherine Irwin

Chief Guide

Amanda Medler

Deputy Chief Guide

Julie Bell

Chair of Finance Committee

Elizabeth Dymond (from 01.07.2019)

Robert Cox (until 30.06.2019)

Jaki Booth • Maya Dibley (until 30.01.20)

Val Elliott (until 30.01.20) • Alex Farrow

Carole Graham (until 31.01.19)

Su Hassall • Margaret Mackie (until 30.06.19)

Della Salway • Helen Shreeve

All below from 01.02.2020:

Selina Armitt • Kirtbir Chahal

Alison Hampton • Hannah Moran

Supriya Sobti

Appointment and induction of trustees

The members of the board of trustees are appointed pursuant to the Royal Charter and byelaws. The chief guide and deputy chief guide 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 and serve for a maximum of two terms of three years. A schedule of reviews is conducted for new and continuing trustees, and reappointment is subject to completion of a satisfactory review. 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.

There is a rolling programme of training and development for trustees and the board. All trustees are required to take part in group trustee training sessions at least once a year. 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

Angela Salt (from 14.01.19)

Deputy Chief Executive and Strategy Director

Ruth Marvel (until 08.11.19)

Interim Strategy Director

Berenice Levenez (from 11.09.19)

Marketing, Communications and Fundraising Director

Devia Gurjar (until 04.01.19)

Amanda Azeez (from 01.07.19)

Interim - Charlie Wells (until 05.07.19)

Operations Director

Jonathan Whitehead

Commercial, Property and IT Director

Gary Hocking (until 16.07.19)

Interim - Chris Ansell (from 17.06.19)

Finance and Professional Services Director

Christine Grant (until 09.12.19)

Interim - Richard Elliott (from 03.02.20)

Professional advisers and consultants

The professional advisers and consultants have been as follows:

Bankers

National Westminster Bank Plc,
169 Victoria Street, London SW1E 5NA

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

Auditors

Moore Kingston Smith, Devonshire House, 60 Goswell Road, London EC1M 7AD

Legal consultants

Bates Wells, 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
- 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 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 the 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.

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 2019

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 through the following strategic strands:

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

This report details the targets that the trustees set in each of these areas to 2020, and shows how those targets have been achieved in 2019 to deliver public benefit. It also introduces the first year of Girlguiding's Strategy - today, tomorrow, together - started in 2020.

Environmental statement

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

- The effects of the Covid-19 crisis on our operations, finances and future membership. The steps we are taking to try to mitigate these risks are set out under Future Plans above, and we are continually monitoring the ever-changing and uncertain situation.
- Girls leaving guiding: membership declines because girls are not getting what they want from guiding. Mitigation is sought through implementation of the new strategy. The new strategy has been built in consultation with our members. The full girl offer will

ensure that Girlguiding continues to offer bespoke activities and experiences all designed around girls' lives and interests. The inclusive and impactful strategic priority will enable the organisation to welcome more girls and young women into guiding.

- Volunteer recruitment and retention: volunteering waiting lists grow and high administrative burden leads to volunteer membership decline. Mitigation is sought through organisational design and the new strategic projects which will help Girlguiding to find solutions to reduce the level and complexity of administrative tasks which will create more flexible volunteering roles which meet the needs of volunteers today.
- Ongoing wellbeing of our members: ensuring that all members are protected from harm and that the experience of girls and volunteers is safe and supportive. Mitigation is sought by ensuring that policies and procedures are relevant and that learning resources are available for volunteers to support the safe delivery of guiding.
- Complexity of the governance structure between HQ and regional organisations. Mitigation is sought through the new organisational design that forms part of the new strategy.

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 covering 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

There are also an operational board, comprising senior volunteers who address key operational issues and feed into the work of the sub-committees and board, and a strategy board, which has led significant work and provided oversight of the organisational strategy process.

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 (for example board effectiveness including performance review is addressed in the section on appointment, induction and review of trustees; decision-making, risk and control in the risk section). In 2018, trustees completed a self-assessment against the sections within

the Code to inform the board's annual workplan, and the board commits to ongoing review against the principles set. In 2020, the board will be revising and implementing a new board performance review process.

Board diversity

A commitment to inclusivity and diversity are core for Girlguiding, and these were highlighted as priority areas for board development on the board's last review. In 2019, trustees agreed a board diversity and inclusivity statement of intent and objectives. In line with this commitment to building a more diverse board, a number of gaps were identified which had been recognised as previously under-represented on the board, including young people aged 27 and under, those from BAME backgrounds, LGBT+ and people of different faiths and of none. A wide-ranging approach to advertising and recruitment was taken with a view to reaching as diverse an audience as possible, resulting in the successful recruitment of five new trustees for induction before starting their term in February 2020.

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

As a good employer, Girlguiding regularly undertakes a comprehensive and holistic review of its salary and benefits package, evaluating all jobs - including that of the chief executive - and benchmarking with charity sector salary and benefits data. That review, with oversight from our trustee remuneration committee, is currently in progress. Implementation was planned for 2020, but the Covid crisis means that this might now fall into early 2021. We aim to maximise the potential of our package to attract and retain high calibre staff in an increasingly competitive and

employee-driven market. And to do so with due regard to budget, transparency and equity.

As a UK employer with over 250 employees, Girlguiding is statutorily required to publish data about its gender pay gap for 2019. Girlguiding reports a mean gender pay gap of 0.1% - a difference of 0.01 pence. This means that Girlguiding does not have a gender pay gap at the mean average. Men have a lower median pay than women as we have a negative median gender pay gap of -11.6%. The difference in pay is £1.70 per hour. Of our employees, 80% are women 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 simply would not be able to do this without the commitment of our valued supporters. When anyone gives to Girlguiding that gift makes a big difference to the lives of girls and young women.

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

At Girlguiding we endeavour to make all reasonable efforts to ensure the on-going compliance of third parties with the Fundraising Code of Practice and the law. The work we undertake with commercial participators is governed by a contract which sets out the obligations of the parties involved. Similarly, all work conducted with agencies that helps us process responses to campaigns, print campaigns and mail out campaigns on our behalf is governed by a contract. We do not currently conduct any work with professional fundraisers or carry out door-to-door, street or telephone fundraising.

We take our responsibility towards our donors very seriously. We aim to provide people with a positive experience and

deliver meaningful and personalised communication to our supporters. We strongly believe that no one should ever feel pressured into giving, and we 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 2019 we received 12 complaints. We are committed to investigating complaints and resolving them swiftly. If anyone is unsatisfied with their experience we want to hear about it. Feedback enables us to improve our fundraising service.

Girlguiding would like to thank the following partners for their generous support in 2019:

- Players of People's Postcode Lottery
- Pears Foundation
- The Royal Astronomical Society and the RAS200 project
- Department for Digital, Culture, Media & Sport via Youth United Foundation
- Sport England
- Cotswold Outdoor
- The British Army
- Barclays
- Penguin
- PGL
- Google
- Rolls-Royce
- UPS
- Amey
- easyJet
- Legal & General
- ODEON
- Unity Insurance
- The Royal Air Force
- De Puy Synthes
- Royal Society of Chemistry
- Waste Reduction Action Programme (WRAP)

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 and wish to remain anonymous

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 the Association as a whole. Countries and regions, counties, divisions, districts and units are separate organisations and are responsible for their own finances.

The statement of financial activities

Incoming and outgoing resources for the year are detailed in the statement of financial activities, 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 2019

2019 saw a continued rise in income and contributions from activities.

Net income for the year amounted to £3.4 million (2018: £2.5 million). This includes gains on investments of £1.3 million (2018: loss of £0.03 million). The People's Postcode Lottery income of £3.0 million (2018: £nil) was generated in 2019 and will be spent in 2020.

Total funds carried forward at 31 December 2019 amounted to £55.0 million (2018: £51.6 million).

Income and expenditure

Income

Total income amounted to £26.1 million (2018: £25.0 million): an increase of 4%.

Key changes in the year:

- Subscriptions income was static at £7.1 million (2018: £7.1 million). This reflects an increase in subscription rate to £15.50 in combination with a fall in membership.
- Donations, legacies and grants generated £4.2 million (2018: £2.7 million): an increase of 57% as a result of the income from the People's Postcode Lottery (£3.0 million). 2019 was the first year Girlguiding was a direct beneficiary of the lottery.
- Trading income fell by 4% to £8.4 million (2018: £8.8 million). Trading in the first half of 2019 continued to benefit from the successful launch of the new programme in 2018. The contribution to the charity from our trading subsidiary was £3.5 million (2018: £3.9 million).

Expenditure

Total expenditure was £24.0 million (2018: £22.5 million): an increase of 7%.

Cost of raising funds were £6.0 million (2018: £5.8 million) with the increased costs of trading being the key reason.

Charitable expenditure increased to £18.0 million (2018: £16.7 million). The costs are analysed by strategy theme based on direct costs for each theme and an appropriate allocation of support costs. The charitable expenditure is also analysed by cost type - staff costs are 47% of the total; non-pay direct costs are 33% and support costs 20%. Costs can be analysed between activities as follows: running our training and activity centres (before income received) 19%, communications (including member communications and advocacy) 18%, operations (including quality, programmes and safeguarding) 16%, finance & professional services (including insurance, HR, legal and irrecoverable VAT) 16%, commercial, IT and property 11%, specific restricted projects 8% planning and project management 6%, depreciation 3% and others 3%.

Balance sheet

Investment movements

A net gain on investments of £1.3 million was generated in 2019 (2018: £0.03 million loss). This arose from a combination of an increase in the value of the hotel investment property of £0.3 million and a gain on our investment portfolio of £1.0 million.

Investment policy

Girlguiding's investment objective is to preserve capital, in real terms, whilst providing liquidity for most eventualities and a source of capital for future growth opportunities. While equities are volatile year on year, over a five year period they typically outperform inflation. Performance is



benchmarked against (a) movements in the FTSE 100 index and (b) the fund's own weighted combined benchmark.

Whilst Girlguiding seeks to produce an acceptable level of financial return, this is always contained within an accepted pre-identified risk appetite. The key risk to long term reserves is inflation, so assets are invested to mitigate its effects over the longer term. Capital volatility in the short term is a feature of such investments, to be offset by greater average returns over the medium term, and is therefore accepted.

Total investments were valued at £40.8 million (of which £40.1 million were unrestricted) at 31 December 2019 (2018: £38.5 million of which £38.1 million were unrestricted). The value of investments rose by £1.3 million and further £0.7 million was added to the portfolio during the year.

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 £32.5 million.

The Association also holds financial investments as an important part of our reserves. Professional fund managers are used to manage the funds and their performance is reviewed regularly by the finance committee. Performance is benchmarked against appropriate performance indices. Total unrestricted financial investments were valued at £7.6 million at 31 December 2019 (2018: £6.6 million).

Since the year end, the Covid-19 crisis has impacted substantially on these investment values. No reliable valuation is possible for the investment property, due to the lack of comparative information in the current climate, but it is reasonable to assume that its current value is lower than at 31 December 2019. The latest valuations of the financial investments (as at 30 April 2020) indicate that the

financial investments have recovered strongly from the immediate aftermath of the Covid-19 crisis, but are still £0.7m below the values at 31 December 2019.

Tangible fixed assets

The Association holds various tangible fixed assets to support its activities. These are the headquarters building, the members' trading service premises and the training and activity centres. A total of £0.4 million was spent on fixed assets in the year.

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 and reviewed annually by trustees - requires target free reserves to be maintained at between 3 and 4.5 months' unrestricted operational expenditure. At the year end this range was between £4.7 million and £7.1 million. The level of free reserves at the balance sheet date was £7.3 million: £0.2 million above the policy requirement (2018: £6.8 million and £0.6 million above policy requirement).

We retain reserves, not for their own sake, but to ensure that we can weather a financial storm. The current situation is a veritable financial storm, and it may be that

our reserves at the end of 2020 will represent less than three months' expenditure. We are seeking to find the appropriate balance between protecting our support for Girlguiding units nationwide, and ensuring that we remain financially strong enough to continue that support for many years to come. If we finish the year with reserves lower than the agreed range, we will budget to rebuild those reserves over a reasonable period.

Designated funds

The specific uses and needs to be met by the designated funds are detailed separately in note 21 to the financial statements. The transformation fund is new in 2019 and the plan was to spend all of this fund during 2020. Due to the Covid-19 emergency, this work will be delayed and revised with the result that £3m will be spent on transformation, including an appropriate allocation to core costs, within 2020. The other funds relate to fixed assets.

Financial statements for 2019

The annual financial statements for 2019 are annexed to this report and include a report by the Association's auditors, Moore Kingston Smith 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 1 June 2020. They are to be submitted to the Association's annual general meeting for adoption.

Approval of the annual report and the financial statements

This report was approved by the board of trustees at its meeting on 1 June 2020 and the chair of trustees was authorised to sign the report. The chair of the trustees and the chair of the finance committee authorised the annual financial statements on its behalf.



Catherine Irwin
Chair of Trustees
16 June 2020

Independent auditor's report to the trustees and members of The Guide Association

Opinion

We have audited the financial statements of The Guide Association for the year ended 31 December 2019 which comprise the Consolidated and Charity Statement of Financial Activities, the Consolidated and Charity Balance Sheets, 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 the parent charity's affairs as at 31 December 2019 and of the group and parent charity's incoming resources and application of resources, including its income and expenditure, 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 Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 (as amended) and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended)

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 Parent Charity in accordance with the ethical requirements that are

relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating 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's and 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, other than the financial statements and our auditor's report thereon. 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 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 where the Charities Act 2011 or the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- The information given in the Annual Report is inconsistent in any material respects with the financial statements; or
- The parent charity has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- The parent charity's 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 trustees' responsibilities statement set out on page 13, 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 and 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 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 151 of the Charities Act 2011 and under Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report to you in accordance with regulations made under those Acts.

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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements (whether due to fraud or error); design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis

for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the group and parent charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and parent charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or parent charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit report.

We communicate with those charged with governance regarding- among other matters - the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charity's members, as a body, in accordance with the Chapter 3 of Part 8 of the Charities Act 2011 and Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the charity's members and trustees those matters which we are required to state to them in an auditor's report addressed to them and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charity and charity's members as a body, and the charity's trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

Moore Kingston Smith LLP

Andrew Stickland
(Senior Statutory Auditor) for and on behalf of Moore Kingston Smith LLP,
Statutory Auditor

Date: 18 June 2020

Devonshire House
60 Goswell Road
London EC1M 7AD

Consolidated statement of financial activities

For the year ended 31 December 2019

	Notes	Unrestricted funds £'000	Restricted funds £'000	2019 Total funds £'000	Unrestricted funds £'000	Restricted funds £'000	Endowed funds £'000	2018 Total funds £'000
Income from:								
Donations, legacies and grants	2	3,432	751	4,183	947	1,714	-	2,661
Charitable activities:								
Subscriptions		7,157	-	7,157	7,139	-	-	7,139
Training & Activity Centres		3,357	-	3,357	3,420	-	-	3,420
Events	3	433	-	433	602	-	-	602
Publications		17	-	17	32	-	-	32
Trading activities	4	8,431	-	8,431	8,780	-	-	8,780
Investments	5	1,858	23	1,881	1,805	24	-	1,829
Other	6	549	79	628	504	9	-	514
Total income		25,234	853	26,087	23,229	1,747	-	24,976
Expenditure on:								
Raising funds	7	5,991	-	5,991	5,834	-	-	5,834
Charitable activities	8	16,569	1,454	18,023	15,561	1,096	-	16,657
Total expenditure		22,560	1,454	24,014	21,395	1,096	-	22,490
Net gains/(losses) on investments	13	1,237	104	1,341	17	(49)	-	(31)
Net income/(expenditure)		3,911	(497)	3,414	1,851	603	-	2,454
Transfers between funds		-	-	-	-	362	(362)	-
Net movement in funds		3,911	(497)	3,414	1,851	965	(362)	2,454
Reconciliation of funds:								
Total funds brought forward at 1 January 2019		49,355	2,208	51,563	47,503	1,243	362	49,109
Total funds carried forward at 31 December 2019		53,266	1,711	54,977	49,355	2,208	-	51,563

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 2019

	Notes	Unrestricted funds £'000	Restricted funds £'000	2019 Total funds £'000	Unrestricted funds £'000	Restricted funds £'000	Endowed funds £'000	2018 Total funds £'000
Income from:								
Donations, legacies and grants	2	3,432	751	4,183	947	1,714	-	2,661
Charitable activities								
Subscriptions		7,157	-	7,157	7,139	-	-	7,139
Training & Activity Centres		3,357	-	3,357	3,420	-	-	3,420
Events	3	433	-	433	602	-	-	602
Publications		17	-	17	32	-	-	32
Trading activities	4	-	-	-	0	-	-	0
Investments	5	1,858	23	1,881	1,940	24	-	1,964
Other	6	298	79	377	157	9	-	166
Donation from subsidiary		3,516	-	3,516	3,854	-	-	3,854
Total income		20,067	853	20,920	18,091	1,747	-	19,839
Expenditure on:								
Raising funds	7	536	-	536	533	-	-	533
Charitable activities	8	16,857	1,454	18,311	15,725	1,096	-	16,820
Total expenditure		17,393	1,454	18,847	16,257	1,096	-	17,353
Net gains/(losses) on investments	13	1,237	104	1,341	17	(49)	-	(31)
Net income/(expenditure)		3,911	(497)	3,414	1,851	603	-	2,454
Transfers between funds		-	-	-	-	362	(362)	-
Other recognised gains/(losses) Net loss on revaluation of investment property	13	-	-	-	(1,500)	-	-	(1,500)
Reconciliation of funds:								
Total funds brought forward at 1 January 2019		49,355	2,208	51,563	49,003	1,243	362	50,609
Total funds carried forward at 31 December 2019		53,266	1,711	54,977	49,355	2,208	-	51,563

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 2019

	Notes	£'000	2019 £'000	£'000	2018 restated £'000
Fixed assets					
Intangible fixed assets	11		740	1,015	
Tangible fixed assets	12		8,019	8,142	
Investments	13		40,822	38,780	
			49,581	47,937	
Current assets					
Stocks	15	1,387		1,077	
Debtors	16	1,484		1,848	
Short-term bank deposits	17	5,884		-	
Cash at bank and in hand		332		4,977	
		9,087		7,902	
Current liabilities					
Creditors due within one year	18	(3,456)		(3,505)	
Net current assets/(liabilities)			5,631		4,397
Long-term liabilities					
Creditors due after one year	18a		-		(475)
Provisions for liabilities and charges	19		(235)		(296)
Net assets			54,977		51,563
General funds					
Designated funds	21	4,783		1,170	
Unrestricted funds	21	48,483		48,185	
			53,266		49,355
Restricted funds	22		1,711		2,208
Total funds			54,977		51,563

Approved and authorised by the board of trustees on 16 June 2020, and signed on their behalf on 16 June 2020 by:



Catherine Irwin - Chair



Elizabeth Dymond - Chair of Finance Committee

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

Charity balance sheet

As at 31 December 2019

	Notes	£'000	2019 £'000	£'000	2018 restated £'000
Fixed assets					
Intangible fixed assets	11		740		1,015
Tangible fixed assets	12		8,019		8,142
Investments	13		40,972		38,930
			49,731		48,087
Current assets					
Stocks	15	48		54	
Debtors	16	3,783		4,664	
Short-term bank deposits	17	4,335		-	
Cash at bank and in hand		314		2,824	
		8,480		7,542	
Current liabilities					
Creditors due within one year	18	(2,999)		(3,295)	
Net current assets/(liabilities)			5,481		4,247
Long-term liabilities					
Creditors due after one year	19		-		(475)
Provisions for liabilities and charges	20		(235)		(296)
Net assets			54,977		51,563
General funds					
Designated funds	21	4,783		1,170	
Unrestricted funds	21	48,483		48,185	
			53,266		49,355
Restricted funds	22		1,711		2,208
Total funds			54,977		51,563

Approved and authorised by the board of trustees on 16 June 2020, and signed on their behalf on 16 June 2020 by:



Catherine Irwin - Chair



Elizabeth Dymond - Chair of Finance Committee

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

Consolidated statement of cash flow

As at 31 December 2019

	£'000	2019 £'000	£'000	2018 £'000
Cash flows from operating activities:				
Net cash provided by (used in) operating activities (1.)		505		(791)
Cash flows from investing activities:				
Investment income and interest received	1,881		1,829	
Payments to acquire intangible fixed assets	(40)		-	
Payments to acquire tangible fixed assets	(406)		(686)	
Purchase of fixed asset investments	(701)		(6,540)	
Sale of fixed asset investments	-		7,156	
		734		1,759
Cash flows from financing activities:				
Increase in cash held for investment	-		124	
		-		124
Change in cash and cash equivalents in the year (2.)		1,239		1,093

Notes to the statement of cash flow

	£'000	2019 £'000	£'000	2018 £'000
1. Reconciliation of net income/(expenditure) to net cash flow from operating activities				
Net income/expenditure for the year (as per the SoFA)		3,414		2,454
Adjustments for:				
(Gains)/losses on investments	(1,341)		31	
Investment income	(1,881)		(1,829)	
Amortisation charges	314		-	
Depreciation charges	529		759	
(Increase)/decrease in stocks	(309)		(447)	
(Increase)/decrease in debtors	364		(1,049)	
Increase/(decrease) in creditors and provisions	(585)		(710)	
		(2,909)		(3,245)
Net cash provided by (used in) operating activities		505		(791)

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

Consolidated statement of cash flow

As at 31 December 2019

	2019 £'000	Change in year £'000	2018 £'000	Change in year £'000	2017 £'000
2. Analysis of the balances of cash as shown in the balance sheet					
Cash at bank and in hand	332	(4,645)	4,977	1,093	3,885
Current investments (less than three months)	5,884	5,884	-	-	-
Total cash and cash equivalents	6,217	1,239	4,977	1,093	3,885

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

Charity statement of cash flow

For the year ended 31 December 2019

	£'000	2019 £'000	£'000	2018 £'000
Cash flows from operating activities:				
Net cash provided by (used in) operating activities (1.)		1,090		(1,948)
Cash flows from investing activities:				
Investment income and interest received	1,881		1,964	
Payments to acquire intangible fixed assets	(40)		-	
Payments to acquire tangible fixed assets	(406)		(686)	
Purchase of fixed asset investments	(701)		(6,540)	
Sale of fixed asset investments	-		7,156	
		735		1,894
Cash flows from financing activities:				
Increase in cash held for investment	-		124	
		-		124
Change in cash and cash equivalents in the year (2.)		1,825		70

Notes to the statement of cash flow

	£'000	2019 £'000	£'000	2018 £'000
1. Reconciliation of net income/(expenditure) to net cash flow from operating activities				
Net income/expenditure for the year (as per the SoFA)		3,414		2,454
Adjustments for:				
(Gains)/losses on investments	(1,342)		31	
Investment income	(1,881)		(1,964)	
Amortisation charges	314		-	
Depreciation charges	529		759	
(Increase)/decrease in stocks	6		4	
(Increase)/decrease in debtors	882		(2,410)	
Increase/(decrease) in creditors and provisions	(832)		(822)	
		(2,324)		(4,402)
Net cash provided by (used in) operating activities		1,090		(1,948)

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

Charity statement of cash flow

For the year ended 31 December 2019

	2019 £'000	Change in year £'000	2018 £'000	Change in year £'000	2017 £'000
2. Analysis of the balances of cash as shown in the balance sheet					
Cash at bank and in hand	314	(2,510)	2,824	70	2,754
Current investments (less than three months)	4,335	4,335	-	-	-
Total cash and cash equivalents	4,649	1,825	2,824	70	2,754

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

Notes to the financial statements

For the year ended 31 December 2019

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.

Going Concern

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

In making this assessment the trustees have considered the impact of COVID-19 and, as set out in note 30, have considered the charitable group's revised forecasts and projections for income and expenditure, as well as long term cash flow. These continue to be

regularly monitored by directors and trustees. The Association holds significant reserves and has liquid assets in the form of investments which are readily available to convert into cash.

- (i) face to face unit meetings ceased in mid-March with the institution of the Government's social distancing policy; an online "Adventures at home" programme was developed for members
- (ii) the Association's Training and Activity Centres have needed to cancel bookings for the spring, with the strong possibility that summer's bookings will also need to be cancelled; we have applied for the rates holiday for hospitality businesses
- (iii) the Association's Trading company closed its operations during the main period of social distancing and even after re-opening we expect sales to be low because face to face unit meetings are not taking place
- (iv) our neighbour and tenant, The Resident Victoria has, in common with all hotels, closed for the period of the crisis, affecting its ability to pay its rent
- (v) we have furloughed about half of our staff on 80% pay, supported by the Government's Coronavirus Job Retention Scheme
- (vi) we have obtained emergency finance for our Trading company from the Government's Coronavirus Business Interruption Loan Scheme
- (vii) we have deferred payment of VAT as allowed by the Government

Based on the above, the trustees have concluded that there is a reasonable expectation that the

charitable group has adequate resources to continue in operational existence for the foreseeable future. The charitable group therefore continues to adopt the going concern basis in preparing its financial statements.

(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 (SOFA). 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 two the designated funds for Building & Equipment and Transformation. The specific uses and needs to be met by the designated funds are detailed separately in note 21 to the financial statements.

(d) Fund accounting - restricted and endowed funds

The Association's restricted 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). All endowment funds closed in 2018. A schedule of the movements on the various funds during the year is set out in Note 14.

(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 recognised when the income is 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
- lottery - Girlguiding is a direct beneficiary of the People's Postcode Lottery. Income is recognised when the draw is held. The Association recognises the net amount due which is the total of ticket sales less prize money and management fees. Only the net receipt is included in the SOFA as The Association has no ability to alter the ticket price, determine the prizes or reduce the management fees. The gross amounts are disclosed in note 2.

(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 Association's overall establishment and communication 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 funds (and until 2018 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 and amortisation

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

Tangible fixed assets

- Freehold buildings - 1.333% to 10%
- Long leasehold - over the life of lease

- Equipment, fittings and vehicles:
 - Computer equipment - 20% to 30%
 - Mechanical equipment - 10%
 - Electrical equipment - 20%
 - Fittings - 10% to 20%
 - Vehicles - 25%
- Assets under construction - no depreciation
- Other equipment - 10% to 20%

Intangible fixed assets

- Membership Database - 18% to 30%
- Other software - 20% to 33%

(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.

Notes to the financial statements

For the year ended 31 December 2019

(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 November 2018 specialist Archive and Heritage consultancies were appointed to undertake the review and consultation with members. The feasibility study was presented in March 2019. The trustees approved the recommendation that a new archive be built, dependent on funding being identified.

(p) Critical accounting judgements and estimation uncertainty

In preparing the 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) whether the going concern basis is appropriate, which is discussed in section (a) above; (ii) the provision of 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 (iii) 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 sold. 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.

(q) Prior year adjustments

A prior year adjustment has been made in 2019 as the software assets were not reclassified from the equipment, fittings and vehicle category within tangible assets to the software category within intangible assets on transition to SORP. While undertaking the review of assets for this adjustment, it was also noted that some assets on the register were no longer in use and had already been decommissioned or scrapped. The total net book value of these assets was £nil.

In 2018, a prior year adjustment was made to comply with the amendment of 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 in the consolidated and charity accounts.

The full details are shown in notes 11, 12 and 29.

Notes to the financial statements

For the year ended 31 December 2019

	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000	Unrestricted funds £'000	Restricted funds £'000	Total 2018 £'000
2 Donations, legacies and grants						
Consolidated and charity						
Individual donations	19	49	68	16	101	117
Legacies and in memorial donations	425	130	555	559	57	616
Lottery income	2,988	-	2,988	-	-	-
Grants	-	572	572	371	1,557	1,928
	3,432	751	4,183	947	1,714	2,661

In line with note 1 (e), the income accounting policy, the Association received the net proceeds of lotteries held by People's Postcode Lottery. The Association has no ability to alter the price of tickets, determine the prizes or reduce the management fees, as such, the People's Postcode Lottery is acting as the principal, and only net proceeds are recognised in the statement of financial activities. The net proceeds received are analysed as follows:

	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000	Unrestricted funds £'000	Restricted funds £'000	Total 2018 £'000
Lottery Income						
Consolidated and charity						
Ticket value	9,337	-	9,337	-	-	-
Prize Fund	(3,735)	-	(3,735)	-	-	-
Management fee	(2,614)	-	(2,614)	-	-	-
Net Lottery income	2,988	-	2,988	-	-	-

	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000	Unrestricted funds £'000	Restricted funds £'000	Total 2018 £'000
3 Events income						
Consolidated and charity						
Big Gig	298	-	298	459	-	459
Community events	95	-	95	62	-	62
Other charity events	40	-	40	81	-	81
	433	-	433	602	-	602

Notes to the financial statements

For the year ended 31 December 2019

	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000	Unrestricted funds £'000	Restricted funds £'000	Total 2018 £'000
4 Trading income						
Consolidated						
Members' Trading Service	7,914	-	7,914	8,337	-	8,337
Licence fees and royalties	518	-	518	443	-	443
	8,431	-	8,431	8,780	-	8,780

	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000	Unrestricted funds £'000	Restricted funds £'000	Total 2018 £'000
5 Investment income						
Consolidated						
Listed investments:						
UK bonds and cash	-	-	-	14	2	17
UK equities	-	-	-	49	9	58
Property	-	-	-	30	4	34
Absolute Return funds	206	23	229	40	3	44
Overseas equities	-	-	-	22	5	26
Overseas bonds	-	-	-	0	0	1
Interest on cash deposits	7	0	7	5	0	5
	213	23	236	161	24	185
Investment property:						
Rental Income	1,644	-	1,644	1,644	-	1,644
	1,857	23	1,880	1,805	24	1,829

	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000	Unrestricted funds £'000	Restricted funds £'000	Total 2018 £'000
Charity						
Licence fees and royalties						
Listed investments:						
UK bonds and cash	-	-	-	14	2	17
UK equities	-	-	-	49	9	58
Property	-	-	-	30	4	34
Absolute Return funds	206	23	229	40	3	44
Overseas equities	-	-	-	22	5	26
Overseas bonds	-	-	-	0	0	1
Interest on cash deposits	7	0	7	5	0	5
	213	23	236	161	24	185
Investment property:						
Rental Income	1,644	-	1,644	1,779	-	1,779
	1,857	23	1,880	1,940	24	1,964

Notes to the financial statements

For the year ended 31 December 2019

	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000	Unrestricted funds £'000	Restricted funds £'000	Total 2018 £'000
6 Other income						
Consolidated						
Corporate sponsorship	398	70	468	412	-	412
International trips sponsorship	151	-	151	76	-	76
Other	-	9	9	16	9	26
	549	79	628	504	9	514
Charity						
Corporate sponsorship	-	70	70	54	-	54
International trips sponsorship	152	-	151	76	-	76
Other	146	9	155	27	9	37
	298	79	377	157	9	166

7 Cost of raising funds (all unrestricted funds)	Staff costs £'000	Other direct costs £'000	Support costs £'000	Total 2019 £'000	Staff costs £'000	Other direct costs £'000	Support costs £'000	Total 2018 £'000
Consolidated								
Seeking donations, grants and legacies	449	78	-	527	391	93	-	484
Operating costs of trading company	1,105	3,580	770	5,456	1,057	3,561	709	5,327
Investment management costs	-	8	-	8	-	23	-	23
	1,554	3,666	770	5,991	1,448	3,677	709	5,834
Charity								
Seeking donations, grants and legacies	449	79	-	529	390	120	-	510
Investment management costs	-	8	-	8	-	23	-	23
	449	87	-	536	390	143	-	533

Notes to the financial statements

For the year ended 31 December 2019

8 Charitable expenditure	Staff costs £'000	Other direct costs £'000	Unrestricted		Staff costs £'000	Other direct costs £'000	Restricted	
			Support costs £'000	Total 2019 £'000			Support costs £'000	Total 2018 £'000
Consolidated								
Excellence	3,379	2,427	916	6,722	2,684	2,498	1,215	6,397
Capacity	1,959	1,440	905	4,304	1,781	1,517	794	4,092
Access	1,796	1,397	905	4,099	1,737	1,108	794	3,639
Voice	1,368	624	906	2,898	1,153	581	795	2,529
	8,502	5,889	3,632	18,023	7,355	5,704	3,598	16,657

In 2019, the expenditure on charitable activities was £18,023,000 of which £1,454,000 was from restricted funds. (2018: £16,657,000 of which £1,096,000 was from restricted funds).

Charity	Staff costs £'000	Other direct costs £'000	Support costs £'000	Total 2019 £'000	Staff costs £'000	Other direct costs £'000	Support costs £'000	Total 2018 £'000
Excellence	3,379	2,493	916	6,788	2,684	2,543	1,215	6,442
Capacity	1,959	1,466	905	4,330	1,781	1,552	794	4,127
Access	1,796	1,584	905	4,285	1,737	1,157	794	3,688
Voice	1,368	634	906	2,908	1,153	615	795	2,563
	8,502	6,177	3,632	18,311	7,355	5,867	3,597	16,820

In 2019, the expenditure on charitable activities was £18,311,000 of which £1,454,000 was from restricted funds. (2018: £16,820,000 of which £1,096,000 was from restricted funds).

9 Analysis of support costs	Charitable expenditure £'000	Trading operation £'000	Total 2019 £'000	Charitable expenditure £'000	Trading operation £'000	Total 2018 £'000
	Consolidated					
Governance	87	16	103	113	13	126
Finance & legal	1,397	68	1,465	1,335	53	1,389
Insurance	416	23	439	420	23	443
Property management	283	295	578	279	280	559
Catalogues	-	250	250	-	245	245
Information technology	1,076	118	1,195	1,262	95	1,358
Human resources	373	-	373	188	-	188
	3,632	770	4,402	3,598	709	4,307
Charity						
Governance	87	-	87	113	-	113
Finance & legal	1,397	-	1,397	1,335	-	1,335
Insurance	416	-	416	420	-	420
Property management	283	-	283	279	-	279
Catalogues	-	-	-	1,262	-	-
Information technology	1,076	-	1,079	188	-	1,262
Human resources	373	-	373	-	-	188
	3,632	-	3,632	3,598	-	3,598

Finance costs include £28,576 of auditor's remuneration (2018: £34,762) of which costs of £27,303 are in respect of audit services (2018: £31,585)

10 Staff numbers and remuneration

	2019 Total staff costs £'000	2018 Total staff costs £'000
Gross salaries and wages	8,034	7,677
Employer's national insurance	797	712
Employer's pension contribution	515	413
	9,346	8,802

The average number of employees in the year, calculated on a headcount basis, was:	2019 No.	2018 No.
Excellence	118	112
Capacity	88	85
Access	58	50
Voice	42	39
	307	286

The number of employees whose emoluments exceeded £60,000 in the year were:	2019	2018
£60,001 - £70,000	5	8
£70,001 - £80,000	2	2
£90,001 - £100,000	1	1
£100,001 - £110,000	1	-

The total remuneration for the year, excluding pensions, for the current chief executive, were a salary of £122,000 (2018: previous chief executive officer in post until 27 July 2018 £63,000).

Remuneration for key management personnel including the chief executive of the Association (as shown on page 12 of the report) totalled £470,000 (2018: £488,000).

Members of the board of trustees are not remunerated. Expenses reimbursed in the year for travel and out-of-pocket expenses amounted to £8,689 to 13 members (2018: £16,324 to 13 members)

The Association owns a long-leasehold let, 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 £9,918 in the year (2018: £8,910).

Notes to the financial statements

For the year ended 31 December 2019

	Software restated £'000	Total £'000
11 Intangible fixed assets		
Cost		
At 1 January 2019	1,719	1,719
Additions	40	40
At 31 December 2019	1,759	1,759
Accumulated amortisation		
At 1 January 2019	705	705
Provision for the year	314	314
At 31 December 2019	1,019	1,019
Net book value at 31 December 2019	740	740
Net book value at 31 December 2018	1,015	1,015

All assets are used for direct charitable purposes.

SORP (FRS 102) classifies all software assets as intangible. The change was not made in the financial statements on the transition to the new SORP (FRS 102).

The assets have been reclassified from 1 January 2018 and note 29 details the prior year adjustment.

Notes to the financial statements

For the year ended 31 December 2019

12 Tangible fixed assets	Freehold land & buildings £'000	Long leasehold property £'000	Assets under construction £'000	Equipment fittings & vehicles £'000	Total £'000
Consolidated and charity					
Cost					
At 1 January 2019	9,333	149	450	3,505	13,438
Additions	41	-	231	134	406
Disposals	-	-	-	(74)	(74)
Transfer between categories	-	-	(201)	201	-
At 31 December 2019	9,374	149	480	3,766	13,769
Accumulated depreciation					
At 1 January 2019	3,424	75	-	1,796	5,296
Provision for the year	241	2	-	286	529
Disposals	-	-	-	(74)	(74)
At 31 December 2019	3,666	77	-	2,008	5,750
Net book value at 31 December 2019	5,708	72	480	1,758	8,019
Net book value at 31 December 2018	5,909	74	450	1,709	8,142

All assets are used for direct charitable purposes.

SORP (FRS 102) classifies all software assets as intangible. The change was not made in the financial statements on the transition to SORP. The assets have been reclassified from 1 January 2018 and note 29 details the prior year adjustment.

The financial statements for 2018 also included a prior year adjustment and note 29 details the adjustment. The adjustment relates to the costs for the refurbishment of the headquarters building to comply with the adjustment to SORP (FRS 102) for component accounts. Costs of £1,118,000 were transferred from freehold buildings to fittings in respect of the mechanical and electrical components. There was a net increase in the 2017 accumulated depreciation of £154,000 with a reduction in the charge for the freehold building of £54,000 and an increase in the fittings charge of £208,000.

Notes to the financial statements

For the year ended 31 December 2019

	Unrestricted funds £'000	Restricted funds £'000	2019 Total £'000	Unrestricted funds £'000	Restricted funds £'000	Endowed funds £'000	2018 Total £'000
13 Investments							
Consolidated							
Listed investments							
Market value at 1 January 2019	5,929	616	6,545	7,119	319	329	7,768
Acquisitions at cost	701	-	701	5,886	654	-	6,540
Disposal proceeds	-	-	-	(6,518)	(638)	-	(7,156)
Net gain/(loss) on revaluation of investments	937	105	1,042	(1,568)	(144)	-	(1,712)
Realised gain on redemption	-	-	-	1,010	95	-	1,105
Market value at 31 December 2019	7,567	721	8,288	5,930	287	329	6,546
Cash held for investment	-	34	34	-	34	-	34
Transfer between funds	-	-	-	-	329	(329)	-
Portfolio value at 31 December 2019	7,567	755	8,322	5,930	650	-	6,580
Historical cost at 31 December 2019	7,127	673	7,800	6,425	673	-	8,419

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

	Unrestricted funds £'000	Restricted funds £'000	2019 Total £'000	Unrestricted funds £'000	Restricted funds £'000	Endowed funds £'000	2018 Total £'000
UK bonds and cash	700	34	734	699	34	-	733
Pooled funds	6,867	721	7,588	5,231	616	-	5,847
Total	7,567	755	8,322	5,930	650	-	6,580

	Unrestricted funds £'000	Restricted funds £'000	2019 Total £'000	Unrestricted funds £'000	Restricted funds £'000	Endowed funds £'000	2018 Total £'000
Investment property							
Consolidated							
Market value at 1 January 2019	32,200	-	32,200	31,625	-	-	31,625
Net gain on revaluation of investment property	300	-	300	575	-	-	575
Market value at 31 December 2019	32,500	-	32,500	32,200	-	-	32,200
Total value of investments at 31 December 2019	40,067	755	40,822	38,130	650	-	38,780

Notes to the financial statements

For the year ended 31 December 2019

	Unrestricted funds £'000	Restricted funds £'000	2019 Total £'000	Unrestricted funds £'000	Restricted funds £'000	Endowed funds £'000	2018 Total £'000
Charity							
Listed investments							
Market value at 1 January 2019	5,929	616	6,545	7,119	319	329	7,768
Acquisitions at cost	701	-	701	5,886	654	-	6,540
Disposal proceeds	-	-	-	(6,518)	(638)	-	(7,156)
Net gain/(loss) on revaluation of investments	937	105	1,042	(1,568)	(144)	-	(1,712)
Realised gain on redemption	-	-	-	1,010	95	-	1,105
Market value at 31 December 2019	7,567	721	8,288	5,930	287	329	6,546
Cash held for investment	-	34	34	-	34	-	34
Transfer between funds	-	-	-	-	329	(329)	-
Portfolio value at 31 December 2019	7,567	755	8,322	5,930	650	-	6,580
Historical cost at 31 December 2019	7,127	673	7,800	6,425	673	-	7,098
	Unrestricted funds £'000	Restricted funds £'000	2019 Total £'000	Unrestricted funds £'000	Restricted funds £'000	Endowed funds £'000	2018 Total £'000
UK bonds and cash	700	34	734	699	34	-	733
Pooled funds	6,867	721	7,588	5,231	616	-	5,847
Total	7,567	755	8,322	5,930	650	-	6,580
	Unrestricted funds £'000	Restricted funds £'000	2019 Total £'000	Unrestricted funds £'000	Restricted funds £'000	Endowed funds £'000	2018 Total £'000
Investment property							
Consolidated							
Market value at 1 January 2019	32,200	-	32,200	31,625	-	-	33,125
Net gain on revaluation of investment property	300	-	300	575	-	-	575
Market value at 31 December 2019	32,500	-	32,500	32,200	-	-	32,200
Investments in subsidiary	150	-	150	150	-	-	150
Total value of investments at 31 December 2019	40,067	755	40,972	38,130	650	-	38,780

The freehold investment property comprising an hotel was valued at 31 December 2019 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 - global standards 2017, the national standards and guidance set out in the UK national supplement 2018 and the financial reporting standard applicable to the UK and Republic of Ireland (FRS 102). The valuation of the 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 valuation.

Notes to the financial statements

For the year ended 31 December 2019

	Unrestricted funds £'000	Restricted funds £'000	2019 Total £'000	Unrestricted funds £'000	Restricted funds £'000	Endowed funds £'000	2018 Total £'000
Investment property							
Charity							
Market value at 1 January 2019	32,200	-	32,200	33,125	-	-	33,125
Release of investment losses for property transferred to tangible fixed assets	-	-	-	(1,500)	-	-	(1,500)
Net gain on revaluation of investment property	300	-	300	575	-	-	575
Market value at 31 December 2019	32,500	-	32,500	32,200	-	-	32,200
Investment in subsidiary	150	-	150	150	-	-	150
Total value of investments	40,217	755	40,972	38,280	650	-	38,930

Girlguiding has applied the revised standard in SORP (FRS 102) that allows charities that rent property to group companies to report the property as fixed assets rather than an investment property. In the charity accounts, this applies to Broadheath which is rented to The Guide Association Trading Service. It ceased to be treated as an investment property in 2018 when it had a carrying value of £1,500,000 comprising a cost of £200,000 and a revaluation gain of £1,300,000. To align with the group accounts it was transferred to tangible fixed assets as a fully depreciated asset with a cost of £200,000 and net book value of £nil.

14 Analysis of net assets between funds	Tangible fixed assets £'000	Intangible fixed assets £'000	Investments £'000	Assets £'000	Liabilities £'000	Total 2019 £'000
Consolidated and charity						
Restricted funds						
Country and region funds	-	-	306	10	-	316
Headquarters' funds	-	-	332	840	(34)	1,139
Training & activity centre funds	-	-	116	140	-	256
Other funds	-	-	-	1	-	1
Total restricted funds	-	-	755	990	(34)	1,711
Unrestricted funds						
General fund	8,019	740	40,067	3,314	(3,658)	48,483
Buildings & Equipment fund	-	-	-	758	-	758
Transformation Fund	-	-	-	4,025	-	4,025
Total unrestricted funds	8,019	740	40,067	8,097	(3,658)	53,266
Total funds	8,019	740	40,822	9,087	(3,691)	54,977

Notes to the financial statements

For the year ended 31 December 2019

	Tangible fixed assets £'000	Intangible fixed assets £'000	Investments £'000	Assets £'000	Liabilities £'000	Total 2018 £'000
Consolidated and charity						
Restricted funds						
Country and region funds	-	-	46	3	-	50
Headquarters' funds	-	-	500	1,415	-	1,915
Training & activity centre funds	-	-	104	139	-	243
Other funds	-	-	-	1	-	1
Total restricted funds	-	-	650	1,558	-	2,208
Unrestricted funds						
General fund	9,157	-	38,130	5,174	(4,276)	48,185
Buildings & Equipment fund	-	-	-	1,170	-	1,170
Transformation Fund	-	-	-	-	-	-
Total unrestricted funds	-	-	-	-	-	-
Total funds	9,157	-	38,780	7,902	(4,276)	51,563

	Unrestricted funds £'000	Restricted funds £'000	Endowed funds £'000	Total 2019 £'000	Total 2018 £'000
15 Stocks					
Consolidated					
Stocks for resale	1,374	-	-	1,374	1,064
Consumable stocks	13	-	-	13	13
	1,387	-	-	1,387	1,077
Charity					
Stocks for resale	35	-	-	35	41
Consumable stocks	13	-	-	13	13
	48	-	-	48	54

Notes to the financial statements

For the year ended 31 December 2019

16 Debtors due within one year	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000	Unrestricted funds £'000	Restricted funds £'000	Total 2018 £'000
Consolidated						
Trade debtors	571	-	571	513	-	513
Amounts due from subsidiary			-			-
Other debtors	17	-	17	20	-	20
Prepayments and accrued income	501	395	896	520	795	1,315
	1,089	395	1,484	1,053	795	1,848
Charity						
Trade debtors	114	-	114	104	-	104
Amounts due from subsidiary	2,783	-	2,783	3,241	-	3,241
Other debtors	17	-	17	20	-	20
Prepayments and accrued income	474	395	869	504	795	1,299
	3,388	395	3,783	3,869	796	4,664

Amounts due from the wholly owned subsidiary represent the balance of the donation for the year.

17 Current asset investments	Unrestricted funds £'000	Restricted funds £'000	Endowed funds £'000	Total 2019 £'000	Total 2018 £'000
Consolidated					
Call accounts	5,360	524	-	5,884	-
Charity					
Call accounts	3,811	524	-	4,335	-

Notes to the financial statements

For the year ended 31 December 2019

18 Creditors due within one year	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000	Unrestricted funds £'000	Restricted funds £'000	Total 2018 £'000
Consolidated						
Trade creditors	954	-	954	1,145	-	1,145
Deferred income (see note 18a)	630	-	630	1,064	-	1,064
Accruals and other creditors	1,568	34	1,602	1,057	-	1,057
Income tax and national insurance	233	-	233	187	-	187
VAT	37	-	37	51	-	51
	3,422	34	3,456	3,505	-	3,505
Charity						
Trade creditors	855	-	855	1,043	-	1,043
Deferred income (see note 18a)	630	-	630	1,042	-	1,042
Accruals and other creditors	1,209	34	1,243	971	-	971
Income tax and national insurance	234	-	234	187	-	187
VAT	37	-	37	51	-	51
	2,965	34	2,999	3,295	-	3,295

Notes to the financial statements

For the year ended 31 December 2019

	Balance 1 January 2019 £'000	Income released in current year £'000	Income deferred in current year £'000	Balance 31 December 2019 £'000
--	---------------------------------------	--	--	---

18a Analysis of movement in deferred income

Consolidated and charity				
Deferred Income	1,064	(434)	-	630

Deferred income relates to hotel rent invoiced in advance at the end of the year and income received for Girlguiding events which take place in the the following year.

	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000	Unrestricted funds £'000	Restricted funds £'000	Total 2018 £'000
--	--------------------------------	------------------------------	------------------------	--------------------------------	------------------------------	------------------------

19 Creditors due after one year

Consolidated and charity						
Accruals and other creditors	-	-	-	475	-	475
	-	-	-	475	-	475

This item represented deferred income received from The Resident Victoria in respect of rent paid in advance at the commencement of the lease. The period of this advance payment ceased in 2019.

	Balance 1 January 2019 £'000	Paid during the year £'000	Provision in the year £'000	Balance 31 December 2019 £'000
--	---------------------------------------	----------------------------------	-----------------------------------	---

20 Provisions for liabilities and charges (all unrestricted)

Consolidated and charity				
Self-insured claims provision	296	(52)	(10)	235

	Balance 1 January 2019 £'000	Income £'000	Expenditure £'000	Net income/ investment gains £'000	Transfers £'000	Balance 31 December 2019 £'000
--	---------------------------------------	-----------------	----------------------	---	--------------------	---

21 Unrestricted funds

Consolidated						
General fund	48,185	25,234	(22,553)	1,237	(3,619)	48,483
Buildings & Equipment Fund	1,170	-	(7)	-	(406)	758
Transformation Fund	-	-	-	-	4,025	4,025
	49,355	25,234	(22,560)	1,237	-	53,266

The main uses of the designated funds are

Buildings & Equipment Fund

This fund has been set up to ensure there are adequate funds available for renewal and replacement of the Association's fixed assets.

Transformation Fund

This fund has been set up to support the 2020+ strategy development. The fund will be spent as the projects within the strategy are developed. At 31 December 2019, the plan was for the fund to be fully utilised during 2020. As a result of COVID-19, the timeframe for spending the fund has been extended into 2021. It has been agreed that a maximum of £1,195,000 may be used as a contribution to fixed costs during 2020.

Notes to the financial statements

For the year ended 31 December 2019

	Balance 1 January 2019 £'000	Income £'000	Expenditure £'000	Net investment gains/(losses) £'000	Transfers £'000	Balance 31 December 2019 £'000
22 Movement in restricted funds						
Restricted funds						
Support for countries & regions	289	-	2	(3)	8	295
Support for UK guiding	1,675	-	793	(1,394)	84	1,159
Support for training & activity centres	243	-	58	(58)	13	256
Other funds	1	-	-	-	-	1
	2,208	-	853	(1,454)	105	1,711

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. Training & activity 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.

23 Financial commitments

At 31 December 2019 the Association had nil capital commitments (2018: £nil).

At 31 December 2019 the Association's subsidiary, The Guide Association Trading Service Limited, had entered into contracts of advance stock purchased with suppliers within the ordinary course of business worth £3,170,000 (2018: £3,120,000).

	2019 £'000	2018 £'000
24 Operating lease commitments		
The minimum lease payments under non-cancellable operating leases for land and buildings were as follows:		
Not later than 1 year	63	63
Later than 1 year and not later than 5 years	48	111
	111	174

Consolidated statement of financial activities

For the year ended 31 December 2019

25 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 £100,000 (2018: £100,000). This has not been included in the accounts as the conditions for recognition of the income have not been met.

The Association has been seeking recompense from its architects and services consultants in respect of time and cost overruns in excess of £350,000 on the remodelling of its headquarters building in 2015. We have entered a process of mediation, and whilst we are close to a conclusion no final agreement has been reached.

26 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 new movement for the consolidated group.

During the year the Guide Association Trading Service Limited achieved sales of £8,203,000 (2018: £8,527,000). Of these sales £289,000 (2018 : £190,000) were sales to the Association. The Association charges £160,000 (2018: £160,000) in management fees. The Guide Association Trading Service Limited achieved a net profit of £3,516,000 (2018: £3,854,000) and this was donated under Gift Aid to the Association. At the end of the year the Guide Association Trading Service Limited had £3,390,000 (2018: £4,501,000) of assets and £3,240,000 (2018: £4,351,000) of liabilities.

27 The Guide Association Trust Corporation

Guide Association Trust Corporation is a company limited by guarantee and incorporated under the Companies Act. It acts as custodian 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 statement of the Guide Association Trust Corporation are available for the Guide Association, 17-19 Buckingham Palace Road, London, SW1W 0PT.

28 Related party transactions

There are no related party transactions requiring disclosure (2018: nil) other than those with the Association's subsidiary (as outlined in note 26).

29 Prior year adjustment

On transition to SORP 2015 the software assets were not reclassified from the equipment, fittings and vehicle category within tangible assets to the software category within intangible assets. While undertaking the review of assets for this adjustment, it was also noted that some assets on the register were no longer in use and had already been decommissioned or scrapped. The net book value of all of these assets was £nil. The 2018 fixed assets notes have been restated.

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 economic useful lives. This adjustment was applied to the refurbishment of the headquarters. Previously, all of the works were classed as freehold property with a 50 year life, whereas in 2018 the mechanical and electrical component were separately identified with a 10 year and 20 year life respectively. This resulted in an increased depreciation charge. A reconciliation of the amounts presented in both the Consolidated and charity accounts is set out below.

Consolidated statement of financial activities

For the year ended 31 December 2019

Consolidated	£'000
Reconciliation of total funds	
Funds as previously stated at 1 January 2017	48,473
Adjustment for increased depreciation charge arising from mechanical and electrical components	(93)
Funds as stated in accordance with amended FRS 102 at 1 January 2017	48,380

Charity	£'000
Reconciliation of total funds	
Funds as previously stated at 1 January 2017	49,973
Adjustment for increased depreciation charge arising from mechanical and electrical components	(93)
Funds as stated in accordance with amended FRS 102 at 1 January 2017	49,880

The depreciation charge for the prior year (to 31 December 2017) was restated using the increased depreciation rates. This resulted in an increased charge of £61,000 reducing the consolidated surplus from £790,000 to £729,000.

30 Post balance sheet events

In light of the COVID-19 crisis, the board has carefully considered the Association's ability to continue as a going concern. The crisis has had a number of negative financial effects:

- (i) face to face unit meetings ceased in mid-March with the institution of the Government's social distancing policy; an online "Adventures at home" programme was developed for members
- (ii) the Association's Training and Activity Centres have needed to cancel bookings for the spring, with the strong possibility that summer's bookings will also need to be cancelled; we have applied for the rates holiday for hospitality businesses
- (iii) the Association's Trading company closed its operations during the main period of social distancing and even after re-opening we expect sales to be low because face to face unit meetings are not taking place
- (iv) our neighbour and tenant, The Resident Victoria has, in common with all hotels, closed for the period of the crisis, affecting its ability to pay its rent
- (v) we have furloughed about half of our staff on 80% pay, supported by the Government's Coronavirus Job Retention Scheme
- (vi) we have obtained emergency finance for our Trading company from the Government's Coronavirus Business Interruption Loan Scheme
- (vii) we have deferred payment of VAT as allowed by the Government
- (viii) our investments have fallen in value since the year end, but at the date of signature, they were still worth more than at the beginning of the financial year.

The Association has a strong balance sheet, including significant levels of cash and investments. Financial and cash flow projections to June 2021, based on reasonably pessimistic assumptions, show that the Association will be able to pay its debts as they fall due. Consequently, the board is of the opinion that the going concern basis remains appropriate.

Our vision

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



© Girlguiding 2020
Registered Charity No. 306016
OSCR Registered Charity No. SC038436