



WE DISCOVER, WE GROW

Girlguiding



Annual report and financial statements

THE GUIDE ASSOCIATION
(Incorporated by Royal Charter)
known as **Girlguiding**

**For the year ended
31 December 2012**



Registered Charity No. 306016
OSCR Registered Charity No. SC038436

FINANCIAL STATEMENTS 31 DECEMBER 2012

CONTENTS

PAGE

REPORT OF THE EXECUTIVE COMMITTEE OF THE COUNCIL 3

STATEMENT OF THE EXECUTIVE COMMITTEE’S RESPONSIBILITIES 17

INDEPENDENT AUDITOR’S REPORT 18

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES 19

CHARITY STATEMENT OF FINANCIAL ACTIVITIES..... 20

CONSOLIDATED BALANCE SHEET 21

CHARITY BALANCE SHEET 22

CONSOLIDATED CASH FLOW STATEMENT 23

NOTES TO THE FINANCIAL STATEMENTS 24



REPORT OF THE EXECUTIVE COMMITTEE OF THE COUNCIL

The Executive Committee of The Guide Association is pleased to present its Report for 2012.

Statement of purpose

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

Governing document and constitution

The Guide Association is incorporated by Royal Charter and is registered as a charity (Charity registration number 306016, OSCR registration number SC038436) with its headquarters at 17-19 Buckingham Palace Road, London, SW1W 0PT. The Association is governed by a Council and has its affairs managed and regulated by an Executive Committee appointed by the said Council. The constitution of the Council and the Executive Committee, and the exercise of powers by the Council and the Executive Committee, are set out in the Bye-Laws to the Royal Charter.

Organisation structure

Guiding within the United Kingdom is organised in a series of areas to provide support, lines of two-way communication and opportunities for young members, Leaders and Commissioners to make decisions and take responsibility. Each of the six Regions of England and the three Countries of Scotland, Ulster and Wales has a Chief Commissioner, who is Chair of an Executive Committee which is appointed according to the Country or Region constitution and which is responsible for the administration of guiding in that Country or Region.

The Council

Ex-officio members:

*Chair	Her Royal Highness The Countess of Wessex GCVO
*Chief Guide	Mrs Gill Slocombe
*Deputy Chief Guide	Ms Angela Milln
*Honorary Treasurer	Mr Graham Littlewood
Chief Commissioners for:	
*Anglia	Dr Rosemary Spencer (until 31.12.12) Mrs Mary Putt (from 01.01.13)
*London and South East England	Mrs Philippa McKerrow
*Midlands	Mrs Sally Illsley
*North East England	Miss Hilary Cooper
*North West England	Mrs Susan Lomas
*South West England	Miss Solange Rebours
*Scotland	Mrs Dinah Faulds (until 02.09.12) Mrs Sue Walker (from 03.09.12)
*Ulster	Mrs Carole Graham
*Wales	Miss Felicity Ladbrooke
Commissioner for British Guides in Foreign Countries	Mrs Lesley Knighton
*International Commissioner	Mrs Caroline Davis
*Chair of Finance and General Purposes Committee	Dr Alexa Laurence
*Chair of Guiding Development Committee	Mrs Tracey Murray
*Chair of Marketing and Communications Committee	Miss Midge Coombs
*Chair of Membership Support Committee	Mrs Helen Humphreys
*Chair of the Youth Forum	Miss Alli Bond (until 31.12.12) Ms Mollie Bailey (from 01.01.13)
Chair of the Trefoil Guild	Miss Margaret Routley

REPORT OF THE EXECUTIVE COMMITTEE OF THE COUNCIL

Elected members

Mrs Janette Abbott-Donnelly (until 16.05.12)
Mrs Vivienne Barke (from 17.05.12)
Ms Emily Beardsmore
Mrs Susan Bisson
Dr Anna Bourne (from 17.05.12)
Mrs Linda Brown
Miss Sue Clough
Miss Laura Cottey (until 16.05.12)
Mrs Dorothy Dentith
Mrs Mary Dunn (from 16.05.12)
Mrs Valerie Elliott (from 17.05.12)
Miss Emma Guthrie (from 17.05.12)
Mrs Rachel Fishwick (until 16.05.12)
Mrs Cathy Fraser (from 17.05.12)
Miss Pippa Gardner (from 17.05.12)
**Miss Rachael Goodman
Mrs Jayne Hancock
Dr Joanne Heritage (from 17.05.12)
Mrs Elizabeth Hogg
Miss Lucy Johnson
Miss Sandy Kermodie
**Mrs Sandy Kinnersley
Miss Margaret Lester
Mrs Anthea Lister
Mrs Anne Llywelyn-Jones
Miss Karen MacLeod
Mrs Charlotte Makanga
**Mrs Rachel McMaster
Miss Kirsty Minnis
Miss Roseanne Monroe
Mrs Angela Ogden
Miss Chloe Pilbeam (from 17.05.12)
Mrs Anne Pilkington
Dr Ellen Pringle
**Dr Katherine Royse
Miss Gail Snook

Mrs Rose-Marie Spence (until 16.05.12)
Miss Dawn Stevenson
Miss Deborah Sutton
Mrs Lisa Taylor
Miss Victoria Taylor (until 16.05.12)
**Mrs Cheryl Thompson (until 16.05.12)
Miss Becki Vesey (from 17.05.12)
Mrs Paula Volkner (from 23.05.11)
Mrs Julie Wetherall (until 16.05.12)
Mrs Margaret Winter

THE EXECUTIVE COMMITTEE of the Council comprises:

The Chair

Ex officio members of the Council as starred *
Elected members of the Council as starred **

Non-voting members:

Chairman of the Trefoil Guild
Chief Executive of Girlguiding

Appointment and induction of trustees

The members of the Council and the Executive Committee are elected, nominated or appointed ex officio by the Chief Guide in accordance with the by-laws and the procedures established by the Association. These procedures involve extensive consultation with the wider guiding network and aim to produce a board of trustees with a breadth of professional background and experience, suitable to direct the affairs of the Association. There are established procedures for the induction of each trustee to ensure that they are aware of the responsibilities of a trustee and the ways of working within the Association. The charity trustees of The Guide Association are the voting members of the Executive Committee.



REPORT OF THE EXECUTIVE COMMITTEE OF THE COUNCIL (cont'd)

The Guide Association Senior Management Team

Chief Executive

Miss Denise King (until 30.06.12)

Ms Julie Bentley (from 05.11.12)

Deputy Chief Executive

Mrs Sue Field

Head of Finance and Business Support

Mr Michael Edmonds

Head of Guiding Development

Ms Jo Hobbs

Head of Marketing and Communications

Mr David Bassom (until 19.08.12)

Head of Membership Support Services

Mrs Susan Cole

Head of Technology Services

Mr John Milsom (until 30.09.12)

Head of Training and Activity Centres

Mr Robert Taylor

Head of Trading Services

Mr Martin Goodwin

Professional Advisers and Consultants

The professional advisers and consultants during 2012 have been as follows:

Bankers

National Westminster Bank Plc

169 Victoria Street, London SW1E 5BT

Fund Managers

Cazenove & Co

12 Tokenhouse Yard, London EC2R 7AN

Charles Stanley & Co

Dukesbridge Chambers, 1 Duke Street, Reading RG1 4SA

Auditors

PKF (UK) LLP

Farringdon Place, 20 Farringdon Road, London EC1M 3AP

Legal consultant

Mr Roger Peters

Gordon Dadds, 80 Brook Street, London W1Y 2DD



Report of the trustees of The Guide Association 2012

Introduction

We are the leading charity for girls and young women in the UK. We build girls' confidence and raise their aspirations. We give them the chance to discover their potential and encourage them to be a powerful force for good. We give them a space to have fun.

Over a third of girls and young women (aged 7 to 21) in the UK are involved in guiding, or have been in the past. We run Rainbows (5 to 7 years), Brownies (7 to 10 years), Guides (10 to 14 years) and The Senior Section (14 to 25 years), enabling girls and young women to develop their potential whatever their ability or background. We are striving to offer new opportunities to a broad diversity of communities through our expanding network of more than 63,000 trained volunteer Leaders.

Our Strategic Plan focuses on increasing the number of girls who are able to benefit from our offer. Our goal is to strengthen structures, resources and support to enable our volunteers to make guiding happen in the best way possible in villages, towns and cities the length and breadth of the UK.

Our volunteers are the life blood of our organisation, without them there would be no guiding; for hundreds of thousands of girls there would be fewer opportunities; less adventure; the loss of a powerful force for good. The Board of Trustees would like to take this opportunity to thank every volunteer for all that they give to enable our organisation and the girls within it to thrive.

2012 was the first year of our 2012-14 Strategic Plan. Our vision is that by 2014 we will be where MORE girls choose to be.

Our trustees are delighted to present this report of progress against the six strands of our strategic plan:

1. Opportunity
2. Influence
3. Voice
4. Action
5. Organisation
6. Support.

Gill Slocombe.

Gill Slocombe
Chair of Trustees and Chief Guide

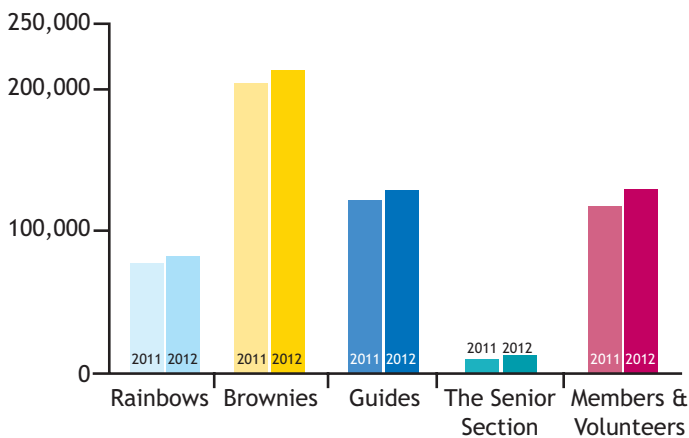


Aim 1: Opportunity

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

2012 has seen us grow across all sections, from our youngest members (Rainbows), through to adult volunteers of all ages who make guiding happen in a diversity of communities across the UK. From 2011 to 2012 we grew by a girl an hour, welcoming over 8,000 additional members and taking our total membership to 538,000. This success is due to the enthusiasm of thousands of volunteers across the UK who are resolute in their belief in the benefit that guiding brings to today's girls. The creation of opportunity for an additional 8,000 girls and young women has been supported by a challenging list of centrally led initiatives.

Comparison of membership by section between 2011 and 2012



We launched a new 'Join Us' web portal to funnel enquiries about membership. The system allows enquirers to locate their closest unit and register their interest. This will streamline the joining process and enable us to analyse waiting lists and target extra support where needed.

We researched the views of current and would-be members about their impressions of our organisation and motives for joining through focus groups, external surveys and a membership research panel. The nfpSynergy Charity Awareness Monitor showed that 15 per cent of people would consider supporting us with either time or money. Our membership research showed that 81 per cent of our volunteers cite helping others as a key reason for involvement. The results have been fed into the creation of a new suite of recruitment materials made available through an online print centre that can be tailored to suit the needs of local communities.

Providing resources to support and inspire local initiatives is key to growth. We shared advice through our membership magazine and website; we introduced detailed local membership reporting and training

UK-wide to promote its use; we set up a specialist training panel to produce training materials to be rolled out through regional training events, asked a panel of student members to analyse ways to increase student support for our organisation, welcomed region representatives to a best-practice sharing day and gave out 343 grants to those starting up new guiding units. We introduced a welcome pack for families new to our organisation and developed a similar resource for new volunteers.

A further exciting development to support us in our drive to take guiding to ever more diverse communities has been our involvement in the Department for Communities and Local Government's Supporting Inclusion Programme through our association with Youth United. This has enabled us to access funding for a specialist team including nine development workers in London, the Midlands, North East England and North West England to work with our existing volunteer network to open new units for girls where provision is currently limited. Since April 2012, 21 new units have opened in the target areas.

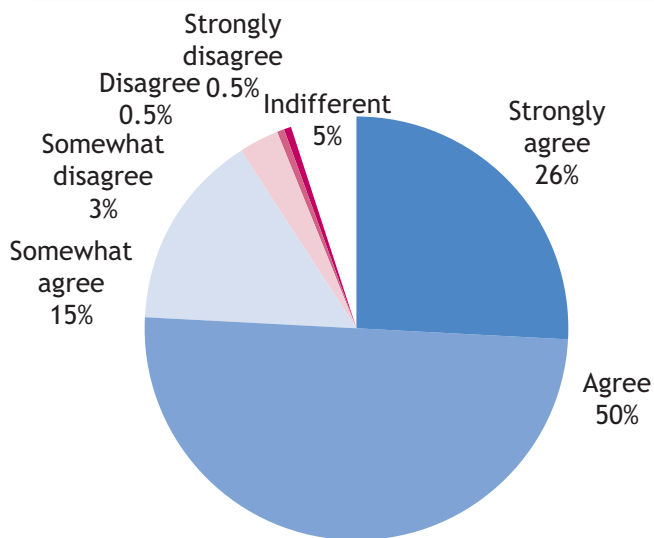


Aim 2: Influence

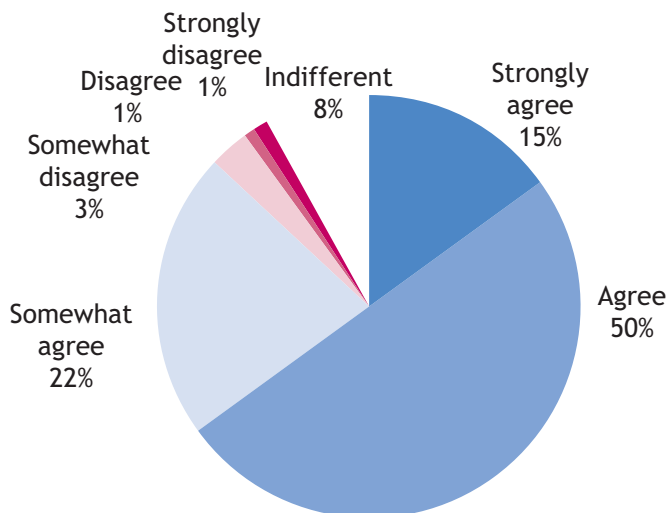
By 2014 we will have decision-making processes organisation-wide that are actively and consistently influenced by the views and opinions of its young members.

What our members said about youth participation in Girlguiding

We actively encourage youth participation at all levels of guiding.



We listen to young members.



In 2012 we placed strong emphasis on promoting the importance of young people's engagement in decision-making to our membership. Trainer toolkits encouraged local youth participation training; the subject was prominently featured in our membership magazine; we held a best-practice day for youth representatives from our regions; two pilot events promoted girl-led guiding by offering training to adult Leaders alongside girls in leadership positions in their units; a toolkit for trainers and Peer Educators was drafted to encourage local training events that bring Leaders and girls together.

Our Peer Education programme, 4, trained 166 new Peer Educators. Twenty Peer Educators benefited from advanced training. A total of 316 peer education sessions were delivered, with bullying being the most featured topic. Thirteen new Peer Education Coordinators were trained in our regions and we entered into a partnership with the Department of Health to develop a peer education session on risky behaviours to be targeted at Guide units as part of a wider Department of Health campaign.

During the year we started a review of our national youth forum, Innovate. We involved 128 young women in improving aspects of the event, including the preparation of consultative workshops and mechanisms for sharing output. These changes will be embedded in 2013 when we examine the future of our youth forum in the context of an organisational governance review.

As an organisation that works to put girls in the lead we have involved girls in establishing the direction of our website, in reviewing our programmes and in determining the direction of our research and our brand through focus groups, online forums and our Advocate! panel. They have also been involved in the recruitment of senior members of staff including our new Chief Executive.

We are part of the World Association of Girl Guides and Girl Scouts (WAGGGS), the world's largest organisation for girls and young women with ten million members and this generates opportunities for our members to influence events on the global stage. Delegates attended the WAGGGS Girls' World Forum in Chicago, the UN Commission on the Status of Women in New York, 'Rio +20' (UN Conference on Sustainable Development) in Brazil, and COP 18 (UN Climate Change Conference) in Doha, Qatar.

Aim 3: Voice

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

Our vision is that we will be where more girls choose to be. To choose to join us they have to know about us and to like what they know. Public perception of our activities and the way we build girls' confidence and aspirations is key to widening opportunity.

What our members think about our media coverage

Did the media coverage you saw represent your own experience of Girlguiding?

Yes: 89%

No: 11%

We have completed a year-long project with stakeholders to determine perceptions and awareness levels. This has informed a reworking of our messaging and will have an impact on the way we present ourselves. The nfpSynergy Charity Awareness Monitor showed that around half of the general public have heard of Girlguiding (up from below 40 per cent in January 2010) and that levels of trust in our organisation are at 70 per cent (compared with a charity average of 64 per cent).

Understanding how girls and young women see the world is essential if we are to constantly evolve to meet their needs. 2012 was the fourth year of our Girls' Attitudes Survey. This research, conducted with 1,200 girls aged 7 to 21 across the UK - in education and out, in work and out, in guiding and out - asks them what they think about a range of issues from education to environment and politics to parenting. As the largest organisation for girls and young women in the UK we then support our members to give voice to their opinions and to bring them to the attention of the people who can influence change. In 2012 we took our annual research a step further and conducted supplementary focus group research into an issue of particular concern to today's girls: a real role model deficit. Successful media campaigns reached audiences of 57.5 million and 100,000 individual users via Twitter. The reports also led to speaking opportunities for our Advocate! panel to influence change.

Advocate! now in its fourth year, consists of 16 young women aged 14 to 25 from across the UK and acts as an advisory body for our research and advocacy work so that we can be sure that we truly put girls in the lead as we seek to support them in improving their world. In 2012

members of the panel spoke in the media, at a party conference, to All-Party Parliamentary Groups (APPGs) on votes at 16, body confidence, and for children on mental health.

Girls told us they lacked real role models. In November we welcomed Julie Bentley as our new Chief Executive. The extensive positive media coverage around her arrival was a clear message to young women that real women can speak out and inspire.

To communicate effectively with young women we must use their preferred media: social media is key to raising understanding of the opportunities on offer in guiding. We were the fifth highest climber in the 2012 Social Charity 100 Report, rising from 82nd place in 2011 to 39th place in 2012. Third Sector's Charity Online Index ranked us 36th out of the top 125 UK charities and 6th in the children/young people category. Behind the statistics lies the satisfying reality that we are engaging more people who matter in the conversations that matter to us and that through debate we are changing outdated perceptions of our organisation a tweet at a time.



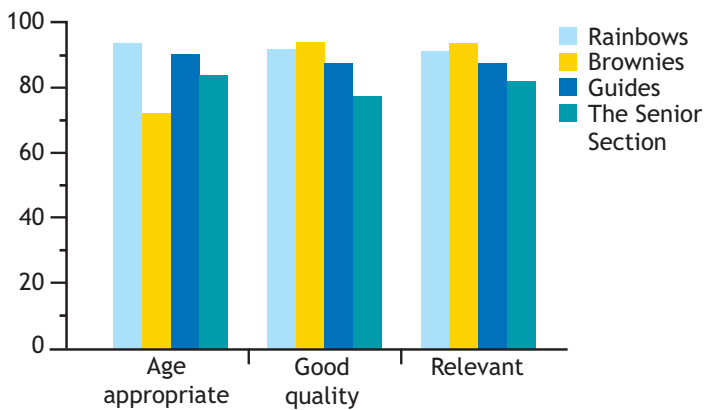
Aim 4: Action

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

Girls join us for the opportunities our organisation gives them: the diversity of our programme, because it is right for them and because our volunteers deliver it in an age-appropriate way, ensuring that everyone has fun in a special girl-only space.

What our members think about our programmes

Percentage of members that agree that our programmes are:



To ensure that our core programme is exactly right, we commissioned an external consultant to review our educational framework in light of developments in the fields of formal education, youth work and child development. We looked at our programme for Rainbows, our youngest members, in consultation with girls and their Leaders; we continued our ongoing review of Brownie and Guide badges to ensure their continued relevance and popularity; we consulted Guides and their Leaders on *Go For It!*s, our themed activity packs; and we researched opinions on programme delivery for our Senior Section.

What girls do in guiding mirrors the world outside. When the world focused on the Olympics, so did our programme. Our Olympic and Paralympic resource, *On Your Marks*, was accredited with the Inspire Mark from the London Organising Committee of the Olympic and Paralympic Games (LOCOG). Some 350,000 girls earned programme badges based on it, showing that they were inspired too. Another cause for celebration in 2012 was the Queen's Diamond Jubilee. We produced a resource in conjunction with the Scout Association to mark the occasion. We also won the Queen's Diamond Jubilee Volunteering Award, a tribute to the volunteers who make guiding happen in communities across the UK every week.

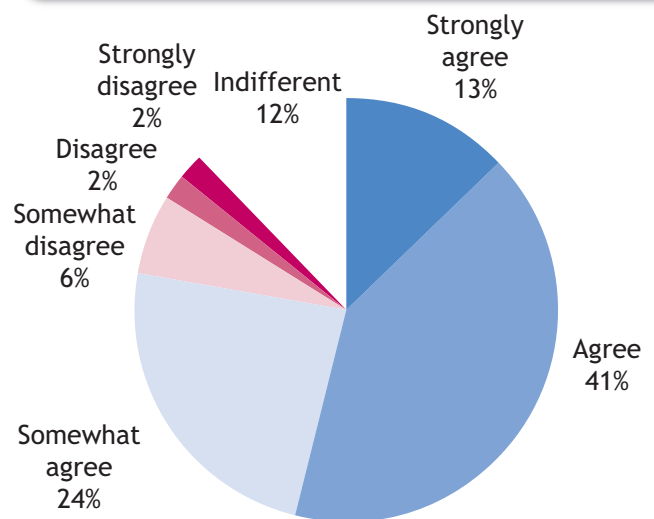
Preparations took place for our major 2013 social action project in conjunction with five UK charities. *Girls in Action* will enable members to find out about issues facing girls in the UK and beyond and to take action. GOLD is our overseas development initiative. Eight GOLD projects were successfully delivered by 47 members aged

18 to 30 in Armenia, Cambodia, the Gambia, Guyana, Malawi, Latvia, Tanzania and Sri Lanka in partnership with the local guiding organisations to help develop skills in a sustainable way.

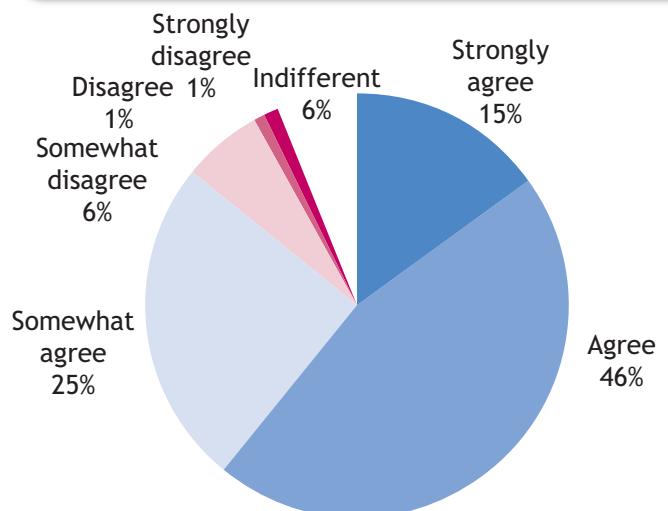
The BIG GIG is our annual pop concert for the Guide section. Owing to unprecedented popularity we introduced a second event in 2012, enabling more than 12,000 extra girls to experience the atmosphere of a major pop concert alongside their screaming peers and nine major recording artists. The audience on Twitter had a reach of 4 million, generating 6.5 million impressions.

What our members say about the training and support they receive to deliver the programme

I am given enough support to deliver high-quality guiding in my area.



We offer relevant training opportunities for adult volunteers.



REPORT OF THE EXECUTIVE COMMITTEE OF THE COUNCIL (cont'd)

Getting the programme for the girls right is crucial, but just as important is training our volunteers to deliver it in the best way possible. We launched two e-learning modules to support Brownie and Guide section volunteers with planning, and to support Leaders in Training with their Leadership Qualification. Over 1,200 members completed the modules. Modules for Leaders of other sections will follow.

We developed top tips for supporting members undertaking the Leadership Qualification, worked with St John Ambulance to produce a new two-hour refresher course for a first aid qualification, revised *Good Guiding is...* (a practical tool on the basics of delivering a good programme) and updated our Trainer Qualification and supported its implementation through training events and regional moderator meetings.

A Training Review looked at current training challenges; the linking of Region Advisers to national initiatives was reviewed and peer support for Senior Section Advisers was encouraged through an online forum. Our training package to support members taking groups overseas was revamped and we started a review into residential and large-scale events and current activity qualifications to ensure they are in line with best practice.

Our Commissioners provide a line-management structure for our body of volunteers. They are vital in ensuring the quality of our delivery and ultimately the involvement of our young members. 2012 has seen increased support for this key group within our membership including bi-monthly e-newsletters, secure templates on our website and a revitalised training offer which was delivered to 93 County Commissioners.

Our Promise is the core expression of our values and the common standard that brings us all together. But over the past few years we have heard from more girls and Leaders who struggle with the wording and interpreting what it means to girls today. We are committed to retaining a Promise that is in line with its original principles, but it is crucial that girls and young women understand and believe in the words they say. For this reason we announced a consultation on our Promise to invite our members, would-be members and external stakeholders to tell us their views. The results will be considered in 2013.



Aim 5: Organisation

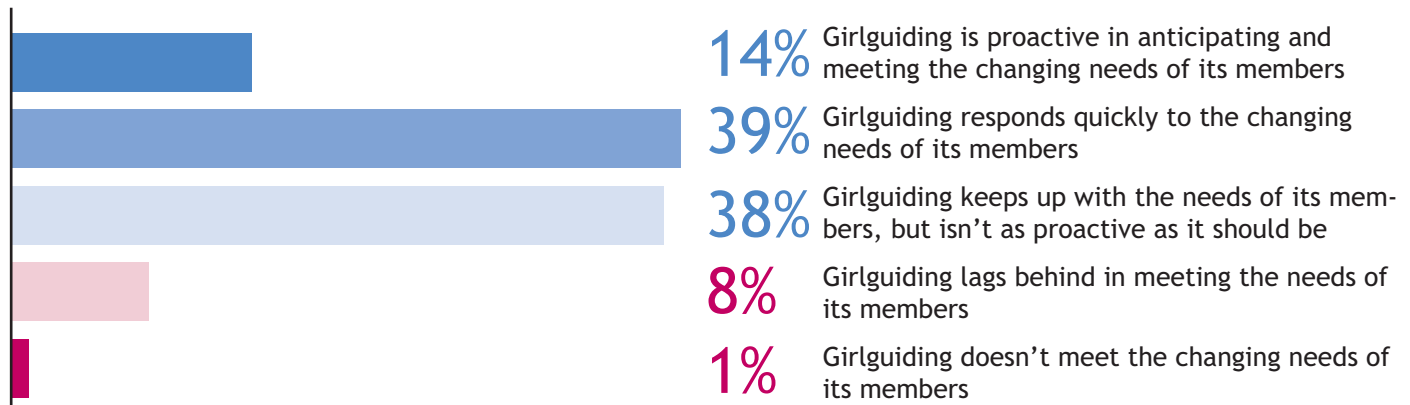
By 2014 we will have reviewed structures and processes to establish a more responsive and flexible style of organisational leadership.

Discussions about the future of our governance structure started in 2011. In 2012 we decided to seek the support of specialist consultants to guide us through the process of governance review, engaging the Compass Partnership to work in tandem with our Board of Trustees. It is envisaged that the first decisions about future structures will be made in 2013.

Key to increasing the feeling of organisation and belonging among our membership is understanding how our members view our central organisation and its initiatives and plans. We introduced a statistically representative membership panel of 1,200 members, randomly selected from our membership database. We asked them to respond to a series of questions about their feelings about the organisation and recent projects on a quarterly basis. The results help to inform delivery of our strategic plan and to ensure that our projects are delivered in the way that is most effective for our volunteers and for the benefit of the girls.

What our members think about how we respond to their changing needs

Which of the following best describe how well Girlguiding meets the changing needs of its members?



Discussions around a review of our internal communications were also initiated in 2012. We asked our members what they thought of our key internal communications channels in the context of our membership research panel. The results showed that 87 per cent of them felt that our membership magazine helped them to feel part of a national and international organisation, 75 per cent were satisfied or very satisfied with our monthly e-newsletters and 75 per cent were satisfied or very satisfied with the members' area of our website. Although the results were positive, some 'quick fixes' were immediately implemented. Further work to improve communication within our membership will be initiated in 2013.



Aim 6: Support

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

We have worked to optimise income streams and to rationalise expenditure. Our Trading Service achieved an exceptional performance. By capitalising on programme initiatives, closely controlling staff costs, achieving a strong margin performance and profiting from lower carriage charges, the overall profit contribution to the charity rose from a budgeted £2 million to £2.4 million.

2012 saw a continued focus on improving the performance of our Training and Activity Centres, both in terms of achieving programme excellence and also in working to ensure that they are financially self-sustaining. The year was challenging in terms of both the weather and the financial downturn, which resulted in cancellations and smaller group attendance. Despite the negative effects, the centres have maintained control on expenditure and produced very positive results. Our centres provide thousands of girls with unique 'get away' experiences every year. When we asked our membership about them, 97 per cent had heard of them and nearly all said they would recommend them to others.

In 2012 we made significant advances in the implementation of our fundraising strategy. We delivered our first national fundraising training workshop to support regional fundraising volunteers, produced our first-ever legacy fundraising toolkit for use across the organisation, expanded our corporate partnership portfolio and launched a small trusts programme. The result of these advances was that we exceeded our fundraising targets for the year by around £130,000.

We have worked to improve our HR practices in 2012 including reviewing our induction processes, taking a fresh approach to recruitment in order to minimise the cost of agency fees and revisiting our staff training programme, including plans to introduce e-learning for staff in 2013.

We are aware that our volunteers want to concentrate on providing fun opportunities for girls rather than being distracted by administrative tasks, so in 2012 we worked to rationalise and support necessary administrative tasks. We also devoted considerable energy to the improvement of our online subscription collection process.

Our ever-increasing IT costs and ever-more complicated demands on our in-house team led to the review of our IT provision in 2012 using the services of an external consultant. The result of the review was the outsourcing of our infrastructure and IT support to an external contractor in order to improve service and efficiencies.

In 2012 we made the decision to review the use of our headquarters' premises on Buckingham Palace Road. Changes in working styles have meant that some areas of the building have been under-used in recent years and in 2012 our trustees made the decision that the rear of the premises on Palace Place would be commercially let while office accommodation was relocated to the part of the building fronting on to Buckingham Palace Road. It is anticipated that the project will result in significant additional income to support us in our drive to bring more opportunities to more girls.



Conclusion

The year saw many achievements and advances for us as a charity and for our individual members. None of this would have been possible without our dedicated volunteers.

In 2013 we envisage further growth and the delivery of several major initiatives that were in preparation in 2012. We will work to embed our new online 'Join Us' system to funnel membership enquiries, collaborating with local volunteers to support its implementation. We will strive to offer targeted support in areas where we have long waiting lists and where there is a risk that girls may not have an opportunity to benefit from our offer. We will continue to review our programmes and training, asking girls for their views to ensure that we remain relevant to their needs. We will launch *Girls in Action*, enabling our members to take action with five partner charities. We will finalise preparations for The Big Brownie Birthday, celebrating 100 years of Brownies in 2014. The year will also see the conclusion of our Promise Consultation and the first outcome of our governance review.

We will continue to ask girls what they think and to put them at the forefront of our decision-making, and to work to put our organisation at the forefront of public awareness, revisiting the way we present ourselves to the outside world. We will optimise the use of our resources and consult our membership to find out what they think about what we are doing and how it can be improved.

The year will also see the relocation of our new Chief Executive, Julie Bentley, and the central staff team to temporary office accommodation in London while our building is remodelled to improve efficiencies and generate more income to be ploughed back into the delivery of our future strategic plan.

Objectives and activities for the public benefit

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

Environmental statement

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

Risk statement

The major risks facing the Association are continually reviewed and carefully scrutinised by members of the Executive Committee.

A separate risk log has been developed for key Association-led projects. These risks are reviewed and systems revised at meetings during the year involving the Executive Committee and senior managers. In addition, a risk management group continues to analyse evidence from insurance claims to identify areas of local guiding activity where generic advice and guidance to volunteers could be strengthened.



REVIEW OF FINANCIAL POSITION

The financial statements annexed to this report are those of the Association's headquarters and reflect the activities it undertakes on behalf of the Association as a whole. Countries and Regions, Counties, Divisions, Districts and units are responsible for their own finances.

The Statement of Financial Activities (SOFA)

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

Net outgoing resources for the year amounted to £52,954, compared with incoming resources of £403,725 in 2011. Total gains on investments amounted to £804,052 compared with losses of £737,316 in 2011.

An important feature of the SOFA is the analysis of outgoing resources between direct charitable expenditure on the Association's activities and governance. Direct charitable expenditure represents 99% (2011 - 99%) of the total resources expended.

The Balance Sheet

Tangible fixed assets

The Association holds various tangible fixed assets to support its activities. These are the Commonwealth Headquarters (CHQ) building, the members' Trading Service premises and the Training and Activity Centres. £433,502 was spent on fixed assets in the year, including £48,280 on building refurbishments, £225,378 on technology projects and equipment, £44,244 on furniture and equipment and £115,602 on the work-in-progress CHQ building project.

Investment policy

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

During the year investments with a market value of £4,742,373 were sold to fund a new capital project. Unrestricted capital fund investments were valued at £6,916,337 at 31 December 2012. This represents a decrease of £4,257,445 (38.1%) from their £11,173,782 value at 31 December 2011.

Reserves policy

The Association's free reserves are made up as follows:

	2012	2011
	£'000	£'000
General fund	10,146	10,014
Less: unrestricted fixed assets for The Association's use	<u>(6,099)</u>	<u>(7,837)</u>
Free Reserves	<u>4,047</u>	<u>2,177</u>

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 the Executive Committee's discretion in furtherance of any of the charity's objectives, but is not yet spent, committed or designated'. The Executive 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. Free reserves represent about £147 for each guiding unit supported.

Designated funds

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

REPORT OF THE EXECUTIVE COMMITTEE OF THE COUNCIL (cont'd)

Financial statements for 2012

The annual financial statements for 2012 are annexed to this report and include a report by the Association's auditors, PKF (UK) LLP. The financial statements comply with current statutory requirements and with the requirements of the Association's Royal Charter, and were approved by the Executive Committee at its meeting on 25 April 2013 to be submitted to the Association's Annual General Meeting for adoption.

The Honorary Treasurer was authorised to sign on behalf of the Executive Committee.

Annual report

This report was approved by the Executive Committee at its meeting on 25 April 2013 and the Chief Guide was authorised to sign the report and financial statements on its behalf.

Gill Slocombe

Gill Slocombe
Chair of Trustees and Chief Guide
25 April 2013



STATEMENT OF THE EXECUTIVE COMMITTEE'S RESPONSIBILITIES

The voting members of the Executive Committee (as 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 Executive Committee 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 Executive Committee are responsible for keeping proper accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the group and parent charity and enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Charities Act 2011 and regulations made thereunder. They are also responsible for safeguarding the assets of the group and parent charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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



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

We have audited the group and parent charity financial statements ("the financial statements") of The Guide Association for the year ended 31 December 2012 which comprise the consolidated statement of financial activities, the charity statement of financial activities, the consolidated balance sheet, the charity balance sheet, the consolidated cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's trustees, as a body, in accordance with section 44 of the Charities and Trustee Investment (Scotland) Act 2005 and in accordance with regulations made under section 154 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the financial statements, which give a true and fair view. We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under section 144 of the Charities Act 2011 and report in accordance with those Acts. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the

group's and parent charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charity's affairs as at 31 December 2012 and of the group's and parent charity's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Charities and Trustee Investment (Scotland) Act 2005, regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and in accordance with the Charities Act 2011 and regulations made thereunder.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where regulations made under the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Act 2011 requires us to report to you if, in our opinion:

- sufficient and proper accounting records have not been kept in respect of the parent charity; or
- the parent charity financial statements do not accord with the accounting records; or
- any information contained in the financial statements is inconsistent in any material respect with the trustees' report; or
- we have not received all the information and explanations we require for our audit.



PKF (UK) LLP
Statutory auditor
London, UK
25 April 2013

PKF (UK) LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2012

	Notes	Unrestricted funds	Restricted funds	Endowed funds	2012 Total funds	2011 Total funds
		£	£	£	£	£
Incoming resources						
Incoming resources from charitable activities						
Subscriptions		4,872,836	-	-	4,872,836	4,356,084
Members' trading income	2	11,057,852	-	-	11,057,852	10,478,173
Investment income	3	343,387	58,077	12,203	413,667	437,135
Donations and legacies	4	117,174	164,858	22,699	304,731	291,719
Events income	5	806,961	-	-	806,961	919,812
Grants and other income	6	257,503	9,558	-	267,061	270,931
Total incoming resources		17,455,713	232,493	34,902	17,723,108	16,753,854
Resources expended						
Charitable expenditure:						
Activities in furtherance of The						
Association's objects	7	17,372,405	295,064	17,337	17,684,806	16,256,870
Governance costs	8	91,256	-	-	91,256	93,259
Total resources expended		17,463,661	295,064	17,337	17,776,062	16,350,129
Net incoming/(outgoing) resources for the year		(7,948)	(62,571)	17,565	(52,954)	403,725
Net gains/(losses) on investments	11	688,514	94,478	21,060	804,052	(737,316)
Net movement in funds		680,566	31,907	38,625	751,098	(333,591)
Balances brought forward at						
1 January 2012		21,364,284	2,826,871	275,865	24,467,020	24,800,611
Transfers during year		(6,107)	6,107	-	-	-
Balances carried forward at						
31 December 2012		22,038,743	2,864,885	314,490	25,218,118	24,467,020

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

CHARITY STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2012

	Notes	Unrestricted funds	Restricted funds	Endowed funds	2012 Total funds	2011 Total funds
		£	£	£	£	£
Incoming resources						
Incoming resources from charitable activities						
Subscriptions		4,872,836	-	-	4,872,836	4,356,084
Members' trading income	2	2,660,827	-	-	2,660,827	2,585,224
Investment income	3	343,387	58,077	12,203	413,667	437,135
Donations and legacies	4	117,174	164,858	22,699	304,731	291,719
Events income	5	806,961	-	-	806,961	919,812
Grants and other income	6	344,513	9,558	-	354,071	270,931
Donation from subsidiary		2,414,305	-	-	2,414,305	2,165,025
Total incoming resources		11,560,003	232,493	34,902	11,827,398	11,025,930
Resources expended						
Charitable expenditure:						
Activities in furtherance of The Association's objects						
Activities in furtherance of The Association's objects	7	11,493,995	295,064	17,337	11,806,396	10,544,958
Governance costs	8	73,956	-	-	73,956	77,247
Total resources expended		11,567,951	295,064	17,337	11,880,352	10,622,205
Net incoming/(outgoing) resources for the year		(7,948)	(62,571)	17,565	(52,954)	403,725
Net gains/(losses) on investments	11	688,514	94,478	21,060	804,052	(737,316)
Net movement in funds		680,566	31,907	38,625	751,098	(333,591)
Balances brought forward at 1 January 2012		21,364,284	2,826,871	275,865	24,467,020	24,800,611
Transfers during year		(6,107)	6,107	-	-	-
Balances carried forward at 31 December 2012		22,038,743	2,864,885	314,490	25,218,118	24,467,020

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

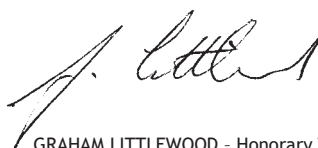
CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2012

	Notes	2012		2011	
		£	£	£	£
Fixed assets					
Tangible fixed assets	10		7,215,143		8,957,592
Investments	11		8,507,259		12,656,165
			<u>15,722,402</u>		<u>21,613,757</u>
Current assets					
Stocks	13	983,886		1,322,979	
Debtors	14	759,465		931,401	
Short-term bank deposits		5,188,812		152,747	
Cash at bank and in hand		4,062,367		1,893,170	
		<u>10,994,530</u>		<u>4,300,297</u>	
Current liabilities					
Creditors due within one year	16	(1,135,323)		(1,072,816)	
Net current assets			9,859,207		3,227,481
Long-term liabilities					
Creditors due after one year	17		(13,490)		(45,866)
Provisions for liabilities and charges	18		(350,001)		(328,352)
Net assets			<u><u>25,218,118</u></u>		<u><u>24,467,020</u></u>
Unrestricted funds					
<i>General funds</i>	19	10,145,698		10,013,612	
<i>Designated funds</i>					
Capital fund		10,572,703		10,173,782	
Growing Guiding fund		711,939		561,939	
Insurance fund		310,000		310,000	
TAC buildings fund		<u>298,403</u>		<u>304,951</u>	
			22,038,743		21,364,284
Restricted funds	20		2,864,885		2,826,871
Endowed funds	20		314,490		275,865
Total funds			<u><u>25,218,118</u></u>		<u><u>24,467,020</u></u>

Approved and authorised for issue by the Executive Committee on 25 April 2013.



GILL SLOCOMBE - Chair of Trustees and Chief Guide



GRAHAM LITTLEWOOD - Honorary Treasurer

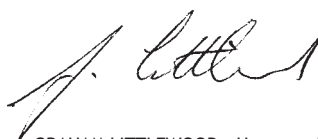
CHARITY BALANCE SHEET AS AT 31 DECEMBER 2012

	Notes	2012		2011	
		£	£	£	£
Fixed assets					
Tangible fixed assets	10		7,215,143		8,957,592
Investments	11		8,657,259		12,806,165
			<u>15,872,402</u>		<u>21,763,757</u>
Current assets					
Stocks	13	54,971		77,543	
Debtors	14	2,577,337		989,533	
Short-term bank deposits		5,188,812		152,747	
Cash at bank and in hand		1,505,580		1,444,439	
		<u>9,326,700</u>		<u>2,664,262</u>	
Current liabilities					
Creditors due within one year	16	(867,493)		(836,781)	
Net current assets			8,459,207		1,827,481
Long-term debtors					
Long-term loan due from Subsidiary	15		1,250,000		1,250,000
Long-term liabilities					
Creditors due after one year	17		(13,490)		(45,866)
Provisions for liabilities and charges	18		(350,001)		(328,352)
Net assets			<u><u>25,218,118</u></u>		<u><u>24,467,020</u></u>
Unrestricted funds					
<i>General funds</i>	19	10,145,698		10,013,612	
<i>Designated funds</i>					
Capital fund		10,572,703		10,173,782	
Growing Guiding fund		711,939		561,939	
Insurance fund		310,000		310,000	
TAC buildings fund		298,403		304,951	
			<u>22,038,743</u>		<u>21,364,284</u>
Restricted funds	20		2,864,885		2,826,871
Endowed funds	20		314,490		275,865
Total funds			<u><u>25,218,118</u></u>		<u><u>24,467,020</u></u>

Approved and authorised for issue by the Executive Committee on 25 April 2013.



GILL SLOCOMBE - Chair of Trustees and Chief Guide



GRAHAM LITTLEWOOD - Honorary Treasurer

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2012

	2012		2011	
	£	£	£	£
Net cash inflow/(outflow) from operating activities		2,269,139		939,155
Returns on investments and servicing of finance				
Investment income and interest received		413,667		437,135
Capital expenditure and financial investment				
Payments to acquire tangible fixed assets	(433,502)		(499,844)	
Purchase of fixed asset investments	(839,321)		(2,120,659)	
Sale of fixed asset investments	5,775,520		2,068,114	
(Increase)/decrease in cash held for investment	16,759		52,545	
Loan repayments received	3,000		3,000	
		4,522,456		(496,844)
		7,205,262		879,446
Management of liquid resources				
Transfers from short-term bank deposits		(5,036,065)		(11,174)
Increase in cash		2,169,197		868,272

NOTES TO THE CASH FLOW STATEMENT

	2012		2011	
	£		£	
1. Reconciliation of net incoming resources to net cash inflow from operating activities				
Net incoming/(outgoing) resources for the year		(52,954)		403,725
Investment income		(413,667)		(437,135)
Depreciation		1,082,896		1,058,777
Loss on disposal of tangible fixed assets		1,093,055		-
Decrease in stocks		339,093		82,257
Decrease debtors		168,936		111,959
Decrease in creditors and provisions		51,780		(280,428)
Net cash inflow/(outflow) from operating activities		2,269,139		939,155

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

	2012	Change in year	2011	Change in year	2010
	£	£	£	£	£
Cash at bank and in hand	4,062,367	2,169,197	1,893,170	868,272	1,024,898

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2012

1 ACCOUNTING POLICIES

These are the financial statements of the Association's Headquarters and reflect the activities it undertakes on behalf of the Association as a whole. Countries and Regions, Counties, Divisions, Districts and units are responsible as separate charities for their own finances.

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

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

(a) Basis of accounting

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

(b) Basis of consolidation

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

(c) Fund accounting - unrestricted funds

The Association's unrestricted funds consist of funds which may be used for its purposes at its discretion. These comprise the General Fund and four designated funds (the Capital Fund, the Growing Guiding Fund, the Insurance Fund and the TAC Buildings Fund).

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

(d) Fund accounting - restricted and endowed funds

The Association's trust and special funds consist of a number of different funds where the donor has imposed restrictions on the use of the funds which are legally binding. The accounting records separate those restricted funds from the unrestricted funds of the Association, and also distinguish between these where the fund is expendable (restricted funds) and those where the capital may not be touched (endowed funds). A schedule of the movements on the various funds during the year is set out in Note 20.

(e) Incoming resources

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

(f) Basis of allocation or apportionment of expenditure

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

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

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

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

(g) Investment assets

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

(h) Investment pool

The holdings of investments of certain restricted and endowed funds are merged and managed in an investment pool. The funds hold units in the investment pool which represent their share of the capital value of the investments plus any uninvested cash or debtors which exist at the year end.

(i) Depreciation

Depreciation is provided on all tangible fixed assets (except land) on a straight-line basis to write off the cost of those assets over their estimated useful lives. The principal rates of depreciation are:-

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

(j) Stocks

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

(k) Self-insured claims provision

Provision is made for the self-insured element of notified insurance claims on the basis of advice from the Association's insurance brokers.

(l) Pensions

The Association operates a defined contribution pension scheme on behalf of its employees. The scheme is operated by AXA.

(m) Operating leases

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

(n) Heritage assets

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



NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2012

2 MEMBERS' TRADING INCOME

	Unrestricted funds	Restricted funds	Endowed funds	Total 2012	Total 2011
	£	£	£	£	£
CONSOLIDATED					
Members' Trading Service	7,989,612	-	-	7,989,612	7,510,817
Training and Activity Centres	2,494,060	-	-	2,494,060	2,470,438
Magazines	118,741	-	-	118,741	67,005
Annuals	37,715	-	-	37,715	38,553
Licence fees and royalties	417,724	-	-	417,724	391,360
	11,057,852	-	-	11,057,852	10,478,173
CHARITY					
Training and Activity Centres				2,494,060	2,470,438
Magazines				118,741	67,005
Annuals				37,715	38,553
Licence fees and royalties				10,311	9,228
				2,660,827	2,585,224

3 INVESTMENT INCOME

UK bonds and cash	80,676	19,521	4,165	104,362	109,538
UK equities	192,686	28,732	6,324	227,742	240,164
Property	48,425	6,830	1,504	56,759	57,587
Portfolio funds	1,874	398	88	2,360	-
Overseas equities	19,642	-	-	19,642	27,390
Interest on cash deposits	84	2,596	122	2,802	2,456
	343,387	58,077	12,203	413,667	437,135

4 DONATIONS AND LEGACIES

Individual donations	15,404	132,970	-	148,374	159,014
Legacies and in memorial donations	88,755	10,388	22,699	121,842	62,195
Trusts and foundations	13,015	21,500	-	34,515	70,510
	117,174	164,858	22,699	304,731	291,719

Trusts and foundations income includes the following:

£21,500 was received from the Wolfson Foundation to fund the redevelopment of the disability suite at Foxlease.

5 EVENTS INCOME

World Conference	-	-	-	-	208,999
BIG GIG	787,842	-	-	787,842	689,745
Other charity events	19,119	-	-	19,119	21,068
	806,961	-	-	806,961	919,812

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2012

6 GRANTS AND OTHER INCOME

	Unrestricted funds	Restricted funds	Endowed funds	Total 2012	Total 2011
	£	£	£	£	£
CONSOLIDATED					
Grants	25,024	-	-	25,024	56,000
Other income	232,479	9,558	-	242,037	214,931
	257,503	9,558	-	267,061	270,931
CHARITY					
Grants				25,024	56,000
Other income				329,047	308,313
				354,071	364,313

Grants received in the year were as follows: £25,024 received from Youth United Foundation

7 ACTIVITIES IN FURTHERANCE OF THE CHARITY'S OBJECTS

	Staff costs	Other direct costs	Support costs	Total 2012	Total 2011
	£	£	£	£	£
CONSOLIDATED					
Members' trading					
Mail order and shops	842,676	4,476,381	614,777	5,933,834	5,701,207
Training and Activity Centres	1,136,617	1,629,139	21,841	2,787,597	2,579,537
Magazines	-	324,687	-	324,687	292,873
Annuals	-	32,105	-	32,105	33,075
Services for members					
Opportunity	822,317	830,826	762,041	2,415,184	1,164,985
Influence	364,285	230,611	476,009	1,070,905	-
Voice	253,259	103,302	267,320	623,881	696,318
Action	743,362	632,526	426,797	1,802,685	1,882,766
Organisation	304,400	231,849	458,689	994,938	1,485,158
Support	489,066	71,785	1,138,139	1,698,990	2,250,550
Celebrate our Centenary	-	-	-	-	170,401
	4,955,982	8,563,211	4,165,613	17,684,806	16,256,870
CHARITY					
Members' trading					
Training and Activity Centres	1,136,617	1,677,558	21,841	2,836,016	2,652,115
Magazines	-	324,687	-	324,687	292,873
Annuals	-	32,105	-	32,105	33,075
Services for members					
Opportunity	822,317	832,858	762,041	2,417,216	1,150,927
Influence	364,285	231,640	476,009	1,071,934	-
Voice	253,259	103,459	267,320	624,038	682,676
Action	743,362	635,144	426,797	1,805,303	1,869,963
Organisation	304,400	232,622	458,689	995,711	-
Support	489,066	72,181	1,138,139	1,699,386	2,238,008
Celebrate our Centenary	-	-	-	-	168,975
	4,113,306	4,142,254	3,550,836	11,806,396	10,544,958

The 2011 comparative expenditure figures have been reclassified to be consistent with the 2012 areas of activity for the Association. This had no impact on reserves.

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2012

8 GOVERNANCE COSTS

	Unrestricted funds	Restricted funds	Endowed funds	Total 2012	Total 2011
	£	£	£	£	£
CONSOLIDATED					
Meeting costs	35,153	-	-	35,153	36,794
Consultants	20,000	-	-	20,000	20,000
Audit fees	27,000	-	-	27,000	34,753
Finance administration	9,103	-	-	9,103	1,712
Total	91,256	-	-	91,256	93,259
CHARITY					
Meeting costs				35,153	36,794
Consultants				20,000	20,000
Audit fees				17,000	20,453
Finance administration				1,803	-
Total				73,956	77,247

Costs of £27,000 (2011: £34,700) were payable to our auditors in respect of audit fees.

9 STAFF NUMBERS AND REMUNERATION

	2012 Total staff costs	2011 Total staff costs
	£	£
Gross salaries and wages	4,388,383	4,343,611
Employer's pension contribution	186,609	385,065
Employer's national insurance	380,990	187,047
Total	4,955,982	4,915,723

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

	2012 No.	2011 No.
Members' trading	74	87
Services for members:		
Opportunity	25	15
Influence	11	-
Voice	8	11
Action	24	22
Organisation	9	18
Support	15	25
Celebrate our Centenary	-	2
Total	166	180

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

	2012	2011
£60,001 - £70,000	1	2
£70,001 - £80,000	-	-
£80,001 - £90,000	-	1

Pension contributions of £6,275 to a defined contribution scheme were made for the above higher-paid staff.

Members of the Executive Committee are not remunerated. Expenses reimbursed for travel and out-of-pocket expenses amounted to £22,077 to 29 members (2011: £22,230 to 30 members).

The Association owns a long leasehold flat, which is available for the use of the Chief Guide during her term of office. The Association pays the service and utility costs of the flat, which totalled £8,317 in the year (2011: £9,667).

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2012

10 TANGIBLE FIXED ASSETS

	Freehold land & buildings	Long leasehold property	Assets under construction	Equipment fittings & vehicles	Total
	£	£	£	£	£
Cost					
At 1 January 2012	7,680,772	129,318	142,386	8,874,389	16,826,865
Additions	1,335	-	115,602	316,565	433,502
Disposals	(659,824)	-	-	(3,269,983)	(3,929,807)
Transfer between categories	-	-	(142,386)	142,386	-
At 31 December 2012	7,022,283	129,318	115,602	6,063,357	13,330,560
Accumulated depreciation					
At 1 January 2012	2,803,071	53,223	-	5,012,979	7,869,273
Provision for the year	224,901	4,319	-	853,676	1,082,896
Disposals	(378,535)	-	-	(2,458,217)	(2,836,752)
At 31 December 2012	2,649,437	57,542	-	3,408,438	6,115,417
Net book amount	4,372,846	71,776	115,602	2,654,919	7,215,143
At 31 December 2012					
At 31 December 2011	4,877,701	76,095	142,386	3,861,410	8,957,592

All assets are used for direct charitable purposes.

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



NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2012

11 INVESTMENTS

	Unrestricted funds	Restricted funds	Endowed funds	Total 2012	Total 2011
	£	£	£	£	£
CONSOLIDATED					
Market value at 1 January 2012	11,155,278	1,179,484	258,441	12,593,203	13,277,974
Acquisitions at cost	767,401	58,922	12,998	839,321	2,120,659
Disposal proceeds	(5,696,922)	(65,655)	(12,943)	(5,775,520)	(2,068,114)
Net gain on revaluation of investments	398,921	94,478	21,060	514,459	(737,316)
Realised gain on redemption	289,593	-	-	289,593	-
Market value at 31 December 2012	6,914,271	1,267,229	279,556	8,461,056	12,593,203
Cash held for investment	2,066	43,609	528	46,203	62,962
Portfolio value at 31 December 2012	6,916,337	1,310,838	280,084	8,507,259	12,656,165
Historical cost at 31 December 2012	6,612,316	1,202,787	254,516	8,069,619	12,205,870

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

The Cazenove Equity Income Trust for Charities, The Cazenove Strategic Debt Fund, Cazenove UK Corporate Bond Fund and the Cazenove Income Trust for Charities.

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

	Unrestricted funds	Restricted funds	Endowed funds	Total 2012	Total 2011
	£	£	£	£	£
UK bonds and cash	2,759,329	476,803	96,092	3,332,224	2,929,885
UK equities	3,108,516	665,170	146,740	3,920,426	6,441,198
Hedge funds	-	-	-	-	332,197
Portfolio funds	274,307	58,264	12,853	345,424	-
Property	774,185	110,601	24,399	909,185	964,954
Overseas equities	-	-	-	-	1,987,931
Total	6,916,337	1,310,838	280,084	8,507,259	12,656,165

CHARITY

Investments held by the charity also include an additional £150,000 (2011: £150,000) investment in the subsidiary company (note 23).



NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2012

12 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Tangible fixed assets	Investments	Net current assets	Total
	£	£	£	£
Endowed funds				
Country and Region funds	-	188,934	8,190	197,124
CHQ funds	-	91,150	26,216	117,366
Total endowed funds	-	280,084	34,406	314,490
Restricted funds				
Country and Region funds	-	900,126	39,024	939,150
CHQ funds	-	245,571	187,355	432,926
TAC funds	1,115,831	163,809	207,614	1,487,254
Other funds	-	1,332	4,223	5,555
Total restricted funds	1,115,831	1,310,838	438,216	2,864,885
Unrestricted funds				
General fund	6,099,312	1,000,000	3,046,386	10,145,698
Growing Guiding fund	-	-	711,939	711,939
Insurance fund	-	-	310,000	310,000
Designated TAC buildings fund	-	-	298,403	298,403
Capital fund	-	5,916,337	4,656,366	10,572,703
Total unrestricted funds	6,099,312	6,916,337	9,023,094	22,038,743
Total funds	7,215,143	8,507,259	9,495,716	25,218,118

13 STOCKS

	Unrestricted funds	Restricted funds	Endowed funds	Total 2012	Total 2011
	£	£	£	£	£
CONSOLIDATED					
Stocks for resale	966,552	-	-	966,552	1,295,241
Consumable stocks	17,334	-	-	17,334	27,738
	983,886	-	-	983,886	1,322,979

CHARITY

Stocks for resale	37,637	49,805
Consumable stocks	17,334	27,738
	54,971	77,543

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2012

14 DEBTORS DUE WITHIN ONE YEAR

	Unrestricted funds	Restricted funds	Endowed funds	Total 2012	Total 2011
	£	£	£	£	£
CONSOLIDATED					
Trade debtors	426,838	-	-	426,838	540,920
Other debtors	54,494	9,844	-	64,338	58,617
Prepayments and accrued income	214,584	-	-	214,584	289,916
VAT	44,705	-	-	44,705	29,948
Loans to Countries and Regions	9,000	-	-	9,000	12,000
	749,621	9,844	-	759,465	931,401

CHARITY

Trade debtors				116,469	83,024
Amounts due from subsidiary *				2,130,774	524,017
Other debtors				64,338	50,628
Prepayments and accrued income				212,051	289,916
VAT				44,705	29,948
Loans to Countries and Regions				9,000	12,000
				2,577,337	989,533

Loans to Countries and Regions amount to £9,000 (2011: £12,000) due from Guides Cymru, £6,000 of this loan falls due for repayment after more than one year (2011: £9,000).

* Amount due from the wholly owned subsidiary being the balance of the 2012 donation.

15 DEBTORS DUE AFTER ONE YEAR

	Total 2012	Total 2011
	£	£
CHARITY		
Amounts due from subsidiary *	1,250,000	1,250,000
	1,250,000	1,250,000

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

16 CREDITORS DUE WITHIN ONE YEAR

	Unrestricted funds	Restricted funds	Endowed funds	Total 2012	Total 2011
	£	£	£	£	£
CONSOLIDATED					
Trade creditors	643,347	-	-	643,347	598,551
Deferred income	180,446	-	-	180,446	165,160
Accruals and other creditors	298,915	7,610	-	306,525	309,105
Income tax and national insurance	5,005	-	-	5,005	-
	1,127,713	7,610	-	1,135,323	1,072,816
CHARITY					
Trade creditors				562,813	467,874
Deferred income				180,446	165,160
Accruals and other creditors				119,229	203,747
Income tax and national insurance				5,005	-
				867,493	836,781

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2012

17 CREDITORS DUE AFTER ONE YEAR

	Unrestricted funds	Restricted funds	Endowed funds	Total 2012	Total 2011
	£	£	£	£	£
CONSOLIDATED					
Accruals and other creditors	13,490	-	-	13,490	45,866
	<u>13,490</u>	<u>-</u>	<u>-</u>	<u>13,490</u>	<u>45,866</u>
CHARITY					
Accruals and other creditors				13,490	45,866
				<u>13,490</u>	<u>45,866</u>

An interest-free loan, repayable monthly until May 2014, of £13,490 is payable to The Carbon Trust to help fund the Waddow Hall biomass boiler.

18 PROVISIONS FOR LIABILITIES AND CHARGES

	Balance 1 January 2012	Paid during the year	Provision in the year	Balance 31 December 2012
	£	£	£	£
CONSOLIDATED AND CHARITY				
Self-insured claims provision	328,352	(85,512)	107,161	350,001

19 UNRESTRICTED FUNDS

	Balance 1 January 2012	Transfers of expenditure	Designation out of general fund	Net incoming resources/ investment gains	Balance 31 December 2012
	£	£	£	£	£
General fund	10,013,612	441	(150,000)	281,645	10,145,698
Capital fund	10,173,782	-	-	398,921	10,572,703
Growing Guiding fund	561,939	-	150,000	-	711,939
Insurance fund	310,000	-	-	-	310,000
Designated TAC buildings fund	304,951	(6,548)	-	-	298,403
	<u>21,364,284</u>	<u>(6,107)</u>	<u>-</u>	<u>680,566</u>	<u>22,038,743</u>

The main uses of the designated funds are described below:

Capital fund

It has been the policy of the Association to build up a fund of capital for investment with a view to obtaining capital growth to finance future projects and to ensure income to support the activities of the Association for the longer term. The fund is invested in a separate investment portfolio, with the objectives of achieving an income yield of at least 3% and preserving the value of the funds over the term. The Charity has embarked on a redevelopment programme at the central headquarters building in London and this is expected to require a material part of the accumulated capital fund. The development is scheduled for completion by the end of 2014.

Growing Guiding fund

Up to £150,000 will be designated every year from general fund donations received during the year. During 2012 no costs were distributed in support of this fund.

Designated insurance fund

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

Designated TAC buildings fund

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

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2012

20 MOVEMENT IN ENDOWED AND RESTRICTED FUNDS

	Balance 1 January 2012	Transfers 2012	Incoming resources	Outgoing resources	Net investment gains	Balance 31 December 2012
	£	£	£	£	£	£
Endowed funds						
Country and Region funds	182,720	-	8,190	(7,992)	14,206	197,124
CHQ funds	93,145	-	26,712	(9,345)	6,854	117,366
	275,865	-	34,902	(17,337)	21,060	314,490
Restricted funds						
Country and Region funds	870,197	-	39,023	(37,749)	67,680	939,151
CHQ funds	473,060	6,107	50,808	(114,531)	17,481	432,925
TAC funds	1,478,672	-	139,101	(139,736)	9,217	1,487,254
Other funds	4,942	-	3,561	(3,048)	100	5,555
	2,826,871	6,107	232,493	(295,064)	94,478	2,864,885

Included in the restricted TAC funds is the restricted TAC Building Appeal fund that totals £906,046. This has been spent on building Group Adventure Houses at Foxlease, Waddow Hall and Blackland Farm and will be amortised over the life of the new buildings. CHQ restricted funds include amounts received and restricted to specific appeals during the year. Endowed funds represent bequests made for the furtherance of guiding activities including disability funds, outdoor and travel bursaries.

21 FINANCIAL COMMITMENTS

As at 31 December 2012 the Association had £14,470 of capital expenditure to which it was financially committed (£0 in 2011).

As at 31 December 2012 the Association's subsidiary, the Guide Association Trading Service Limited, had entered into £3.54 million (2011 £3.03 million) of advance stock purchase orders with suppliers within the ordinary course of business.

22 OPERATING LEASE COMMITMENTS

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

	2012	2011
	£	£
Leases:		
Expiring within 5 years	90,179	72,070

23 INVESTMENT IN SUBSIDIARY

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

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

During the year the Guide Association Trading Service Limited achieved sales of £8,045,036 (2011: £7,593,494) and a net profit of £2,414,305 (2011: £2,165,025) was donated under Gift Aid to the Association.

24 THE GUIDE ASSOCIATION TRUST CORPORATION

The Trust Corporation is a company limited by guarantee and incorporated under the Companies Act. It acts as sole trustee and holds land, freehold or leasehold buildings and investments on behalf of guiding units. It is funded by The Guide Association as a service to guiding units and the expenses are included in management and administration expenditure in these financial statements.

Financial statements of the Trust Corporation are available from The Guide Association, 17-19 Buckingham Palace Road, London SW1W 0PT.