

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

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

Registered Charity No. 306016
OSCR Registered Charity No. SC005548

THE GUIDE ASSOCIATION
(Incorporated by Royal Charter)
FINANCIAL STATEMENTS 31 DECEMBER 2010

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THE GUIDE ASSOCIATION
(Incorporated by Royal Charter)

REPORT OF THE EXECUTIVE COMMITTEE OF THE COUNCIL

The Executive Committee of The Guide Association is pleased to present its Report for 2010.

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 SC005548) 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 constitutions 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 Chairman 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:

*Chairman	Her Royal Highness The Countess of Wessex
*Chief Guide	Mrs Liz Burnley
*Honorary Treasurer	Mr Graham Littlewood
Chief Commissioners for:	
*Anglia	Dr Rosemary Spencer
*London and South East England	Mrs Anne Hudson
*Midlands	Mrs Lesley Knighton (until 30.11.10) Mrs Sally Illsley (from 01.12.10)
*North East England	Miss Hilary Cooper
*North West England	Mrs Susan Lomas
*South West England	Mrs Gill Slocombe
*Scotland	Mrs Dinah Faulds
*Ulster	Miss Andree Best
*Wales	Mrs Cathryn Brooker (until 23.10.10) Miss Felicity Ladbroke (from 24.10.10)
Commissioner for British Guides in Foreign Countries	Miss Ruth Sara
*International Commissioner	Ms Su Hassall
*Chairman of Finance and General Purposes	Dr Alexa Laurence
*Chairman of Guiding Development	Mrs Alison Gordon (until 31.03.10) Mrs Tracey Murray (from 01.04.10)
*Chairman of Marketing and Communications	Ms Angela Milln
*Chairman of the Youth Forum	Miss Natasha Culley (until 07.03.10) Ms Megan Thomas (from 08.03.10)
Chairman of the Trefoil Guild	Miss Margaret Routley

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REPORT OF THE EXECUTIVE COMMITTEE OF THE COUNCIL

Elected Members

Mrs Janette Abbott-Donnelly
Dr Emily Archer (until 23.06.10)
Mrs Susan Berry
Mrs Susan Bisson
Dr Abigail Bond
Mrs Margaret Brookes (until 23.06.10)
Mrs Linda Brown
Mrs Helen Burns (until 23.06.10)
Mrs Linda Campbell
Mrs Deborah Charles
**Mrs Helen Clarke
Miss Sue Clough (from 24.06.10)
Miss Laura Cottle
Mrs Dorothy Dentith (from 24.06.10)
Mrs Rachel Fishwick
Mrs Alaire Fridd
Miss Rachael Goodman (from 24.06.10)
Mrs Jean Gosling
**Miss Nicola Grinstead
Mrs Christine Haddock (until 23.06.10)
Miss Sam Harrold
Dr Joanne Heritage (from 24.06.10)
Mrs Elizabeth Hogg
Miss Lucy Johnson (from 24.06.10)
Mrs Sandy Kinnersley

Miss Margaret Lester
Mrs Anthea Lister (from 24.06.10)
Mrs Mary Livesey (until 31.10.10)
Mrs Anne Llywelyn-Jones (from 01.11.10)
Miss Karen MacLeod
Mrs Deryn McAndrew (until 23.06.10)
** Mrs Gillian MacKenzie (until 23.06.10)
Mrs Lesley Matthews
** Mrs Rachel McMaster
Mrs Fay McMullan (until 23.06.10)
**Mrs Tracey Murray (until 31.03.10)
Mrs Angela Ogden
Mrs Joanne Olds
Mrs Anne Pilkington (from 24.06.10)
Dr Katherine Royse
Miss Gail Snook (from 24.06.10)
Mrs Rose-Marie Spence
Miss Dawn Stevenson (from 24.06.10)
Miss Deborah Sutton (from 24.06.10)
Miss Victoria Taylor
**Mrs Cheryl Thompson
Miss Alison Tripp (until 23.06.10)
Mrs Hazel Turner (until 23.06.10)
Mrs Julie Wetherall
Mrs Margaret Winter

THE EXECUTIVE COMMITTEE of the Council comprises:

The Chairman

Ex-Officio Members of The Council as starred *
Elected Members of The Council as starred **

Non-voting Member

Chairman of the Trefoil Guild

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 Bye-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.

**THE GUIDE ASSOCIATION
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REPORT OF THE EXECUTIVE COMMITTEE OF THE COUNCIL

Commonwealth Headquarters staff

Chief Executive
Miss Denise King

Head of Finance and Business Development
Mr Simon Evans (until 30.03.11)

Head of Guiding Development
Ms Jo Hobbs

Head of Marketing and Communications
Mrs Sue Field

Head of Membership Support Services
Mrs Susan Cole

Head of Centenary & Events
Mrs Jennie Lamb

Professional Advisers and Consultants

The professional advisers and consultants during 2010 have been as follows:

Bankers	National Westminster Bank Plc 169 Victoria Street, London, SW1E 5BT
Stockbrokers	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

The statement of purpose, laid out below, summarises the objects of the Association as expressed in the governing document of the Association, which is the Royal Charter dated 1922.

Statement of Purpose

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

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REPORT OF THE EXECUTIVE COMMITTEE OF THE COUNCIL

Summary

2010 was a year of celebration for Girlguiding UK as it marked 100 years of guiding. Members of the Executive Committee, who are the Trustees of Girlguiding UK, succeeded in their aim of achieving a balance between celebrating guiding's heritage and presenting the organisation as modern, vibrant and relevant for girls and young women in the 21st century. An ambitious timetable of diverse celebratory activities was planned and implemented, and the impact was felt throughout the half million membership and beyond.

As President of Girlguiding UK, HRH The Countess of Wessex attended several Centenary events and graciously hosted a Reception at St James's Palace to thank hundreds of volunteers who had been involved in coordinating Centenary celebrations throughout the whole organisation.

The organisation worked with many partners and supporters to deliver the Centenary programme of events and we are grateful to all who helped us. Of particular note was the valuable involvement and support received from the Trefoil Guild across the UK. The strengthening of the close local ties between members of the Gullds and members actively delivering guiding to girls was a very positive Centenary benefit.

Following a detailed review, the Executive Committee decided to give the three Girlguiding UK-owned and managed Training and Activity Centres (TACs) three years in which to become financially more robust with a revised system of staff management and volunteer direction and scrutiny.

The Executive Committee also agreed an overarching four-year strategy to promote more effective youth participation at all levels of decision making within the organisation, and this has provided a strong focus for all areas of work post-Centenary.

The Senior Management Team carried out a staff restructure towards the end of 2010 to reflect staff requirements post-Centenary. The Technology Services Department was thoroughly overhauled to provide a stronger focus on professional IT systems and Project Management.

In 2011 the Council will elect a new Chief Guide who will serve as Chairman of Trustees for five years. In spring 2011 the Executive Committee will agree a new Strategic Plan to cover the period from 2012 to 2014.

In addition to the six Business Plan areas reported below, the service support to members was further developed in 2010 in order to help all parts of the organisation make the best use of the membership database (Go!), process criminal records checks and references more efficiently, and strengthen the handling of complaints. In 2010 there was also a substantial increase in the cost of Public Liability Insurance. Providing support to Commissioners so they can provide effective local management remains a key focus for Girlguiding UK and is likely to be further developed in the 2012-14 Strategic Plan.

Outcomes of the detailed work delivered for the six areas of the Girlguiding UK Business Plan are described below, together with impact measures where these are available. At the end of each section an outline of forthcoming work is given for these same areas, which remain our focus for an extended year.

The areas reported on below are:

1. Grow our Membership
2. Provide Good Quality Programme Experiences
3. Promote a Flexible Approach Organisation-wide
4. Streamline Administration
5. Challenge Public Perception
6. Celebrate our Centenary.

1. Grow our Membership

The desired outcome by the end of 2010 was to have growth in new members and to retain existing members across all ages.

During 2009 we introduced our new database Go! to the membership. Their enthusiasm to embrace this new way of working ensured that we captured 94 per cent of our membership data in the first four months of its launch and were able to carry out the first electronic subscription process in February 2010. However, the impact of the 6 per cent who were not registered on Go! was higher than we had expected, and our forecasted subscription income was not realised. A concerted effort was made by local Commissioners during the year to encourage all members to be recorded on Go!, and as a result of this the 485,420 records on Go! in March 2010 had risen 3 per cent to 500,221 by December 2010.

Our membership system recorded 19,909 new adults joining Girlguiding UK in 2010 and the opening of 546 new units. Nearly 400 of these new units were supported by a start-up grant with an average value of £294.

We are working to improve our data reports from Go! to enable us to accurately track members leaving the organisation and those on the waiting-to-join lists. At the end of December 2010 there were 46,384 girls waiting to join Girlguiding UK. In 2011 we will use our data to get a more accurate picture of membership patterns and trends at a local level.

Various pieces of work were undertaken to support guiding in particular areas ranging from inner city London to rural highlands in Scotland. We published new resources to help in the transition of girls between sections.

Wherever possible the opportunity to join the organisation was promoted as part of the Centenary celebrations in particular to those who had formerly been members. This involved the expanded use of social networking through media such as Facebook, Guides Reconnected and Twitter.

The introduction of Go! made it possible for Girlguiding UK to communicate directly with parents of girls in the membership for the first time. Following a pilot mailing to two Counties, a full-scale mailing of nearly half a million printed catalogues and newsletters took place in October, with nearly 16,000 additional mailings being distributed in email format. Feedback was positive and the full results are being fully evaluated in early 2011 with a view to continuing the implementation of a parent communication strategy.

In autumn 2010 the organisation's approach to Growing Guiding was subject to internal debate and review, and a new strategy was developed for implementation over a three-year period. In 2011 there will be a particular accent on improving the systems and processes that enable any enquirer or new starter to be welcomed and smoothly introduced to the organisation.

2. Provide Good Quality Programme Experiences

The desired outcome by the end of 2010 was to establish a culture such that volunteers are fully engaged with embracing change positively and are motivated to grow and learn for themselves so they can offer consistently good experiences for girls and young women.

Following the introduction of the Go! database we were able to begin to communicate directly with adult volunteers by email, providing them with monthly information tailored to their area of interest. By the end of 2010 we were sending 85,000 email newsletters a month. We provided more information and inspiration through *guiding* magazine. Relunched as a quarterly in 2010, its new format and design received very positive feedback. Strong progress was made with digital communication in terms of online discussion forums, and an online module for the mentoring role of Leaders was piloted.

Connecting more directly with Leaders gave us an opportunity to promote best practice in providing quality programmes for girls and young women, and this is an area for further development in 2011. The content of the four girls' websites was also refreshed and new games were added.

Training of adult Leaders is delivered by a pool of volunteer trainers and the new qualification that was launched in 2008 was evaluated in 2010. Areas for development were identified to ensure that we provide a consistently good standard of delivery in training across the UK and this will inform work in 2011. An extension module for those involved in delivering training in a residential setting was also developed.

A revised set of guidance notes was published for those wanting to extend their skills by taking girls on residential camps and holidays. In 2010 more than 1,600 Leaders gained qualifications to do this. The drive to encourage more Leaders to take girls away internationally was sustained, and 45 Leaders received a national grant to support them in gaining this additional module.

The core Leader resource, *The Guiding Handbook*, was totally refreshed and published in autumn 2010; it sold 4,000 copies by the end of the year.

The programme offered to girls in 2010 was unparalleled, with an extensive and exciting programme of activities throughout the UK. These are described in the section on the Centenary below.

Many of the lessons learned from the Centenary year, especially the importance of offering more adventurous experiences, will be acted upon. In 2011 the emphasis will be on international awareness as Girlguiding UK is hosting the 34th World Conference for the World Association of Girl Guides and Girl Scouts in Edinburgh.

3. Promote a Flexible Approach Organisation-wide

The desired outcome for 2010 was to have a structure and system in place that enabled local guiding to be able to operate flexibly to meet the needs of the local community within a broad national framework.

The Membership Support Committee led a comprehensive consultation within the membership about age limits for volunteers in leadership roles, and changes were agreed that make it possible to continue to welcome more adult volunteers over the age of 65 in active roles, the only exception being that of Unit Leader. There will be a transition period and this new policy will come into effect in spring 2011.

Other rules and policies continued to be reviewed in order to allow for a more flexible approach to be adopted locally and these were routinely updated as part of the online *Guiding Manual*. The *A to Z of Activities*, which gives detailed information and advice on planning over 50 different types of sports and pursuits, was put online in June 2010.

4. Streamline Administration

The desired outcome by 2010 was to have in place a simple and straightforward process for membership administration throughout the organisation.

Alongside the Centenary this was the biggest area of change for Girlguiding UK in 2010. Hundreds of active volunteer local champions worked alongside more than 20 paid staff to provide the training and support needed to enable Girlguiding UK members to be recorded on the central database.

The benefits of working with this new system have been steadily realised during the year as more and more reports - including some on how the data can be used - were developed and promoted. Useful additional tools were published to help new volunteers get started and to motivate users to keep their records up to date. Further enhancements and developments are expected in 2011, including a single login to the members' area of the website and the Go! database.

More work is now required to streamline the process for joining the organisation, in particular how an enquiry is followed up and how waiting-to-join lists are managed.

The need to overhaul the IT systems that underpin all Girlguiding UK's work was identified as part of the setting up of a new Technology Services department in 2010. This work emphasises the importance of having robust systems for members to access at all times.

For 2011 a series of Service Level Agreements will be developed to streamline the relationship between Girlguiding UK and volunteers and staff in the nine Countries and Regions that make up the organisation.

5. Challenging Public Perception

By 2010 the desired outcome was to have completed a successful, sustained external relations campaign which will have challenged public perception and positively updated stereotypical views of guiding.

Extensive national and regional media coverage was achieved in the Centenary year. Positive partnerships between paid staff in CHQ and Countries and Regions maximised the opportunities to gain coverage across the UK, leading to an average each month of 1,355 regional mentions and 48 national mentions, with a combined Key Message rate of 50.4 per cent and AVE (Advertising Value Equivalency) of £1,254,944. This compares very favourably with figures for 2009, which saw an average of 968 regional and 45 national mentions per month, with a Key Message rate of 36.2 per cent and an AVE of £938,573. When compared to 2008, the increased quantity and quality becomes even more pronounced, with figures for that year at just 690 regional and 30 national mentions per month, with a Key Message rate of 19.6 per cent and an AVE of £561,599. This is an increase of 95 per cent in the quantity of coverage in 2010 compared with 2008, and a 160 per cent rise in the frequency of Key Message hits. The AVE equates to almost £700,000 more per month.

The Advocate panel of young women steered the second Girls' Attitudes Survey, looking at issues faced by all girls and young women growing up in the UK today. They suggested a campaign to label all media images clearly to show if they had been airbrushed. This was very successful, and an online petition gathered 25,000 signatures of support in a three-month period. A Parliamentary reception at Westminster drew further attention to this issue, and Girlguiding UK was invited to join a ministerial advisory group looking at issues connected with body confidence. This was a strong example of how much public perception has been successfully challenged and how respected the Girlguiding UK voice now is in public life.

In the summer we repeated the stakeholder survey about perception, with very positive results. An impressive 83 per cent of key stakeholders surveyed believe that Girlguiding UK is relevant to girls and young women today, and all stakeholders who expressed an opinion had a favourable view of the organisation. We do still have further to go in sustaining this positive view and the survey highlighted particular areas where we could do more, in particular around enabling girls' voices to be heard on the issues that affect their lives and reaching out to girls and young women from diverse backgrounds.

Building on our current research and existing work with the Advocate panel, we plan to continue to enable girls to speak out, in conjunction with the wider organisational work on youth participation. In mid-2010 we reached the end of our arrangement with the agency that has supported us since 2005. From now on, the majority of PR and public affairs work will be conducted by the in-house team and PRA network, supplemented by agency input as required.

6. Celebrate our Centenary

The desired outcome for 2010 was to present guiding to the world as a modern, relevant and dynamic organisation, which is fit to serve the needs of girls and young women in the future, as well as celebrating the contribution of our rich and varied heritage.

Our oral history website hosts a collection of nearly 1,000 memories from members past and present and will continue to offer the facility to upload text, audio and video stories. This collection provides an insight into women's social history across the last century.

This year we opened up the houses at our Training and Activity Centres in the New Forest and Clitheroe to the public as part of English Heritage Open Doors weekend. This gave us a chance to show off the architecture and also hold exhibitions that told the story of each property as well as their guiding heritage.

A Centenary exhibition in ICANDO London hosted many visits from Trefoil Guild members who met the Girlguiding UK Archivist and learned more about the guiding heritage history of their home area. Exhibition materials in the form of a series of posters were provided to every District to ensure that local heritage displays had a consistent and professional approach.

To celebrate World Thinking Day in our special Centenary year, 18,500 Girlguiding UK members joined together for a weekend in February full of excitement at ten festivals held in different locations across the UK. The festivals, called One World One Beat, were all based on the theme of performing arts from around the globe and included a variety of creative and challenging workshops. Each event gave members of all ages the chance to explore the world by taking part in a range of inspiring activities such as junk and body percussion, T'ai Chi, playing the didgeridoo, steel band music and African dancing.

The huge number of themed adventures helped to provide mountain-top moments for girls of all ages. Rainbows Go Wild events enabled 10,540 five- to seven-year-olds to enjoy a day out at the zoo or attend princess parties that included trips to castles or horse and carriage rides.

Big Brownie Takeovers enabled many Brownie units to offer a residential experience for the first time, and both our Training and Activity Centres and our Big Brownie Takeover partner PGL had to increase the number of events in order to cope with the huge demand. Vintage Railways provided Brownies Take Over the tracks events in many parts of the UK.

Our Great Guide Getaway partner Venture Abroad started the year with a trip to Switzerland for over 600 Guides. Other Guide Getaways included Winter Wonderland at Waddow Hall, Motor Mayhem at Foxlease and overseas adventures to Italy and Mexico. The

Branch Association in Gibraltar welcomed 50 Guides for a Rock on 100 experience, and almost 10,000 girls stayed overnight at Warwick Castle or Alton Towers.

For the Senior Section, Ultimate Adventures included Weekend City Adventures in Edinburgh, London and New York. Thirty five teams toured Europe as part of the Centenary Stampede: the challenge was to visit as many European cities as possible within a specified time and budget.

Small groups of adventurous young women visited the Arctic, Morocco, British Columbia, Botswana and the Falkland Islands, to name just a few. The Ultimate Tall Ship Voyage circumnavigated the UK in ten stages, with a new all-female crew joining the ship every ten days.

At the end of July Harewood House and our Centenary Camp sponsor, 'Welcome to Yorkshire', greeted 5,000 girls from the UK and overseas to a week's camp 'like you've never camped before'. Popular activities included fly fishing, caving and snow tubing - on real snow, delivered to the campsite especially for the event, much to the delight of girls from abroad who had never experienced snow!

Halfway through the week the campers were joined by over 230 coaches of excited girls and their Leaders (another 15,000 UK members) for Fusion, a spectacular open air performing arts festival, with 33 performance and activity areas, including a Big Top and a Dome stage. More than a hundred professional performance artists and acts filled the site. Members of all ages also had the chance to show off their talents in busking spots dotted around the site.

The Big Top saw acrobats, trapeze artists, jugglers and balancing acts from Circus Space amazing their audiences. Other attractions included the Fusion beach, where girls made hundreds of sandcastles, and the Geopods, an interactive science attraction.

The Centenary Maze at Crystal Palace Park in London continued to attract visitors from the UK and overseas. Girlguiding UK also had a big presence at the Hampton Court Flower Show. We displayed one of the premier show gardens, along with a selection of recycled containers and balcony gardens that our members had designed, grown and planted for the show.

The Centenary Garden was designed by award-winning garden designer Philippa Pearson, who met with various Girlguiding UK members to help her gain an insight into what it meant to be part of the UK's largest organisation for girls and young women. The garden was hugely popular with visitors, who were allowed to walk through the garden and enjoy all its elements.

The garden received two awards: a Silver-Gilt Medal and The People's Choice Award. There was also a new Guernsey clematis, 'Guiding Promise', launched at the show.

Guiding history was made when Girlguiding UK initiated and hosted the first Young Women's World Forum in October 2010 as part of our Centenary celebrations. With delegates from 60 countries and all five regions of WAGGGS (the World Association of Girl Guides and Girl Scouts), the forum focused on three of the UN Millennium Development Goals as voted for by WAGGGS members:

- ending poverty
- achieving gender equality
- environmental sustainability.

Prime Minister David Cameron visited the forum and gave the delegates some tips on how to attract the attention of politicians.

Over half a million girls and women marked the end of Girlguiding UK's Centenary on 20 October 2010 at 8:10pm (20:10 20/10 2010) by sharing a vision for the next 100 years of guiding. The aim of Vision was to bring all members of Girlguiding UK together to share one moment in time - a time for reflection on guiding's heritage and the fun of the Centenary year, as well as a time to explore our hopes and dreams for the future.

Members partied across the UK, with thousands tuning in to a special countdown and broadcast at 20:10 20/10 2010 led by the Chief Guide, Liz Burnley, with the participants from the Young Women's World Forum.

The Centenary Celebrations also had a significant effect on Trading Service's turnover and its financial contribution to Girlguiding UK. During the two-year period, over £4m worth of Centenary products were sold, and the surplus achieved from all Trading activities was £2.7m and £2.4m in 2009 and 2010 respectively. This equates approximately to an incremental rise of £1.2m over the two-year period. The sales increases were derived from a wide variety of products ranging from a Girlguiding UK Monopoly set to a simple Centenary 'sparkle' pencil; however, the list of bestselling lines was dominated by badges, which reaffirms the importance of such items to the Association's income.

Conclusion

Girlguiding UK is proud to serve girls and young women in the 21st century. The impact on the life of a girl in guiding is often replayed when they reach adulthood and recall where and when they acquired a particular skill or tried a new experience for the first time. 2010 was an extraordinary year for providing memorable life experiences for all members, and the Association is indebted to the thousands of volunteers who created the guiding experience for the first hundred years.

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.

THE GUIDE ASSOCIATION
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REPORT OF THE EXECUTIVE COMMITTEE OF THE COUNCIL

Environmental Statement

Girlguiding UK 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 £2,446,139, compared with £499,272 in 2009. Total gains on investments amounted to £1,108,993 compared with £1,247,533 in 2009.

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% (2009 - 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 CHQ building, the Trading Service premises and the Training and Activity Centres. £880,957 was spent on fixed assets in the year, including £226,653 on the GOI database system, £197,148 on CHQ building refurbishments, £219,585 on the Waddow Hall biomass boiler and £65,387 on a new telephony system.

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 & General Purposes Committee. Performance is benchmarked against appropriate performance indices.

Unrestricted capital fund investments were valued at £11,870,245 at 31 December 2010. £1,000,000 in cash was withdrawn from the portfolio during the year, meaning that the gain in market value of the investments from the £11,844,340 value at 31 December 2009 was £1,025,905.

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REPORT OF THE EXECUTIVE COMMITTEE OF THE COUNCIL

Reserves Policy

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

	2010	2009
	£'000	£'000
General Fund	9,805	9,345
Less: unrestricted fixed assets for The Association's use	(8,359)	(8,370)
Free Reserves	<u>1,446</u>	<u>975</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. The free reserves, as calculated above, represent two months of the expenditure from unrestricted funds, against a target of three months, which the Committee considers adequate for the time being. Free reserves represent about £54 for each guiding unit supported.

Designated Funds

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

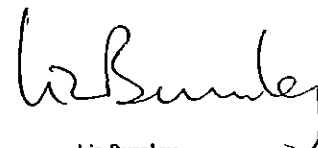
Financial Statements for 2010

The annual financial statements for 2010 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 6 April 2011 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 6 April 2011 and the Chief Guide was authorised to sign the report and financial statements on its behalf.



Liz Burnley
Chairman of Trustees
6 April 2011

THE GUIDE ASSOCIATION
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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 the charity and of the incoming resources and application of resources, including the net income or expenditure, of the group 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 estimates that are reasonable and prudent
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The Executive Committee is responsible for keeping accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable it to ensure that the financial statements comply with the Charities Act 1993, the Charities and Trustee Investment (Scotland) Act 2005 and regulations made under these acts. It is also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Executive Committee 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.

THE GUIDE ASSOCIATION
(Incorporated by Royal Charter)

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

We have audited the group and the parent charity financial statements ('the financial statements') of The Guide Association for the year ended 31 December 2010 which comprise the consolidated statement of financial activities, the parent charity statement of financial activities, the group and parent charity balance sheets, 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 regulations made under the Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and in accordance with regulations made under Section 44 of the Charities Act 1993. 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 Trustees' responsibilities statement, the Trustees are responsible for the preparation of the financial statements that 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 43 of the Charities Act 1993 and report in accordance with regulations made under those Acts. Our responsibility is to audit 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 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 Report of the Executive Committee of the Council 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

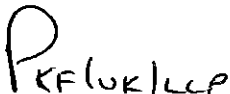
In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charity's affairs as at 31 December 2010 and of the group's and the 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, regulation 8 of the Charities Accounts (Scotland) Regulations 2006 and the Charities Act 1993 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 regulations made under the Charities Act 1993 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
- any information or explanation to which we are entitled has not been afforded to us.



PKF (UK) LLP
Statutory auditor
London, UK
6 April 2011

Eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

THE GUIDE ASSOCIATION
(Incorporated by Royal Charter)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2010

	Notes	Unrestricted funds £	Restricted funds £	Endowed funds £	2010 Total funds £	2009 Total funds £
Incoming resources						
Incoming resources from charitable activities						
Subscriptions		3,912,412	-	-	3,912,412	4,116,180
Members trading income	2	11,523,564	-	-	11,523,564	12,078,805
Investment income	3	304,539	50,677	10,611	365,827	389,598
Donations and legacies	4	158,937	259,905	-	418,842	385,155
Events income	5	2,630,170	-	-	2,630,170	563,803
The Big Lottery fund	6	-	-	-	-	153,671
Grants and other income	6	72,284	116,014	-	188,298	78,833
Total incoming resources		18,601,906	426,596	10,611	19,039,113	17,766,045
Resources expended						
Charitable expenditure:						
Activities in furtherance of The Association's objects	7	20,935,403	452,409	11,328	21,399,140	18,160,398
Governance costs	8	86,112	-	-	86,112	104,919
Total resources expended		21,021,515	452,409	11,328	21,485,252	18,265,317
Net outgoing resources for the year		(2,419,609)	(25,813)	(717)	(2,446,139)	(499,272)
Net gains on investments	11	1,025,905	65,359	17,729	1,108,993	1,247,533
Net movement in funds		(1,393,704)	39,546	17,012	(1,337,146)	748,261
Balances brought forward at 1 January 2010		23,102,735	2,771,907	263,115	26,137,757	25,389,496
Balances carried forward at 31 December 2010		21,709,031	2,811,453	280,127	24,800,611	26,137,757

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

THE GUIDE ASSOCIATION
(Incorporated by Royal Charter)

CHARITY STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2010

	Notes	Unrestricted funds £	Restricted funds £	Endowed funds £	2010 Total funds £	2009 Total funds £
Incoming resources						
Incoming resources from charitable activities						
Subscriptions		3,912,412	-	-	3,912,412	4,116,180
Members trading income	2	2,565,760	-	-	2,565,760	2,545,039
Investment income	3	304,539	50,677	10,611	365,827	389,598
Donations and legacies	4	158,937	259,905	-	418,842	385,155
Events income	5	2,630,170	-	-	2,630,170	563,803
The Big Lottery fund	6	-	-	-	-	153,671
Grants and other income	6	72,284	116,014	-	188,298	78,833
Donation from subsidiary		2,408,969	-	-	2,408,969	2,703,493
Total incoming resources		12,053,071	426,596	10,611	12,490,278	10,935,772
Resources expended						
Charitable expenditure:						
Activities in furtherance of The Association's objects	7	14,401,246	452,409	11,328	14,864,983	11,345,125
Governance costs	8	71,434	-	-	71,434	89,919
Total resources expended		14,472,680	452,409	11,328	14,936,417	11,435,044
Net outgoing resources for the year		(2,419,609)	(25,813)	(717)	(2,446,139)	(499,272)
Net gains on investments	11	1,025,905	65,359	17,729	1,108,993	1,247,533
Net movement in funds		(1,393,704)	39,546	17,012	(1,337,146)	748,261
Balances brought forward at 1 January 2010		23,102,735	2,771,907	263,115	26,137,757	25,389,496
Balances carried forward at 31 December 2010		21,709,031	2,811,453	280,127	24,800,611	26,137,757

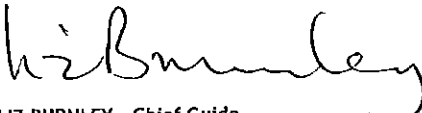
All gains and losses recognised in the year are included in the statement of financial activities.
All amounts arise from continuing activities.

THE GUIDE ASSOCIATION
(Incorporated by Royal Charter)

CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2010

	Notes		2010		2009
		£	£		£
Fixed assets					
Tangible fixed assets	10		9,516,525		9,506,782
Investments	11		13,393,481		13,289,490
			22,910,006		22,796,272
Current assets					
Stocks	13	1,405,236		1,667,203	
Debtors	14	1,046,359		2,841,952	
Short-term bank deposits		141,573		642,039	
Cash at bank and In hand		1,024,898		742,677	
		3,618,066		5,893,871	
Current liabilities					
Creditors due within one year	15	(1,439,027)		(2,314,198)	
Net current assets			2,179,039		3,579,673
Long term liabilities					
Creditors due after one year	16		(89,286)		-
Provisions for liabilities and charges	17		(199,148)		(238,188)
Net assets			24,800,611		26,137,757
Unrestricted funds	18				
<i>General funds</i>		9,805,348		9,344,793	
<i>Designated funds</i>					
Capital fund		10,870,245		11,844,340	
Growing Guiding fund		411,939		285,555	
Centenary fund		-		1,000,000	
Insurance fund		310,000		310,000	
TAC buildings fund		311,499		318,047	
			21,709,031		23,102,735
Restricted funds	19		2,811,453		2,771,907
Endowed funds	19		280,127		263,115
Total funds			24,800,611		26,137,757

Approved and authorised for issue by the Executive Committee on the 6th April 2011.


LIZ BURNLEY - Chief Guide

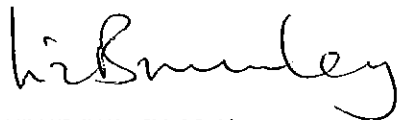

GRAHAM LITTLEWOOD - Honorary Treasurer

THE GUIDE ASSOCIATION
(Incorporated by Royal Charter)

CHARITY BALANCE SHEET AS AT 31 DECEMBER 2010

	Notes	2010		2009	
		£	£	£	£
Fixed assets					
Tangible fixed assets	10		9,516,525		9,506,782
Investments	11		13,543,481		13,439,490
			<u>23,060,006</u>		<u>22,946,272</u>
Current assets					
Stocks	13	67,292		83,734	
Debtors	14	2,685,784		4,115,901	
Short-term bank deposits		141,573		642,039	
Cash at bank and in hand		272,350		514,521	
		<u>3,166,999</u>		<u>5,356,195</u>	
Current liabilities					
Creditors due within one year	15	<u>(1,137,960)</u>		<u>(1,926,522)</u>	
Net current assets			2,029,039		3,429,673
Long term liabilities					
Creditors due after one year	16		(89,286)		-
Provisions for liabilities and charges	17		(199,148)		(238,188)
Net assets			<u>24,800,611</u>		<u>26,137,757</u>
Unrestricted funds	18				
<i>General funds</i>		9,805,348		9,344,793	
<i>Designated funds</i>					
Capital fund		10,870,245		11,844,340	
Growing Gulding fund		411,939		285,555	
Centenary fund		-		1,000,000	
Insurance fund		310,000		310,000	
TAC buildings fund		<u>311,499</u>		<u>318,047</u>	
			21,709,031		23,102,735
Restricted funds	19		2,811,453		2,771,907
Endowed funds	19		280,127		263,115
Total funds			<u>24,800,611</u>		<u>26,137,757</u>

Approved and authorised for issue by the Executive Committee on the 6th April 2011.



LIZ BURNLEY - Chief Guide



GRAHAM LITTLEWOOD - Honorary Treasurer

THE GUIDE ASSOCIATION
(Incorporated by Royal Charter)

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2010**

	2010	2009
	£	£
Net cash outflow from operating activities	(714,117)	(315,356)
Returns on investments and servicing of finance		
Investment income and interest received	365,827	389,598
Capital expenditure and financial investment		
Payments to acquire tangible fixed assets	(880,957)	(1,751,663)
Purchase of fixed asset investments	(4,393,683)	(2,489,691)
Sale of fixed asset investments	5,415,559	2,379,145
(Increase)/decrease in cash held for investment	(16,874)	114,544
Loan repayments received	6,000	-
	130,045	(1,747,665)
	(218,245)	(1,673,423)
Management of liquid resources		
Transfers from short-term bank deposits	500,466	1,615,866
Increase/(decrease) in cash	282,221	(57,557)

NOTES TO THE CASH FLOW STATEMENT

	2010	2009
	£	£
1. Reconciliation of net incoming resources to net cash inflow from operating activities		
Net outgoing resources for the year	(2,446,139)	(499,272)
Investment income	(365,827)	(389,598)
Depreciation	871,214	610,749
Decrease/(increase) in stocks	261,967	(187,273)
(Increase)/decrease debtors	1,789,593	(1,062,261)
(Decrease)/increase in creditors and provisions	(824,925)	1,212,299
Net cash outflow from operating activities	(714,117)	(315,356)

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

	2010	Change in year	2009	Change in year	2008
	£	£	£	£	£
Cash at bank and in hand	1,024,898	282,221	742,677	(57,557)	800,234

THE GUIDE ASSOCIATION
(Incorporated by Royal Charter)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2010

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, which is accounted for on an equity basis. 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 18 to the financial statements.

(d) Fund accounting - restricted and endowed funds

The Association's trust and special funds consist of a number of different funds where the donor has imposed restrictions on the use of the funds which are legally binding. The accounting records separate those restricted funds from the unrestricted funds of the Association, and also distinguish between those 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 19.

(e) Incoming resources

Trading income, investment income and grants are accounted for when due. Legacies are credited to incoming resources when the Association becomes entitled to the income and there is certainty of receipt and the amount is quantifiable. 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 fundraising costs.

THE GUIDE ASSOCIATION
(Incorporated by Royal Charter)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2010

ACCOUNTING POLICIES (CONT'D)

(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 - 10%

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) Liquid resources

Liquid resources comprise bank accounts where no more than one day's notice is required to make a withdrawal.

THE GUIDE ASSOCIATION
(Incorporated by Royal Charter)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2010

2 MEMBERS' TRADING INCOME	Unrestricted funds	Restricted funds	Endowed funds	Total 2010	Total 2009
	£	£	£	£	£
CONSOLIDATED					
Members' Trading Service	8,491,115	-	-	8,491,115	9,109,809
Training and Activity Centres	2,426,343	-	-	2,426,343	2,320,726
Magazines	80,183	-	-	80,183	127,943
Annuals	54,269	-	-	54,269	91,007
Licence fees and royalties	471,654	-	-	471,654	429,320
	11,523,564	-	-	11,523,564	12,078,805
CHARITY					
Training and Activity Centres				2,426,343	2,320,726
Magazines				80,183	127,943
Annuals				54,269	91,007
Licence fees and royalties				4,965	5,363
				2,565,760	2,545,039
3 INVESTMENT INCOME					
UK bonds and cash	93,349	17,854	3,716	114,919	133,209
UK equities	165,762	25,865	5,586	197,213	210,082
Property	43,334	5,913	1,277	50,524	42,529
Overseas equities	2,094	-	-	2,094	-
Interest on cash deposits	-	1,045	32	1,077	3,778
	304,539	50,677	10,611	365,827	389,598
4 DONATIONS AND LEGACIES					
Individual Donations	7,885	181,689	-	189,574	170,427
Legacies and In Memorial Donations	145,222	18,216	-	163,438	114,728
Trusts and Foundations	5,830	60,000	-	65,830	100,000
	158,937	259,905	-	418,842	385,155
5 EVENTS INCOME					
Centenary Events	2,593,532	-	-	2,593,532	93,843
Big Gig	-	-	-	-	447,772
Other charity events	36,638	-	-	36,638	22,188
	2,630,170	-	-	2,630,170	563,803
6 GRANTS AND OTHER INCOME					
Grants - Big Lottery Fund	-	-	-	-	153,671
Grants - DECC and EDF	-	116,014	-	116,014	-
Other income	72,284	-	-	72,284	78,833
	72,284	116,014	-	188,298	232,504

Grants received in the year were as follows: £86,014 from the Department for Environment and Climate Change and £30,000 from EDF Energy.

Both grants received were to part fund the construction of a biomass boiler at Waddow Hall Training and Activity Centre.

THE GUIDE ASSOCIATION
(Incorporated by Royal Charter)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2010

7 ACTIVITIES IN FURTHERANCE OF THE CHARITY'S OBJECTS	Staff costs	Other direct costs	Support costs	Total 2010	Total 2009
	£	£	£	£	£
CONSOLIDATED					
Members' trading					
Mall order and shops	943,494	4,906,689	694,914	6,545,097	6,790,270
Training and Activity Centres	1,184,263	1,609,145	8,797	2,802,205	2,585,209
Magazines	35,295	240,138	-	275,433	765,144
Annuals	-	55,920	-	55,920	55,491
Services for members					
Grow our membership	455,041	264,432	227,580	947,053	1,368,253
Provide good-quality programme experiences	615,703	226,268	244,820	1,086,791	1,209,220
Promote a flexible approach organisation wide	346,371	59,111	353,784	759,266	584,242
Streamline administration	190,568	64,589	249,129	504,286	734,010
Challenge public perception	505,128	211,686	307,043	1,023,857	955,092
Celebrate our centenary	783,250	4,036,209	227,580	5,047,039	1,813,219
Support the members	702,253	624,020	776,526	2,102,799	1,300,248
Other					
Diminution in value of legacy receivable	-	-	249,394	249,394	-
	5,761,366	12,298,207	3,339,567	21,399,140	18,160,398
CHARITY					
Members' trading					
Training and Activity Centres	1,184,263	1,663,700	8,797	2,856,760	2,665,611
Magazines	35,295	240,138	-	275,433	765,144
Annuals	-	55,920	-	55,920	55,491
Services for members					
Grow our membership	455,041	249,781	227,580	932,402	1,353,496
Provide good-quality programme experiences	615,703	211,617	244,820	1,072,140	1,194,463
Promote a flexible approach organisation wide	346,371	44,460	353,784	744,615	569,485
Streamline administration	190,568	49,938	249,129	489,635	719,253
Challenge public perception	505,128	197,035	307,043	1,009,206	940,335
Celebrate our centenary	783,250	4,082,593	227,580	5,093,423	1,798,464
Support the members	702,253	607,276	776,526	2,086,055	1,283,383
Other					
Diminution in value of legacy receivable	-	-	249,394	249,394	-
	4,817,872	7,402,458	2,644,653	14,864,983	11,345,125

Training and Activity Centres expenditure includes contributions totalling £119,820 (2009: £145,449) to the following Country Training Centres: Guides Cymru - £47,704 (2009: £64,900), The Guide Association Province of Ulster - £23,505 (2009: £29,059) and the Guide Association Scotland - £48,611 (2009: £52,490). Support costs have been allocated on an activity-based cost apportionment.

THE GUIDE ASSOCIATION
(Incorporated by Royal Charter)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2010

8 GOVERNANCE COSTS

	Unrestricted funds	Restricted funds	Endowed funds	Total 2010	Total 2009
	£	£	£	£	£
CONSOLIDATED					
Meeting costs	30,561	-	-	30,561	54,109
Consultants	20,000	-	-	20,000	15,000
Audit fees	34,700	-	-	34,700	35,400
Finance Administration	851	-	-	851	410
Total	86,112	-	-	86,112	104,919
CHARITY					
Meeting costs				30,561	54,109
Consultants				20,000	15,000
Audit fees				20,400	20,400
Finance Administration				473	410
Total				71,434	89,919

Costs include £35,551 (2009: £35,810) payable to our auditors. £34,700 (2009: £35,400) was in respect of audit fees and £851 (2009: £410) was paid in respect of other services.

9 STAFF NUMBERS AND REMUNERATION

	2010 Total staff costs	2009 Total staff costs
	£	£
Gross salaries and wages	5,095,371	5,044,334
Employers national insurance	493,093	452,527
Employers pension contribution	212,902	202,742
	5,761,366	5,699,603

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

	2010 No.	2009 No.
Members' trading	84	78
Services for members:		
Grow our membership	14	22
Provide good-quality programme experiences	25	22
Promote a flexible approach organisation wide	10	10
Streamline administration	7	24
Challenge public perception	17	14
Celebrate our centenary	19	22
Support the members	21	12
	197	204

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

	2010	2009
£60,001 - £70,000	2	2
£70,001 - £80,000	0	0
£80,001 - £90,000	1	1

Pension contributions of £21,465 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 £24,274 to 27 members. (2009: £22,979 to 26 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 £6,952 (2009: £3,913) in the year.

THE GUIDE ASSOCIATION
(Incorporated by Royal Charter)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2010

10 TANGIBLE FIXED ASSETS	Freehold land & buildings £	Long leasehold property £	Assets under construction £	Equipment fittings & vehicles £	Total £
Cost					
At 1 January 2010	7,187,121	129,318	255,605	7,874,019	15,446,063
Additions	1,206	-	219,585	660,166	880,957
Transfer between categories	475,190	-	(475,190)	-	-
At 31 December 2010	<u>7,663,517</u>	<u>129,318</u>	<u>-</u>	<u>8,534,185</u>	<u>16,327,020</u>
Accumulated depreciation					
At 1 January 2010	2,484,780	45,244	-	3,409,258	5,939,281
Provision for the year	155,807	3,341	-	712,066	871,214
At 31 December 2010	<u>2,640,587</u>	<u>48,585</u>	<u>-</u>	<u>4,121,324</u>	<u>6,810,495</u>
Net book amount					
At 31 December 2010	<u>5,022,930</u>	<u>80,733</u>	<u>-</u>	<u>4,412,861</u>	<u>9,516,525</u>
At 31 December 2009	<u>4,702,341</u>	<u>84,074</u>	<u>255,605</u>	<u>4,464,761</u>	<u>9,506,782</u>

All assets are used for direct charitable purposes.

11 INVESTMENTS	Unrestricted funds £	Restricted funds £	Endowed funds £	Total 2010 £	Total 2009 £
CONSOLIDATED					
Market value at 1 January 2010	11,788,970	1,153,610	248,277	13,190,857	11,832,778
Acquisitions at cost	4,012,983	312,277	68,423	4,393,683	2,489,691
Disposal proceeds	(5,026,834)	(319,752)	(68,973)	(5,415,559)	(2,379,145)
Net gain on revaluation of investments	1,025,905	65,359	17,729	1,108,993	1,247,533
Market value at 31 December 2010	<u>11,801,024</u>	<u>1,211,494</u>	<u>265,456</u>	<u>13,277,974</u>	<u>13,190,857</u>
Cash held for investment	69,221	45,375	911	115,507	98,633
Portfolio value at 31 December 2010	<u>11,870,245</u>	<u>1,256,869</u>	<u>266,367</u>	<u>13,393,481</u>	<u>13,289,490</u>
Historical cost at 31 December 2010	<u>10,719,962</u>	<u>1,200,272</u>	<u>253,966</u>	<u>12,174,200</u>	<u>12,844,725</u>

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 and 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 2010	Total 2009
UK bonds and cash	2,435,479	398,790	78,349	2,912,618	4,798,908
UK equities	6,286,269	618,373	135,495	7,040,137	5,309,958
Hedge funds	550,342	121,576	26,639	698,557	718,755
Property	832,450	118,130	25,884	976,464	601,640
Overseas equities	1,765,705	-	-	1,765,705	1,860,229
Total	<u>11,870,245</u>	<u>1,256,869</u>	<u>266,367</u>	<u>13,393,481</u>	<u>13,289,490</u>

CHARITY

Investments held by the charity also include an additional £150,000 (2009: £150,000) investment in the subsidiary company (note 22).

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12 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Tangible fixed assets	Investments	Net current assets	Total
	£	£	£	£
Endowed funds				
Country and Region funds	-	179,681	7,720	187,401
CHQ funds	-	86,686	6,040	92,726
Total Endowed funds	-	266,367	13,760	280,127
Restricted funds				
Country and Region funds	-	856,044	35,318	891,362
CHQ funds	-	241,753	188,906	430,659
TAC funds	1,157,989	157,805	169,572	1,485,366
Other funds	-	1,267	2,799	4,066
Total Restricted funds	1,157,989	1,256,869	396,595	2,811,453
Unrestricted funds				
General fund	8,358,536	1,000,000	446,812	9,805,348
Growing Gulding fund	-	-	411,939	411,939
Insurance fund	-	-	310,000	310,000
Designated TAC buildings fund	-	-	311,499	311,499
Capital fund	-	10,870,245	-	10,870,245
Total funds	9,516,525	13,393,481	1,890,605	24,800,611

13 STOCKS

	Unrestricted funds	Restricted funds	Endowed funds	Total 2010	Total 2009
	£	£	£	£	£
CONSOLIDATED					
Stocks for resale	1,376,721	-	-	1,376,721	1,638,986
Consumable stocks	28,515	-	-	28,515	28,217
	1,405,236	-	-	1,405,236	1,667,203

CHARITY

Stocks for resale	38,777	55,517
Consumable stocks	28,515	28,217
	67,292	83,734

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14 DEBTORS

	Unrestricted funds	Restricted funds	Endowed funds	Total 2010	Total 2009
	£	£	£	£	£
CONSOLIDATED					
Trade debtors	629,449	-	-	629,449	641,936
Other debtors	29,970	29,762	-	59,732	176,571
Prepayments and accrued income	321,068	-	-	321,068	1,033,627
VAT	21,110	-	-	21,110	62,910
Loans to Countries and Regions	15,000	-	-	15,000	21,000
Legacies receivable	-	-	-	-	905,908
	<u>1,016,597</u>	<u>29,762</u>	<u>-</u>	<u>1,046,359</u>	<u>2,841,952</u>
CHARITY					
Trade debtors				75,138	118,571
Amounts due from subsidiary *				2,196,208	1,867,148
Other debtors				57,260	106,737
Prepayments and accrued income				321,068	1,033,627
VAT				21,110	62,910
Loans to Countries and Regions				15,000	21,000
Legacies Receivable				-	905,908
				<u>2,685,784</u>	<u>4,115,901</u>

Loans to Countries and Regions amount to £15,000 (2009: £21,000) due from Guides Cymru, £12,000 of this loan falls due for repayment after more than one year (2009: £18,000).

* Amounts due from the wholly owned subsidiary comprise a £1,250,000 long-term loan and £946,208 being the balance of the 2010 donation. 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 and 2% over bank base rate for the short-term loan. (The short-term loan facility was not used during the year.)

15 CREDITORS DUE WITHIN ONE YEAR

	Unrestricted funds	Restricted funds	Endowed funds	Total 2010	Total 2009
	£	£	£	£	£
CONSOLIDATED					
Trade creditors	760,026	-	-	760,026	902,970
Deferred income	138,616	-	-	138,616	587,135
Accruals and other creditors	530,805	9,102	-	539,907	684,944
Income tax and national insurance	478	-	-	478	139,149
	<u>1,429,925</u>	<u>9,102</u>	<u>-</u>	<u>1,439,027</u>	<u>2,314,198</u>
CHARITY					
Trade creditors				602,334	717,883
Deferred Income				138,616	587,135
Accruals and other creditors				396,532	482,355
Income tax and national insurance				478	139,149
				<u>1,137,960</u>	<u>1,926,522</u>

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16 CREDITORS DUE AFTER ONE YEAR	Unrestricted funds	Restricted funds	Endowed funds	Total 2010	Total 2009
	£	£	£	£	£
CONSOLIDATED					
Accruals and other creditors	89,286	-	-	89,286	-
	<u>89,286</u>	<u>-</u>	<u>-</u>	<u>89,286</u>	<u>-</u>
CHARITY					
Accruals and other creditors				89,286	-
				<u>89,286</u>	<u>-</u>

An interest-free loan balance of £78,242 and interest-free purchase agreement balance of £11,044 are payable respectively to The Carbon Trust to help fund the Waddow Hall biomass boiler and Class Telecommunications Limited for the purchase of telephone equipment.

17 PROVISIONS FOR LIABILITIES AND CHARGES	Balance 1 January 2010	Paid during the year	Provision in the year	Balance 31 December 2010
	£	£	£	£
CONSOLIDATED AND CHARITY				
Self-insured claims provision	238,188	(89,212)	50,172	199,148

18 UNRESTRICTED FUNDS	Balance 1 January 2010	Transfers of expenditure	Designation out of General fund	Net Incoming resources/ investment gains	Balance 31 December 2010
	£	£	£	£	£
General fund	9,344,793	3,030,164	(150,000)	(2,419,609)	9,805,348
Capital fund	11,844,340	(2,000,000)	-	1,025,905	10,870,245
Growing Guiding fund	285,555	(23,616)	150,000	-	411,939
Centenary expenditure fund	1,000,000	(1,000,000)	-	-	-
Insurance fund	310,000	-	-	-	310,000
Designated TAC building fund	318,047	(6,548)	-	-	311,499
	<u>23,102,735</u>	<u>-</u>	<u>-</u>	<u>(1,393,704)</u>	<u>21,709,031</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. £2,000,000 of the Capital fund has been released to the General fund in 2010, following a resolution of the Executive Committee.

Growing Guiding fund

At 31 December 2006 the Executive Committee decided to designate the Project 50K fund balance of £150,000 to the Growing Guiding fund, which is used to fund recruitment and retention initiatives in the Countries and Regions. In future up to £150,000 will be designated every year from general fund donations received during the year. During 2010 costs of £23,616 were distributed in support of this fund.

Centenary expenditure fund

£1,000,000 of expenditure in 2010 has been allocated to the Centenary expenditure fund.

Designated Insurance fund

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

Designated TAC Building fund

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

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19 MOVEMENT IN ENDOWED AND RESTRICTED FUNDS

	Balance 1 January 2010	Transfers 2010	Incoming resources	Outgoing resources	Net investment gains	Balance 31 December 2010
	£	£	£	£	£	£
Endowed funds						
Country and Region funds	188,269	-	7,720	(7,211)	(1,377)	187,401
CHQ funds	74,846	-	2,891	(4,117)	19,106	92,726
	<u>263,115</u>	<u>-</u>	<u>10,611</u>	<u>(11,328)</u>	<u>17,729</u>	<u>280,127</u>
Restricted funds						
Country and Region funds	861,788	-	35,318	(33,371)	27,627	891,362
CHQ funds	507,944	-	116,538	(214,691)	20,868	430,659
TAC funds	1,397,819	-	270,351	(199,389)	16,585	1,485,366
Other funds	4,356	-	4,389	(4,958)	279	4,066
	<u>2,771,907</u>	<u>-</u>	<u>426,596</u>	<u>(452,409)</u>	<u>65,359</u>	<u>2,811,453</u>

Included in the restricted TAC funds is the restricted TAC Building Appeal fund that totals £1,157,989. This has been spent on building Group Adventure Houses at Foxlease, Waddow and Blackland Farm and will be amortised over the life of the new buildings. 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.

20 FINANCIAL COMMITMENTS

As at 31 December 2010 the Association had £173,500 capital expenditure to which it was financially committed (£279,405 in 2009).

As at 31 December 2010 the Association's subsidiary, The Guide Association Trading Service Limited, had entered into £2.97m (2009 £3.15m) of advance stock purchase orders with suppliers within the ordinary course of business.

21 OPERATING LEASE COMMITMENTS

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

	2010 £	2009 £
Leases:		
Expiring within 5 years	72,070	29,268

22 INVESTMENT IN SUBSIDIARY

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

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

During the year The Guide Association Trading Service Limited achieved sales of £8,606,705 (2009: £9,190,211) and a net profit of £2,408,969 (2009: £2,703,493) was donated under Gift Aid to the Association.

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23 CONNECTED CHARITIES

As explained in the report of the Executive Committee and note 1, The Guide Association is an umbrella organisation.

Countries and Regions, Counties, Divisions, Districts and units are responsible as separate charities for their own finances.

The Trefoil Guild is a connected charity established under the powers of The Guide Association Royal Charter. It is principally an organisation for persons over 18 who were members of the Guide and Scout Associations but are no longer actively connected with their respective Associations. The Chairman of the Trefoil Guild is appointed by the Executive Committee of The Guide Association. The Trefoil Guild manages its own finances and prepares its own Annual Report and financial statements.

Material transactions with connected charities are set out in notes 7 and 14.

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.