



# The Guide Association Scotland

Executive Report and Financial Statements  
for the year ended 31 December 2019

Scottish Charity Number SC005548

## SCOTTISH PRESIDENT

Mrs Linda Urquhart

## SCOTTISH EXECUTIVE COMMITTEE

Scottish Chief Commissioner

Dr. M McKenna

Deputy Scottish Chief Commissioners

Mrs G Fox  
Mrs C Morwood  
Miss L Millar

Honorary Treasurer

Mr B Lawrie

Chair, Business Management & Finance

Miss L Millar (retired 31.12.19)

Chair, Business Management & Finance

Mrs L Holden (appointed 01.01.20)

Chair, Guiding Delivery

Mrs A Mack

Chair, Growing Guiding

Mrs S MacNeil

Chair, Marketing & Communication

Mrs T Alexander

External

Mrs J White (retired 26.2.19)

External

Dr. M Winter (appointed 01.10.19)

Central region

Mrs J Coates

Highlands & Islands region

Mrs S Jamieson (appointed 01.01.19)

Lothian & Borders region

Mrs G Amos

South West region

Miss D Hope

Strathclyde region

Miss J Elborn

Grampian region

Mrs J Petrie (retired 18.01.20)

Grampian region

Mrs A Williams (appointed 19.1.20)

Nominated by members

Mrs H Welsh

Nominated by members

Mrs A Coyle

Member age 18-28

Ms E Swift (appointed 29.2.20)

Chief Executive

Mrs D Spence (non-voting)

## MANAGEMENT TEAM SENIOR STAFF

Chief Executive

Mrs D Spence

Head of Business Management & Finance

Miss K Gray

Guiding Delivery Manager

Mrs L Wright

Membership Development Manager

Miss L Henderson

Marketing and Communications Manager

Mrs C Fox McKay

Netherurd Centre Manager

Miss J Lowe (until 31.07.19)

Netherurd Centre Manager

Miss S Crocombe (from 08.08.19)

## SCOTTISH HEADQUARTERS

16 Coates Crescent, Edinburgh, EH3 7AH

## ADVISERS

**Independent External Auditor**

Saffery Champness LLP

Edinburgh Quay

133 Fountainbridge

Edinburgh

EH3 9BA

**Solicitor**

Lindsays WS

Caledonian Exchange

19a Canning Street

Edinburgh

EH3 8HE

**Investment Manager**

Brewin Dolphin

6<sup>th</sup> Floor, Atria One

144 Morrison Street

Edinburgh

EH3 8EX

**Banker**

The Royal Bank of Scotland

142-144 Princes Street

Edinburgh

EH2 4EQ

**Banker**

Shawbrook Bank Limited

Lutea House

Waverley Hill Business Park

The Drive Great Warley

Brentwood

CM13 3BE

**Banker**

Virgin Money

Jubilee House

Gosforth

Newcastle upon

Tyne

NE3 4PL



# The Guide Association Scotland

## Report of the Executive Committee

The trustees of Girlguiding Scotland are pleased to present their report and the financial statements for the year ended 31 December 2019.

The financial statements which follow reflect the activities under the control of the Guide Association Scotland but exclude the financial activities of the Girlguiding Scotland counties (all of which are registered as separate charitable bodies), divisions, districts and units.

## About Girlguiding Scotland

45,000 girls and young women

11,500 amazing volunteers

38 Counties

3,000+ Units

Girlguiding Scotland is Scotland's leading charity for girls and young women, helping 45,000 young members grow in confidence, reach for the stars, have fun and change the world.

As one of nine countries and regions that make up Girlguiding in the UK, we share the same vision, mission and values.

**Our vision:** an equal world, where girls can make a positive difference, be happy, safe, and fulfil their potential.

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

**Our values:** Caring, challenging, empowering, fun, inclusive, inspiring.

## 2019 aims and objectives

2019 was a milestone year, as Girlguiding Scotland launched a three-year strategic plan to achieve our vision of making Scotland the best place for girls and young women to grow up.

The strategy is focused on how we play our part in creating a more equal world where all girls can make a positive difference, be happy, safe and fulfil their potential. To help us maximise the positive impact of our work across the whole of Scotland, here's four key areas we're focusing on:

### Access

Give more girls and adults across Scotland the opportunity to access the benefits of guiding.

### Excellence

Improve the excellence of our programme offer and delivery.

### Voice

Improve how we listen to and promote the voice of girls and young women.

### Capacity

Build our resilience by improving our structures, processes and capacity to deliver incredible experiences for our members.



# The Guide Association Scotland

## Report of the Executive Committee

### Access

We want to make sure that every girl in Scotland – whoever she is and wherever she is from – is offered the very best opportunities to realise her potential and make a difference in the world. Research shows that young people who spend at least three years as part of a uniformed organisation receive life-long benefits, and in 2019 we took steps to improve access to guiding across Scotland.

Identifying more volunteers to deliver the programmes locally is a key priority for improving access. We leveraged the interest in Girlguiding's online recruitment campaign by running a complementary Scottish campaign. As part of this work our counties received materials to support recruitment and outreach activities across Scotland, while we also trialled bus advertising for the first time in 3 cities. This campaign increased our brand awareness and raised our profile, subsequently growing our membership.

#### The Gannochy Trust and Generation CashBack

The Gannochy Trust and Generation CashBack funding has supported us to take bold action to improve access to Girlguiding Scotland, through development work in communities and by funding local growth projects and flexible guiding initiatives. CashBack also directly funded the work of our Development Officer Kara who built on previously successful work in Glasgow to grow guiding in 2019.

Key learning from these projects is also being harnessed to develop our overall approach to improving access to guiding and addressing our waiting lists going forward at a local level.



#### Meet Kara, Girlguiding Scotland's Development Officer

"My role is to work with guide and ranger units – either starting new units or expanding existing offers in areas of deprivation in Edinburgh and in other parts of Scotland. This covers everything from introducing guiding to girls and finding and training volunteers to lead them.

Thanks to Cashback funding, the 2<sup>nd</sup> Forth Rangers in Granton were given the chance to take part in residential opportunities offered by Girlguiding Scotland. Plus, their leaders were supported to start the training required to take girls away on their own.

In Niddrie, where no local guiding existed, with the support of a local councilwoman, a church that provides the venue and promotion from local community organisations all came together and we opened the 82<sup>nd</sup> Brownie and Guide units. Cashback grants support the expenses of starting new units and can help fund practical things like uniforms, badges and first aid training. Seeing new volunteers and Guides join in for the first time is a great feeling and we've already had a request to start a Rainbow unit!

I'm a Guide Leader myself and my experience of running units helps me understand what volunteers need and provide that support. Ultimately, helping Girlguiding empower more girls and young women is what drives me, and it's thanks to the commitment of volunteers that we're able to deliver our engaging programme."



# The Guide Association Scotland Report of the Executive Committee

## Excellence

The world for girls and young women is rapidly changing. In order to continue offering a first-class, modern programme that reflects their needs, we need to keep listening and responding to them. Work to improve the excellence of our programme is focused on providing incredible experiences for girls and supporting our volunteers to do the same.

### Scottish Roadshows

Our roadshows were the headline learning and development events of the year, supporting more than 700 adult volunteers across the country to make an even bigger impact on the lives of girls and young women. Over 90 volunteers helped deliver the events in Inverness, Stirling, Aberdeen, Glasgow, Prestwick and Edinburgh, which gave members a chance to find out more about the programme, try out activities and discover the sheer amount of opportunities available here at Girlguiding Scotland. Wider training was also on offer, including specialist sessions for commissioners and even a 'Living Library' where members spoke to advisors from all areas of guiding and got the support they needed.

### Tartan Gig 2019

Tartan Gig 2019 was the biggest event ever run exclusively for our members. More than 10,000 girls joined us to see James Arthur, Becky Hill, Lewis Capaldi and more take the stage at the Glasgow SSE Hydro, with many telling us this was their first ever live pop concert. The enthusiasm and fun from the day was contagious, and 99% of girls said they would attend again.

### World Thinking Day

Our annual World Thinking Day celebration saw over 1,300 members age 5 and up take part in our Wander the World Wide Game across Edinburgh. The girls took on a selfie challenge visiting local Landmarks like the Scottish Parliament, and took part in international-themed activities across the city, like Bollywood dancing, African drumming, yoga, circus skills and crafts.

### Digital Scotland Challenge

Our research shows that the majority of girls and young women think STEM subjects are more for boys to be enjoyed and it's time for change. We teamed up with Education Scotland and Skills Development Scotland on the Digital Scotland Challenge designed to help girls explore the world of coding, algorithms, creativity and design as well as highlighting career options in the STEM industry.

### International

At an international level, we saw 132 girls take part in 7 trips to destinations around the globe, including Lesotho, Mexico and the US. Our annual international trips give our members the chance to travel the world, explore different cultures and gain a different perspective to ultimately help them grow as a person. Girls achieved this through teaching, getting involved in different local communities, sharing fun-filled Girlguiding activities and learning new skills along the way.





# The Guide Association Scotland Report of the Executive Committee

## Tartan Gig



## World Thinking Day in Edinburgh



## 2019 Roadshows



# The Guide Association Scotland Report of the Executive Committee

## Voice

We are constantly keeping on top of the issues that matter to girls and young women in their everyday lives. This is demonstrated through our advocacy and research work.

### Girls in Scotland 2018

Capturing the views from over 500 girls in Scotland, our Girls in Scotland 2018 research revealed what it's like growing up as a girl in Scotland in today, the pressures they face and the changes they'd like to see. These findings have and continue to inform our campaign work and policy positions, and to highlight issues affecting girls and young women in Scotland across 2019.

We want to show girls and young women that their voices matter and we do this by involving them in decision-making at every level and reflecting their priorities, needs and opinions in all that we do.

### Speak Out

Speak Out is Girlguiding Scotland's youth voice. Launched as part of Year of Young People in 2018, Speak Out is a forum for members aged 14-25 to speak about issues that affect girls and young women and influence our advocacy work in Scotland.

We recruited ten Speak Out Champions who met three times throughout 2019, including an overnight residential, to take part in training opportunities, campaign design sessions and meetings with decision makers. The Champions also act as spokespeople and have engaged in numerous press and radio requests on key issues affecting girls and young women, such as ending period poverty.

As our profile grows in this sphere, we are able to provide more opportunities for girls and young women to get involved.



### Spotlight on Girlguiding Scotland PRAs

Across Scotland we have 44 County Communications and PR Advisers (PRAs) sharing our stories to ensure communities can see the benefits of guiding for girls and their local communities. This network is focused on raising each county's profile across the press and social media.



# The Guide Association Scotland Report of the Executive Committee

## Speak Out



## Girlguiding at the Scottish Youth Parliament





# The Guide Association Scotland

## Report of the Executive Committee

### Capacity

Our new strategy launched in 2019, setting out our vision for the next three years and the steps we'll take to make sure every girl in Scotland has the opportunity to join in the fun and adventure of Girlguiding. We celebrated with a special event to mark the occasion at our training and activity centre in the Borders, Netherurd.

### Governance

The self-evaluation with each county executive committee was completed in 2019, which identified their operational strengths and weaknesses. Key learnings were filtered down into a final report highlighting best practice. These evaluations prompted trustees to impose a minimum size on counties, and in turn some counties have now begun discussing merging, in order to better support leaders at the unit level to provide excellent experiences for girls.

Following the end of Joyce White's 3-year term as external trustee, we appointed Mike Winter to the post, a recently retired senior health professional. We welcome him and his extensive experience in charity governance to the board.

### SHQ

To make sure we're best placed to support members going forward, we began a digital transformation project. This focused on developing a new website, improving our connectivity and developing our capacity for video conferencing. The office itself was also updated to be a more welcoming and a fit-for-purpose space to welcome volunteers and visitors

### Fundraising role

We appointed a part-time fundraiser also allowed us to concentrate on developing new income streams, fundraising challenge events and grant funding, in addition to our regular major funding rounds from government. Within three months of this appointment our first challenge event, a zip wire across the Clyde, brought together our supporters to raise vital funds for Girlguiding Scotland's work.

### Netherurd

After more than 20 years' service at Netherurd, we said farewell to the centre manager, Janice and welcomed a new centre manager, Sarah Crocombe in August. The team continue to identify and run events for members, including the Holiday in the House booking package to support busy leaders, and to offer exciting fun days like 'Under the Stars' to girls in different sections.

Slower progress was made developing other streams of business, such as schools and other youth group bookings, and this work will be key to the development of our business and marketing plan going forward.

### Retail

2019 saw the best annual performance for retail in a decade, built on an increased demand for programme resources and badges and supplemented by product sales supporting our own programme offer, including challenge packs developed with external partners.



# The Guide Association Scotland

## Report of the Executive Committee

### Financial review

#### The statement of financial activities (SoFA)

Income and expenditure for the year are detailed in the SoFA, together with net gains and losses on investment. These are shown separately for unrestricted funds, which may be used at the discretion of the Scottish executive committee, and restricted funds which must be spent in accordance with donor wishes.

The net unrestricted income surplus for the year was £350,699. Total unrestricted income was up by over £602,000 due to the Tartan Gig and a substantial legacy. The £282,000 plus increase in unrestricted expenditure reflects the direct costs associated with the Tartan Gig. As investments are held at market value the volatility of the stock markets at the year end is reflected in a £81,116 gain in 2019 compared to a loss of £45,344 in 2018. Additional funds have been designated towards IT investment and implementation of the county governance review recommendations including proposed merger activity.

The restricted net income was £37,397 and includes a £40,000 donation for improvements at Netherurd.

#### Balance sheet

The association holds various tangible fixed assets to support its activities. These are the headquarters building in Edinburgh, the shop in Glasgow and our training and activity centre in the Borders. There were no major additions in the year.

#### Investment policy and performance

Almost £500,000 of the charity's reserves has been invested. These are held to provide investment income for day to day running costs and fund strategically important projects in the future. A professional fund management company is employed to manage the funds and its performance is reviewed by the Business Management and Finance committee. Performance is benchmarked against appropriate performance indices. Investments were valued at £635,113 at 31 December 2019 reflecting a cumulative unrealised gain of £145,503.

#### Fundraising

The Guide Association Scotland's activities are funded predominantly by subscriptions from members, surpluses from trading in the shops, and grant assistance and other sources of income including legacies, as disclosed in the SoFA.

Girlguiding Scotland records its thanks to funders who supported our work during the year: The Scottish Government through the Children, Young People & Families Early Intervention Fund, National Voluntary Youth Organisations Support Fund (NVYOSF) and the Cashback for Communities Fund have helped guiding locally and nationally to build capacity, The Gannochy Trust, and Girlguiding for funding to support safe space training in Scotland.

#### Reserves policy

Reserves are classified as unrestricted general income funds, unrestricted designated funds, restricted or endowed funds defined as follows:

General funds may be used by The Guide Association Scotland at the discretion of the Scottish executive committee to meet future capital or revenue expenditure.

Unrestricted designated funds may be expended in furtherance of the objectives of The Guide Association Scotland at the discretion of the Scottish executive committee.



# The Guide Association Scotland

## Report of the Executive Committee

Restricted funds may be used subject to specific restrictions that may have been imposed by the donor or in terms of restrictive wording of an appeal. The restricted funds are analysed over the individual funds. Endowed funds are retained and invested in furtherance of charitable purposes.

Based on working capital needs and an assessment of income security, stock market volatility, property asset and trading risks, the Scottish executive committee considers that the minimum target for the general funds 'free reserves' should be £600,000 which represents five months' operational expenditure. The current level of free reserves represents eight months. The executive committee has considered potential uses for the substantive legacy received during the year. However, in light of the post year end COVID-19 pandemic these plans have been deferred until the financial implications of the pandemic are known. The trustees have taken post year end action to minimise the impact and preserve resources.

## Structure, governance and management

### Organisational structure and decision making

The Guide Association nationally (Girlguiding) is incorporated under a Royal Charter that gives powers to form area Associations of which Scotland is one. The Guide Association Scotland conducts its activities under a Constitution for Scotland dated 11 April 2002, which has been approved by the Guide Association and which describes the organisation of guiding in Scotland. The Guide Association Scotland utilises the operating name of Girlguiding Scotland. The Guide Association Scotland is a recognised Scottish Charity registered under charity number SC005548.

The Guide Association Scotland is governed by the Scottish executive committee who has responsibility for the decisions of the Association and has delegated its authority in specific areas to the following sub committees and working groups under individual terms of reference:

- Business Management & Finance
- Guiding Delivery
- Marketing & Communications
- Growth Working Group
- Awards
- Concerns Support Team

Each new member of the Scottish executive committee and sub-committees is offered an induction programme at the time of appointment. The induction is held at Scottish headquarters and is arranged by the chief executive. The induction includes information about the purpose, status and structure of the Guide Association Scotland, as well as the legal and financial duties of the executive committee and the trustees' role.

### Key management

The Scottish executive committee is also authorised to appoint and delegate authority to the chief executive to implement policy. The chief executive is authorised to take appropriate financial and operational management responsibility to act within the terms of the business plan and budget. The arrangements for setting the pay of the chief executive are the responsibility of the Scottish chief commissioner in consultation with other senior executive committee members using an external adviser to provide charity sector benchmarking information.

# The Guide Association Scotland

## Report of the Executive Committee

### **Risk management**

The strategic risks for Girlguiding Scotland for 2020 are linked to: strengthening effective governance at national and county level; ongoing challenges associated with growing the overall membership; careful monitoring of business performance at Netherurd as the five year agreed plan of investment and support would be coming to an end and maintaining existing income streams as well as accessing new ones where possible.

In operational terms additional key areas for 2020 include inter alia risks associated with completing the safe space training required of all volunteers.

### **Concerns management**

Concerns are managed in line with a national Girlguiding framework of policies and processes for reporting and managing safeguarding, compliance and complaint matters through UK headquarters in London. The Girlguiding Scotland concerns support team role is to provide direct support to counties to help them to investigate and resolve concerns and complaints locally. Support is also provided by Scottish headquarters to report notifiable events to the Office of the Scottish Charity Regulator (OSCR). The concerns support team reports annually to the Scottish executive committee.

### **Volunteers**

The Guide Association Scotland is grateful for the dedication and support of our 11,500 volunteers across Scotland who give their time and energy to help our girls and young women to achieve their potential, make a difference and be their best. It is estimated that each volunteer gave on average 130 hours of their time throughout the year. Using a qualified youth worker rate of pay, this would cost more than £15 million per annum.

### **Connected bodies**

The Guide Association Scotland forms part of the Guide Association to whom Scottish members pay an annual subscription. In addition, the Guide Association Scotland purchases uniforms, publications etc. from Girlguiding Trading Service. These are acquired on an arm's length trading basis and are reflected through the SoFA. Girlguiding has also provided funding for delivering diversity and legal support during the year.

### **Auditor**

Saffery Champness LLP was appointed auditor for the year ended 31<sup>st</sup> December 2019 at the Scottish executive committee meeting held on 1 June 2019.



# Statement of Responsibilities of the Executive of The Guide Association Scotland

The Scottish executive committee is required to prepare financial statements for each financial year, which give a true and fair view of the state of affairs and of the surplus or deficit of The Guide Association Scotland for that period. In so doing, the Scottish executive committee is required to:

- i. Select suitable accounting policies and then apply them consistently
- ii. Observe the methods and principles in the Charities SORP
- iii. Make judgements and estimates that are reasonable and prudent
- iv. State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- v. Prepare the financial statements on the going concern basis unless it is inappropriate to assume that the Guide Association Scotland will continue in business.

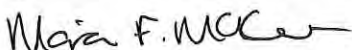
The Scottish executive committee is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of The Guide Association Scotland and enable the Scottish executive committee to ensure that the financial statements comply with the Charities & Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Statement of Recommended Practice, and the constitution of the charity. The Scottish executive committee also has a responsibility for safeguarding the assets of The Guide Association Scotland and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

To the knowledge and belief of each of the persons who are executive committee members at the time the report is approved:

- So far as the executive committee member is aware, there is no relevant information of which the association's auditor is unaware, and
- He/she has taken all the steps that he/she ought to have taken as an executive committee member in order to make himself/herself aware of any relevant audit information, and to establish that the association's auditor is aware of the information.

By order of the Scottish executive committee  
16 Coates Crescent  
Edinburgh EH3 7AH

Approved by the Scottish executive committee on 6 June 2020  
Authorised to sign on their behalf



Dr M McKenna  
Scottish Chief Commissioner



## Opinion

We have audited the financial statements of The Guide Association Scotland for the year ended 31 December 2019 which comprise statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2019 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

## Basis for opinion

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

## Conclusions relating to going concern

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

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

## Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.



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

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

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

### Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 12, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditors under the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with regulations made under that Act.

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

### Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the trustees those matters we are required to state to them in an auditors' 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 trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Saffery Champness LLP  
Chartered Accountants  
Statutory Auditors



Edinburgh Quay  
133 Fountainbridge  
Edinburgh  
EH3 9BA

6 June 2020

Saffery Champness LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

**THE GUIDE ASSOCIATION SCOTLAND**  
**STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2019**

		Unrestricted Funds		Restricted	Endowment	2019 Total Funds	2018 Total Funds
	Notes	General	Designated				
		£	£	£	£	£	£
<b>Incoming and endowments from:</b>							
Donations & legacies	3	333,875	26,491	77,164	-	437,530	91,662
Charitable Activities							
Subscriptions		756,231	-	-	-	756,231	660,948
Trading income	4	1,329,707	-	-	-	1,329,707	1,377,656
Events & trips income	5	458,084	-	-	-	458,084	234,975
Grants & other income	6	15,353	10,723	180,236	-	206,312	199,097
Investments	7	16,134	4,737	-	-	20,871	18,811
<b>Total</b>		<b>2,909,384</b>	<b>41,951</b>	<b>257,400</b>	<b>-</b>	<b>3,208,735</b>	<b>2,583,149</b>
<b>Expenditure on:</b>							
Raising funds	8	7,276	8,526	-	-	15,802	8,938
Charitable activities	9-11	2,517,720	148,230	220,003	-	2,885,953	2,609,170
<b>Total</b>		<b>2,524,996</b>	<b>156,756</b>	<b>220,003</b>	<b>-</b>	<b>2,901,755</b>	<b>2,618,108</b>
Net gain/(loss) on investments		60,261	20,855	-	-	81,116	(45,344)
<b>Net income/(expenditure)</b>		<b>444,649</b>	<b>(93,950)</b>	<b>37,397</b>	<b>-</b>	<b>388,096</b>	<b>(80,303)</b>
Transfers between funds		(35,000)	76,000	(41,000)	-	-	-
<b>Net Movement in Funds</b>		<b>409,649</b>	<b>(17,950)</b>	<b>(3,603)</b>	<b>-</b>	<b>388,096</b>	<b>(80,303)</b>
Total funds at start of year		694,756	1,400,938	73,113	126,970	2,295,777	2,376,080
<b>Total funds at end of year</b>		<b>1,104,405</b>	<b>1,382,988</b>	<b>69,510</b>	<b>126,970</b>	<b>2,683,873</b>	<b>2,295,777</b>

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure was derived from continuing activities.

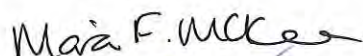
The notes on pages 18 to 30 form part of these financial statements.



**THE GUIDE ASSOCIATION SCOTLAND**  
**BALANCE SHEET AS AT 31 DECEMBER 2019**

	Notes	2019	2018
		£	£
<b>Fixed assets</b>			
Tangible assets	12	1,185,389	1,195,103
Investments	13	635,113	558,857
		<u>1,820,502</u>	<u>1,753,960</u>
<b>Current assets</b>			
Stocks	14	104,431	108,735
Debtors	15	107,772	335,355
Cash at bank and in hand	16	928,656	466,486
		<u>1,140,859</u>	<u>910,576</u>
<b>Liabilities</b>			
Creditors falling due within one year	17,18	277,488	368,759
<b>Net current assets</b>		863,371	541,817
<b>Net assets</b>		<u>2,683,873</u>	<u>2,295,777</u>
<b>The funds of the charity</b>			
Unrestricted income funds	20,22	1,104,405	694,756
Unrestricted designated income funds	21,22	1,382,988	1,400,938
Restricted income funds	21,22	69,510	73,113
Endowment fund	21,22	126,970	126,970
<b>Total charity funds</b>		<u>2,683,873</u>	<u>2,295,777</u>

The financial statements were approved and authorised for issue by the Scottish executive committee on 6 June 2020 and signed on its behalf by:



Dr M McKenna, Scottish Chief Commissioner



E B Lawrie, Honorary Treasurer

The notes on pages 18 to 30 form part of these financial statements.



**THE GUIDE ASSOCIATION SCOTLAND**  
**STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 31 DECEMBER 2019**

	Notes	2019	2018
		£	£
Cash flows from operating activities	25	512,622	(36,707)
Cash flows from investing activities			
Dividends and interest		20,871	18,811
Purchase of property, plant & equipment		(76,498)	(359)
Disposal of investments		42,091	83,177
Purchase of investments		(36,916)	(76,684)
Net cash from/(used in) investing activities		<u>(50,452)</u>	<u>24,945</u>
Change in cash and cash equivalents in the year		462,170	(11,762)
Cash and cash equivalents at beginning of year		<u>466,486</u>	<u>478,248</u>
Cash & equivalents at end of year	16	<u><u>928,656</u></u>	<u><u>466,486</u></u>



## 1. ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

### **A) BASIS OF PREPARATION**

The financial statements have been prepared in accordance with the Financial Reporting Standard 102 (FRS102), as issued by the Financial Reporting Council (effective 1 January 2015), the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). The Guide Association Scotland meets the definition of a public benefit entity under FRS102. The statements are prepared on the historical cost basis, except for investments which have been included at fair value. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

These financial statements are presented in pounds sterling (GBP) as that is the currency in which transactions are denominated.

### **B) CRITICAL JUDGEMENTS AND ESTIMATES**

In preparing the financial statements the executive committee makes estimates and assumptions which affect reported results, financial position and disclosure of contingencies. Use of available information and application of judgement are inherent in the formation of the estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates. At the year-end there are no areas where critical judgements or material estimates have been made.

### **C) GOING CONCERN**

Based on the security of membership subscription income, confirmation of core grant income until March 2021, ongoing promotion of retail and Netherurd, and the availability of adequate free reserves, the Scottish executive committee are of the view that the future of the charity is secure for at least the next 12 to 18 months and that on this basis the charity is a going concern. For a further explanation read note 27.

### **D) FUND ACCOUNTING**

Unrestricted funds are available to spend on activities that further any of the purposes of the Guide Association Scotland. Designated funds are unrestricted funds which the executive committee has decided to set aside for specific purposes. Restricted funds are income where the donor has imposed restrictions on the use of the funds. Details on the purpose and use of these funds are shown in note 21 to the financial statements. The Webster fund is endowed where the capital must remain intact. The income from this fund is designated.

### **E) INCOME**

Income is recognised when entitled, measurable and receipt is probable. Subscriptions run for a calendar year and are recognised when due. Income from government and other grant providers is recognised when the grant has been awarded and any performance conditions have been met. Retail income is recognised at point of sale, and income receivable for use of the Netherurd facilities is recognised when the facilities are used. Investment income is recognised when due. Interest is recognised using the effective interest rate applicable to the asset and dividend income is recognised when declared. Legacies are recognised when the Guide Association Scotland becomes entitled to the income and it is probable that it will be received and the amount is quantifiable. Entitlement to a legacy exists when there is sufficient evidence that gift has been left and the executor is satisfied that it is not required to settle claims on the estate. Other income is recognised when received.



**F) EXPENDITURE AND BASIS OF ALLOCATION**

Expenditure is recognised on an accruals basis when the Guide Association Scotland has entered into a legal or constructive obligation and is related where practicable to the Association's charitable activities.

Cost of raising funds comprises investment management costs and direct costs associated with Friends of Netherurd and Girlguiding Scotland fundraising activities.

Charitable expenditure includes direct and support costs associated with the four themes contained in the Association's 2019-2021 Being Our Best Strategic Plan together with Retail and Netherurd trading activities.

**G) INVESTMENTS**

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

The gain or loss arising on the disposal of an investment asset is the difference between the sales proceeds and the carrying value of the asset and is recognised in the SOFA.

**H) TANGIBLE FIXED ASSETS**

Individual assets costing over £2,500 are capitalised at cost. Part of the cost of heritable property comprises land and it is not practicable to allocate the cost between land and buildings.

Depreciation is charged on tangible fixed assets on a straight line basis to write off the cost, over their estimated useful lives. The principal rates of depreciation are:-

Heritable properties	- 2% to 6.67%
Furniture & fittings	- 10%
IT equipment	- 20%
Motor vehicles	- 25%

**I) STOCK**

Stocks of goods for resale are valued at the lower of cost and net realisable value. Provision is made for obsolete or slow moving stock where appropriate.

**J) DEBTORS**

Trade debtors are amounts due from customers for merchandise sold or services performed. Trade debtors are recognised at the undiscounted amount of cash receivable, which is normally invoice price, less any allowances for doubtful debts.

**K) CASH AND CASH EQUIVALENTS**

Cash and cash equivalents consist of cash on hand and balances with banks and are measured at fair value.

**L) CREDITORS**

Trade creditors are obligations to pay for goods or services that have been acquired. They are recognised at the undiscounted amount owed to the supplier, which is normally the invoice price.

**M) FINANCIAL ASSETS AND FINANCIAL LIABILITIES**

Financial instruments are recognised in the statement of financial activities when the Guide Association Scotland becomes a party to the contractual provisions of the instrument. Financial instruments are initially measured at transaction price and subsequently accounted for as set out below.

Financial instruments are classified as basic in accordance with Chapter 11 of FRS102. At the end of each reporting period, financial instruments are measured at amortised cost using the effective interest rate method. Where the fair value cannot be reliably measured, they are recognised at cost less impairment.

Financial assets are derecognised when the contractual rights to the cash flows from the asset expire, or when the Guide Association Scotland has transferred substantially all the risks and rewards of ownership. Financial liabilities are derecognised only once the liability has been extinguished through discharge, cancellation or expiry.

**N) PENSIONS**

The Guide Association Scotland operates a defined contribution pension scheme for staff with NEST. A number of employees are members of the Girlguiding defined contribution pension scheme with Scottish Widows. The pension charge represents the amounts payable to these schemes in respect of the year.

**O) OPERATING LEASES**

Rentals applicable to operating leases are charged to the Statement of Financial Activities on a straight line basis over the term of the lease.



## 2. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted Funds		Restricted	Endowment	2018 Total Funds
	General	Designated			
	£	£	£	£	£
<b>Incoming and endowments from:</b>					
Donations & legacies	11,104	28,271	52,287	-	91,662
Charitable Activities					
Subscriptions	660,948	-	-	-	660,948
Trading income	1,377,656	-	-	-	1,377,656
Events & trips income	234,735	-	240	-	234,975
Grants & other income	8,552	5,631	184,914	-	199,097
Investments	14,400	4,411	-	-	18,811
<b>Total</b>	<b>2,307,395</b>	<b>38,313</b>	<b>237,441</b>	<b>-</b>	<b>2,583,149</b>
<b>Expenditure on:</b>					
Raising funds	4,790	4,148	-	-	8,938
Charitable activities	2,281,975	107,321	219,874	-	2,609,170
<b>Total</b>	<b>2,286,765</b>	<b>111,469</b>	<b>219,874</b>	<b>-</b>	<b>2,618,108</b>
Net (loss)/gain on investments	(33,709)	(11,635)	-	-	(45,344)
<b>Net income/(expenditure)</b>	<b>(13,079)</b>	<b>(84,791)</b>	<b>17,567</b>	<b>-</b>	<b>(80,303)</b>
Transfers between funds	(12,500)	12,500	-	-	-
<b>Net Movement in Funds</b>	<b>(25,579)</b>	<b>(72,291)</b>	<b>17,567</b>	<b>-</b>	<b>(80,303)</b>
Total funds at start of year	720,335	1,473,229	55,546	126,970	2,376,080
<b>Total funds at end of year</b>	<b>694,756</b>	<b>1,400,938</b>	<b>73,113</b>	<b>126,970</b>	<b>2,295,777</b>

## 3. DONATIONS & LEGACIES

	Unrestricted Funds			2019 TOTAL	2018 TOTAL
	General	Designated	Restricted		
	£	£	£	£	£
Funds					
Donations	8,216	17,458	40,000	64,674	33,226
Legacies	323,959	5,000	1,000	329,959	50,189
Trust income	1,700	4,033	36,164	41,897	8,247
	<b>333,875</b>	<b>26,491</b>	<b>77,164</b>	<b>437,530</b>	<b>91,662</b>

Donations were gratefully received from the following organisations:

The Gannochy Trust, Miss A A Clutterbuck Trust, Leslie Sell Charitable Trust, Hugh & Mary Miller Trust, and the Duke of Edinburgh Diamond Fund. We are grateful for the continued support of Friends of Girlguiding Scotland and the Friends of Netherurd and legacy income from four estates including the late Isobel Halliday. Girlguiding Dumfries-shire supported the expansion of "the Village" facilities at Netherurd.

#### 4. TRADING INCOME

	Unrestricted Funds			2019	2018
	General	Designated	Restricted	TOTAL	TOTAL
	£	£	£	£	£
Retail	950,478	-	-	950,478	1,006,382
Netherurd	379,229	-	-	379,229	371,274
	<b>1,329,707</b>	<b>-</b>	<b>-</b>	<b>1,329,707</b>	<b>1,377,656</b>

#### 5. EVENTS INCOME

Tartan Gig	289,100	-	-	289,100	-
Other events	37,060	-	-	37,060	111,347
International trips	131,924	-	-	131,924	123,628
	<b>458,084</b>	<b>-</b>	<b>-</b>	<b>458,084</b>	<b>234,975</b>

#### 6. GRANTS AND OTHER INCOME

Grants	9,905	-	180,236	190,141	192,914
Other income	5,448	10,723	-	16,171	6,183
	<b>15,353</b>	<b>10,723</b>	<b>180,236</b>	<b>206,312</b>	<b>199,097</b>

The executive committee acknowledge with thanks the support from the Scottish Government through the Children, Young People & Families Early Intervention Fund, the Cashback for Communities programme and the National Voluntary Youth Organisation Support Fund; and Girlguiding for delivering diversity training and legal support.

#### 7. INVESTMENTS

	Unrestricted Funds			2019	2018
	General	Designated	Restricted	TOTAL	TOTAL
	£	£	£	£	£
Bank interest	2,456	2	-	2,458	1,793
Dividends & interest	13,678	4,735	-	18,413	17,018
	<b>16,134</b>	<b>4,737</b>	<b>-</b>	<b>20,871</b>	<b>18,811</b>

#### 8. RAISING FUNDS

Investment management	4,936	-	-	4,936	4,790
Direct costs	2,340	8,526	-	10,866	4,148
	<b>7,276</b>	<b>8,526</b>	<b>-</b>	<b>15,802</b>	<b>8,938</b>



## 9. CHARITABLE EXPENDITURE

	Unrestricted			2019 TOTAL	2018 TOTAL
	General	Designated	Restricted		
	£	£	£	£	£
Direct costs:					
Delivery Being our Best	607,200	39,869	115,654	762,723	566,265
Retail	664,756	-	-	664,756	687,110
Netherurd	64,522	-	-	64,522	60,501
	<u>1,336,478</u>	<u>39,869</u>	<u>115,654</u>	<u>1,492,001</u>	<u>1,313,876</u>

Delivering Being our Best includes expenditure of £294,602 on the Tartan Gig in 2019 (£nil in 2018).

### Support costs:

Staff costs (note 11)	879,796	-	23,171	902,967	857,090
Headquarters overheads	108,600	34,825	2,036	145,461	90,279
CYPFEIF core contribution	(60,000)	-	60,000	-	-
Cashback/Gannochy cont'n	(15,212)	-	15,212	-	-
Retail overheads	34,470	4,000	-	39,470	68,075
Netherurd overheads	136,144	3	-	136,147	139,053
Professional fees	8,949	4,425	-	13,374	5,669
Governance (note 10)	12,963	-	-	12,963	18,422
Committees/working groups	20,962	-	3,930	24,892	15,267
Depreciation	21,104	65,108	-	86,212	67,912
Irrecoverable VAT	32,466	-	-	32,466	33,527
	<u>1,181,243</u>	<u>108,361</u>	<u>104,349</u>	<u>1,393,952</u>	<u>1,295,294</u>
	<u>2,517,720</u>	<u>148,230</u>	<u>220,003</u>	<u>2,885,953</u>	<u>2,609,170</u>

## 10. GOVERNANCE

Audit fee	8,450	-	-	8,450	6,610
Trustee meetings	4,513	-	-	4,513	11,812
	<u>12,963</u>	<u>-</u>	<u>-</u>	<u>12,963</u>	<u>18,422</u>

## 11. ANALYSIS OF STAFF COSTS, TRUSTEE EXPENSES AND COST OF KEY MANAGEMENT

	Unrestricted Funds			2019 TOTAL	2018 TOTAL
	General	Designated	Restricted		
	£	£	£	£	£
Salaries and wages	767,015	-	21,247	788,262	761,404
Social security costs	59,372	-	1,859	61,231	54,057
Pension costs	51,298	-	65	51,363	39,562
Other employee benefits	2,111	-	-	2,111	2,067
Termination/redundancy	-	-	-	-	-
	<u>879,796</u>	<u>-</u>	<u>23,171</u>	<u>902,967</u>	<u>857,090</u>

The average number of staff employed during the year was:

	2019 number	2018 Number
Full time	24	24
Part time	12	11
<b>Total Staff</b>	<u>36</u>	<u>35</u>

## 11. ANALYSIS OF STAFF COSTS, TRUSTEE EXPENSES AND COST OF KEY MANAGEMENT

The highest paid employee was the chief executive, whose emoluments were a salary of £59,676 and pension contribution of £5,968 (2018: £58,506 salary, £5,851 pension). Emoluments for the other key management personnel (as shown on page 1) totalled £224,843 (2018: £211,043), which included pension contributions of £17,965 (2018: £15,122).

Representatives of the Scottish executive committee and other sub-committees comprise, for the most part, volunteers who are not remunerated for their services. The remunerated members of these committees are full time staff whose costs are reflected in the figures noted above. No executive committee member received remuneration of any kind throughout the current and prior years.

Payments are made to volunteers to reimburse them for travel and certain other related expenses necessarily incurred by them in fulfilling their duties as committee members, advisers and essential volunteer training which amounted to £81,412 (2018: £114,920) of which £10,847 was paid to 19 executive committee members (2018: £12,200 to 18 members).

## 12. TANGIBLE FIXED ASSETS

	Heritable Property £	Furniture & Fittings £	IT Equipment £	Motor Vehicles £	TOTAL £
<b>Cost</b>					
At 1 January 2019	1,587,494	62,375	80,541	16,698	1,747,108
Additions	65,331	-	11,167	-	76,498
At 31 December 2019	1,652,825	62,375	91,708	16,698	1,823,606
<b>Depreciation</b>					
At 1 January 2019	449,641	27,098	58,568	16,698	552,005
Charge for the year	64,587	10,247	11,378	-	86,212
At 31 December 2019	514,228	37,345	69,946	16,698	638,217
<b>Net Book Value</b>					
At 31 December 2019	1,138,597	25,030	21,762	-	1,185,389
At 31 December 2018	1,137,853	35,277	21,973	-	1,195,103

All assets are used for direct charitable purposes. The executive committee members are aware that there is a material difference between the disclosed value of the land & buildings in these accounts and the market value, but do not believe that there is value, commensurate with the associated cost, in ascertaining the market value at this time.

## 13. INVESTMENTS

	Unrestricted General £	Webster Endow/Income £	2019 £	2018 £
Market value at 1 January 2019	413,103	145,754	558,857	612,097
Acquisitions	36,916	-	36,916	76,684
Disposals	(42,091)	-	(42,091)	(83,177)
Net (loss)/gain on revaluation	60,495	20,936	81,431	(46,747)
Market value at 31 December 2019	468,423	166,690	635,113	558,857
Historical cost at 31 December 2019	363,731	125,879	489,610	494,739

Most of the investments of the Association are held in pooled managed funds.



#### 14. STOCKS

	2019 £	2018 £
Shop goods for resale	<u>104,431</u>	<u>108,735</u>

#### 15. DEBTORS

	2019 £	2018 £
Trade debtors	21,734	24,807
Other debtors	85,856	72,800
Prepayments	182	273
Tartan Gig	-	237,475
	<u>107,772</u>	<u>335,355</u>

#### 16. CASH AT BANK AND IN HAND

	2019 £	2018 £
Cash in hand	1,622	1,930
Cash held by investment manager	2,604	3,522
Cash at bank	924,430	461,034
	<u>928,656</u>	<u>466,486</u>

#### 17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 £
Trade creditors	48,647	39,472
Deferred Income (note 18)	135,665	246,266
Accruals	25,595	28,024
Taxation & social security	63,590	51,152
Other creditors	3,991	3,845
	<u>277,488</u>	<u>368,759</u>

#### 18. DEFERRED INCOME

	2019 £	2018 £
At 1 <sup>st</sup> January 2019	246,266	60,393
Amounts released from previous years	(246,266)	(60,393)
Incoming resources deferred in the current year	132,415	246,266
At 31 <sup>st</sup> December 2019	<u>132,415</u>	<u>246,266</u>

Where the charity has a contract in place to provide services, but entitlement to the income has not been earned as the work was not carried out in the reporting period, the appropriate proportion of the income is deferred.

#### 19. FINANCIAL ASSETS AND LIABILITIES

	2019 £	2018 £
Financial assets at amortised cost	<u>1,036,246</u>	<u>564,093</u>
Financial liabilities at amortised cost	<u>(77,318)</u>	<u>(71,341)</u>

Financial assets comprise trade debtors, other debtors, and cash at bank and in hand.  
Financial liabilities comprise trade creditors, accruals and other creditors.

## 20. GENERAL FUNDS

	Balance at 1 Jan 2019 £	Income £	Expenditure £	Transfers £	Gains and Losses £	Balance at 31 Dec 2019 £
General Fund	694,756	2,909,384	(2,524,996)	(35,000)	60,261	1,104,405
Net increase in general funds						409,649

## 2018 MOVEMENT

	Balance at 1 Jan 2018					Balance at 31 Dec 2018
General Fund	720,335	2,307,395	(2,286,765)	(12,500)	(33,709)	694,756
Net (decrease) in general funds						(25,579)

## 21. PROJECT FUNDING HELD AS UNRESTRICTED AND RESTRICTED FUNDS

Funds are raised to finance specific projects and these are held in both unrestricted and restricted funds.

### UNRESTRICTED FUNDS

	Balance at 1 Jan 2019 £	Income £	Expenditure £	Transfers £	Gains and Losses £	Balance at 31 Dec 2019 £
<u>Designated Funds</u>						
Asset Investment	1,254,620	1,800	(113,368)	66,000	-	1,209,052
Delivery Being our Best	120,533	9,091	(22,466)	10,000	20,855	138,013
Friends	25,785	31,060	(20,922)	-	-	35,923
	1,400,938	41,951	(156,756)	76,000	20,855	1,382,988

Net (decrease) in designated funds (17,950)

### 2018 MOVEMENT

	1 Jan 2018					31 Dec 2018
<u>Designated Funds</u>						
Asset Investment	1,327,334	-	(72,714)	-	-	1,254,620
Delivery Being our Best	122,396	19,282	(22,010)	12,500	(11,635)	120,533
Friends	23,499	19,031	(16,745)	-	-	25,785
	1,473,229	38,313	(111,469)	12,500	(11,635)	1,400,938

Net (decrease) in designated funds (72,291)

Designated funds are expendable at the discretion of the Scottish executive committee in accordance with the pre-determined guidelines set by that committee. Transfers to and from designated funds represent transfers to and from general reserves, approved by the Scottish executive committee. Funds are designated for particular projects as follows:

#### ASSET INVESTMENT FUNDS:

#### CAPITAL DEVELOPMENT FUND

To support the construction of the Garden House at Netherurd. Charged with depreciation over 50 years.



**PROPERTY DEVELOPMENT FUND**

Charged with depreciation on the development programme at Netherurd and the Edinburgh shop refit both completed in 2016/17. To support major property repairs at all Girlguiding Scotland properties.

**IT & COMMUNICATIONS FUND**

To implement ongoing investment in IT and communication platforms. Charged with depreciation costs over the life of the assets purchased.

**DELIVERY BEING OUR BEST FUNDS:**

**SPECIAL NEEDS FUND**

To be used for extending Guiding opportunities to girls and young women with disabilities.

**INTERNATIONAL FUND**

To support international activities, both in Scotland and elsewhere for members of the Guide Association Scotland. This will include support for attendance at WAGGGS (World Association of Girl Guides and Girl Scouts) World Centres and Girlguiding GOLD (Girlguiding Overseas Linked with Development) projects. This fund includes annual income from the Chief's Memorial fund administered by the Guide Association, the residual balance of the Ghana fund to support Ghanaians attending WAGGGS training events and support for the Lesotho partnership.

**TRAVEL FUND**

To subsidise the cost of travel to Girlguiding events at Netherurd and Girlguiding Scotland promoted events and trainings elsewhere in Scotland.

**WEBSTER INCOME FUND**

Flexible income fund established from the legacy of Miss Elizabeth Webster. The income is to be used in the best interests of Scottish Guiding. Income is generated from the invested Webster Legacy.

**GENERAL COUNTIES FUND**

To assist with Guiding at a local and county level.

**QUALIFICATIONS FUND**

To subsidise the cost of obtaining external qualifications to support programme delivery.

**TARTAN GIG 2019**

To support the delivery of the 2019 event.

**GOVERNANCE & DIGITAL TRANSFORMATION FUND**

To implement governance review recommendations for counties including facilitation and merger support.

**FRIENDS FUNDS:**

**FRIENDS OF GIRL GUIDING SCOTLAND**

To support Girlguiding Scotland at the discretion of the Scottish executive committee.

**FRIENDS OF NETHERURD**

To support the development of Netherurd to bring fun and adventure to members.

21. PROJECT FUNDING HELD AS UNRESTRICTED AND RESTRICTED FUNDS (CONTINUED)

RESTRICTED FUNDS	Balance at 1 Jan 2019 £	Income £	Expenditure £	Transfers £	Balance at 31 Dec 2019 £
Chief Commissioner's	2,634	1,524	(1,597)	-	2,561
Netherurd Fund	52,270	41,000	-	(41,000)	52,270
Special Events Fund	10,270	29,090	(32,480)	-	6,880
Generation Cashback	7,005	91,146	(90,352)	-	7,799
Scottish Gov't CYPFEIF	-	60,000	(60,000)	-	-
Developing Guiding	934	34,640	(35,574)	-	-
	<b>73,113</b>	<b>257,400</b>	<b>(220,003)</b>	<b>(41,000)</b>	<b>69,510</b>

Net (decrease) in restricted funds **(3,603)**

RESTRICTED FUNDS 2018 MOVEMENT	Balance at 1 Jan 2018 £	Income £	Expenditure £	Transfers £	Balance at 31 Dec 2018 £
Chief Commissioner's	3,205	1,287	(1,858)	-	2,634
Netherurd Fund	2,324	51,000	(1,054)	-	52,270
Special Events Fund	22,420	26,389	(38,539)	-	10,270
Generation Cashback	3,887	98,765	(95,647)	-	7,005
Scottish Gov't CYPFEIF	-	60,000	(60,000)	-	-
Developing Guiding	23,710	-	(22,776)	-	934
	<b>55,546</b>	<b>237,441</b>	<b>(219,874)</b>	<b>-</b>	<b>73,113</b>

Net increase in restricted funds **17,567**

Restricted Funds are expendable in accordance with each donor's specifications. The purposes of the individual funds are as follows:

**CHIEF COMMISSIONER'S FUND**

To be used by the Chief Commissioner at her discretion. Income, generated from the Buchanan legacy held by The Guide Association, is received annually.

**NETHERURD FUND**

Specific donations, legacies and trust funding are received to assist with the development of facilities and equipment at Netherurd.

**SPECIAL EVENTS FUND**

To record external funding for specific Guiding events taking place beyond the accounting year in which the funds are received from Girlguiding and the National Voluntary Youth Support Fund.

**GENERATION CASHBACK**

To provide proactive support to disadvantaged young people between 10 and 24 years via a local development worker. The aims are to build confidence, develop physical and personal skills, effect positive change in behaviours and aspirations and improve the wellbeing. Grants are available to new and existing groups.

**SCOTTISH GOVERNMENT CHILDREN, YOUNG PEOPLE & FAMILIES EARLY INTERVENTION FUND (CYPFEIF)**

Infrastructure funding to improve and widen girls' life skills through a varied and challenging programme; improve youth member leadership and decision making skills and equip leaders to support increased numbers of members achieve better outcomes.



#### DEVELOPING GUIDING (GANNOCHY TRUST)

To support local initiatives to increase guiding provision, effective regional collaboration on projects that have positive outcomes for girls, development of flexible guiding models and training provision to support growth.

#### ENDOWMENT FUND

	Balance at 1 Jan 2019 £	Income £	Expenditure £	Gains and Losses £	Balance at 31 Dec 2019 £
Webster Legacy	126,970	-	-	-	126,970

The Webster Legacy Endowment Fund represents a legacy that must remain intact. Investment income earned on the legacy investment is credited to the Webster Income Fund.

#### 22. FUNDS

Fund balances at 31<sup>st</sup> December 2019 are represented by:

	Unrestricted Funds		Restricted	Endowment	Total
	General £	Designated £	£	£	£
Tangible Fixed Assets	18,799	1,166,590	-	-	1,185,389
Investments	468,423	39,720	-	126,970	635,113
Current Assets	894,671	176,678	69,510	-	1,140,859
Creditors falling due within 1 year	(277,488)	-	-	-	(277,488)
	<b>1,104,405</b>	<b>1,382,988</b>	<b>69,510</b>	<b>126,970</b>	<b>2,683,873</b>
2018 COMPARATIVE					
Tangible Fixed Assets	44,409	1,150,694	-	-	1,195,103
Investments	413,103	18,784	-	126,970	558,857
Current Assets	606,003	231,460	73,113	-	910,576
Creditors falling due within 1 year	(368,759)	-	-	-	(368,759)
	<b>694,756</b>	<b>1,400,938</b>	<b>73,113</b>	<b>126,970</b>	<b>2,295,777</b>

#### 23. RELATED PARTY TRANSACTIONS

The Guide Association is an umbrella organisation. Girlguiding Scotland is one of nine separately constituted Country/Region Associations established under the powers of the Royal Charter to administer guiding in each area.

During the year, purchases of £566,438 (excluding VAT) were made from the Guide Association Trading Service (2018 £619,342). These purchases were made at arm's length. £15,572 was included in trade creditors at the year-end (2018: £24,347). The Guide Association Trading Service is a wholly owned subsidiary of the Guide Association.

#### 24. OPERATING LEASES

The Guide Association Scotland is committed to make the following payments under non-cancellable operating leases over the lease term, due:

	2019 £	2018 £
Land & Buildings		
Within one year	-	3,800

## 25. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2019 £	2018 £
Net income for the reporting period:	388,096	(80,303)
Adjustments for:		
Depreciation charges	86,212	67,912
Unrealised (gain)/ loss on investments	(81,431)	46,747
Dividends and interest	(20,871)	(18,811)
Decrease/ (increase) in stock	4,304	(12,814)
Decrease/ (increase) in debtors	227,583	(257,563)
(Decrease)/increase in creditors	(91,271)	218,125
Net cash (used in)/provided by operating activities	<u>512,622</u>	<u>(36,707)</u>

## 26. ANALYSIS OF CHANGES IN NET DEBT

The charity has no indebtedness under any term debt facility (2018: Nil).

## 27. EVENTS AFTER THE REPORTING PERIOD AND GOING CONCERN

Due to poor trading performance the Scottish executive committee agreed in 2017 in principle to exit retail operations in Glasgow at the most appropriate time. In agreement with Girlguiding Glasgow, the shared owners, the whole of the Elmbank Street property was placed on the market in January 2020. At date of approval of the financial statements an offer has been accepted which is subject to contract. Retail trading in Glasgow ceased on 22 March 2020. £17,920 of remaining heritable property net book value has been written down to nil as at 31 December 2019.

Subsequent to the year end the Association, like charities throughout the UK, has been significantly affected by the COVID 19 pandemic. During March 2020, in accordance with Government advice, the charity suspended face to face operations.

At the date of approval of the financial statements, the Trustees have prepared and approved up to date management accounts, budgets and cash flow projections which include key revenue and cost assumptions that the trustees consider reasonable and prudent. As a consequence of the pandemic, at the date of approval of the financial statements the charity's investments had fallen to £579,860.

Having considered the matters above, the trustees are of the view that the charity will have sufficient resources to continue to operate and meet debts as they fall due for the foreseeable future. The financial statements have therefore been drawn up on a going concern basis.