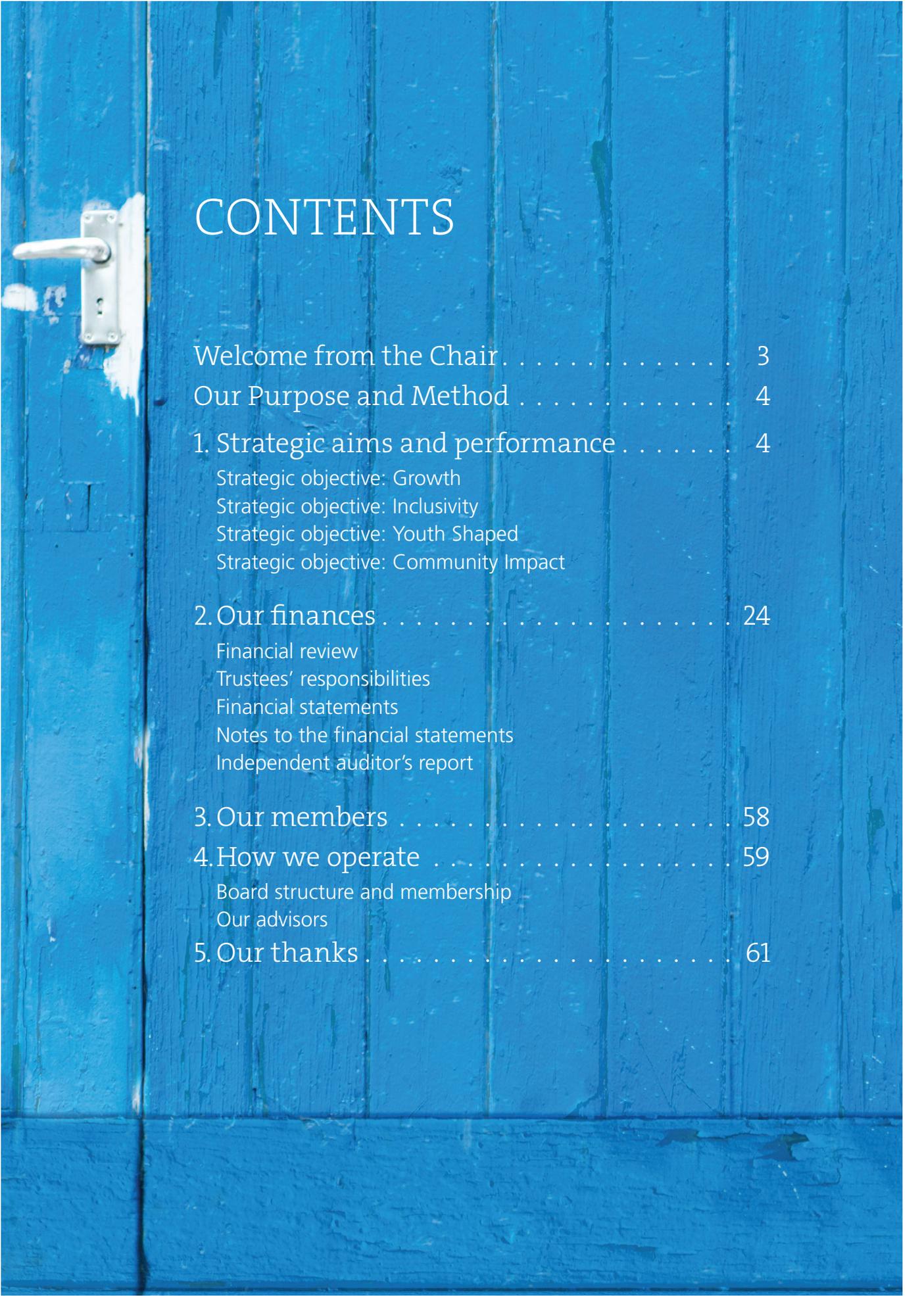




# THE SCOUT ASSOCIATION'S ANNUAL REPORT AND ACCOUNTS 2015-2016





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# WELCOME FROM THE CHAIR

This has been a very special year for Scouting. As well as celebrating the centenary of Cub Scouting, we have also achieved some other incredible successes right across the Movement.

Our membership has grown for the eleventh consecutive year. According to our 2016 Census, youth membership has risen to 452,149 and adult volunteer numbers are now at 116,438 making us one of the largest voluntary organisations in the UK. We can also be incredibly proud that this year; there are more girls and young women in Scouting than ever before with 25% of our members female. All this is positive progress towards achieving the goals we set out in our four-year strategy Scouting for All.

Every young person deserves the opportunity to take part in Scouting and we have been working to make this a reality with 519 new sections opening in the past year, many in areas where Scouting was not previously present. Our work with the Youth United Foundation has continued, allowing us to open 237 of those new sections in some of the most deprived communities across the UK.

In the 'spirit of unity', over 4,000 of our young people and adult volunteers attended the 23rd World Scout Jamboree in Japan in August 2015. The celebration brought 35,000 Scouts from all over the world together for the experience of a lifetime, united by shared Scouting values.

Our conference for our youth members, YouShape 2016, took place in February. More than 200 young people aged between 14 and 25 attended and the whole event was organised by a fantastic team of young members. We also developed YouShape Week which saw over 25,000 young people and adults working in partnership to help shape their local Scouting Programme.

We introduced new roles to ensure young people are represented at every level in Scouting. The roles of District and County Youth Commissioner build on the fantastic work being done nationally by our UK Youth Commissioner Hannah Kentish and her team. Already 145 young people have been appointed to these new roles.

The Scout Association continues to be a force for good. Our community impact project, A Million Hands, kicked off in October and gives young people the opportunity to take practical social action on issues that matter most to them. Already 6,220 sections from 4,000 Scout Groups have registered, achieving a potential reach of 205,000 young people.

We have faced challenges too. We reintroduced the adult functionality of our membership system Compass in early 2016. Our challenge ahead is to make administering and planning Scouting simpler in partnership with our

members, so we can spend more of our time making a difference where it really matters.

Looking at the year ahead, our first UK Chief Commissioner, Wayne Bulpitt, is moving on after seven hugely successful years leading our volunteers. I would like to thank Wayne for his considerable contribution to the Movement and to welcome Tim Kidd, our current Deputy UK Chief Commissioner, into the role.

Our impact on communities and the lives of young people across the UK continues to grow and our aim next year is to ensure that even more young people, from all backgrounds, will experience life-changing adventure and develop the skills they need to succeed through Scouting.



**Ann Limb**  
Chair, The Scout Association

# OUR PURPOSE AND METHOD

Scouting actively engages and supports young people in their personal development, empowering them to make a positive contribution to society. In partnership with adults, young people take part in fun indoor and outdoor activities. They learn by doing, share in spiritual reflection, take responsibility and make choices, undertake new and challenging activities, and live their Scout Promise.

The Association's Trustees have a duty to report on the Association's public benefit in their Annual Report. We have assessed our aims, activities and charitable objectives which are to contribute to the development of young people in achieving their full physical, intellectual, social and spiritual potentials as individuals, as responsible citizens, and as members of their local, national and international communities.

We believe that we have met the Charity Commission's public benefit criteria for both the advancement of education and the advancement of citizenship and community development.

The Scouting Movement complies with two key principles set by the Commission with regard to public benefit:

## 1. Identifiable benefit

The way in which Scouting is carried out helps young people in their personal development, empowering them to make a positive contribution to society; this benefit is directly linked to the Purpose of Scouting.

## 2. Public benefit

Scouting is a national Movement open to young people aged 6-25 and adults. Full membership is restricted to young people and adults who are willing to make the Scout Promise. The Association enables those in poverty to benefit from Scouting; while the Association charges a subscription to its members, the benefits of Scouting are not constrained by the member's inability to pay. Locally, there are arrangements to waive subscriptions and other costs for those who cannot afford to pay. Nationally, there are funds available for uniform and activities so that young people are not excluded from activities if they are unable to pay. Any private benefits from Scouting are incidental.

The benefits of Scouting are further demonstrated throughout this report.

# STRATEGIC AIMS AND PERFORMANCE

## A framework for achieving the Vision Towards 2018

In May 2014 we launched our 2014-18 strategy, Scouting for All. The strategy sets out a plan to achieve our ambitious Vision for Scouting towards 2018.

## Scouting in 2018 will:

- Make a positive impact in our communities
- Prepare young people to be active citizens
- Embrace and contribute to social change

## Scouting in 2018 will be:

- Shaped by young people in partnership with adults
- Enjoyed by more young people and more adult volunteers
- As diverse as the communities in which we live

## Members of Scouting in 2018 will feel:

- Empowered
- Valued
- Proud

More information is available at: [scouts.org.uk/2018](http://scouts.org.uk/2018)

# OUR 2014–18 STRATEGIC PLAN AT A GLANCE

## OUR VISION

Scouting in 2018 will make a positive impact in our communities; prepare young people to be active citizens; embrace and contribute to social change.

Scouting in 2018 will be shaped by young people in partnership with adults; enjoyed by young people and more adult volunteers; as diverse as the communities in which we live.

Members of Scouting in 2018 will feel empowered; valued; proud.

## OUR MISSION

Scouting exists to actively engage and support young people in their personal development, empowering them to make a positive contribution to society.

## OUR VALUES

As Scouts we are guided by these values: integrity; respect; care; belief and cooperation.

### STRATEGIC OBJECTIVE:

#### GROWTH

To increase the number of youth members and volunteers.

### STRATEGIC OBJECTIVE:

#### INCLUSIVITY

To be as diverse as our communities.

### STRATEGIC OBJECTIVE:

#### YOUTH SHAPED

To ensure Scouting is shaped by young people in partnership with adults.

### STRATEGIC OBJECTIVE:

#### COMMUNITY IMPACT

To make a positive impact in our communities.

### KPIs

- 500k youth members
- 150k adult volunteers

### KPIs

- Scouting will be present and sustainable in 200 of the most deprived areas in the UK
- Membership will be reflective of wider society
- The Scout Association seen as open to people from all backgrounds

### KPIs

- Every young person's view influences decisions in Scouting (80% target)
- Every young leader (14–25) has the opportunity and support to grow their skills and have a positive impact on Scouting (80% target)
- Every adult helps young people to shape their Scouting (80% target)

### KPIs

- 8,000 community impact 'projects' delivered by Scouting per annum by 2018
- 70% of public see Scouting as 'relevant to modern society'

## UNDERPINNING STRATEGIES FOR THE MOVEMENT

- Programme
- Adult and managers' training
- Recruitment and retention of adult volunteers
- Places to meet and go
- Safety strategy
- Safeguarding
- Leadership and management

## UNDERPINNING STRATEGIES FOR UK HEADQUARTERS

- Communications and marketing
- Digital technology
- People
- Asset management
- Commercial
- Governance and legal
- Finance

We have had many successes over the last year and have made good progress towards meeting the goals that we set ourselves at the end of 2014/15.

In this section, we report on our performance against our strategic objectives for the Movement.

## STRATEGIC OBJECTIVE: GROWTH

To increase the number of youth members and volunteers.

### **What we said we would do**

In our 2015 Census, while we enjoyed growth in youth membership (0.3%), we experienced a slight drop (-1.6%) in volunteer numbers.

We will fully implement the revised way of collecting membership fees and thus encourage and increase volunteers into Scouting ahead of Census 2016. We will also continue to promote flexible volunteering through our digital channels, including Facebook, Twitter and [scouts.org.uk](http://scouts.org.uk) in all of our communications and programme materials.

### **What we did**

This year, our 2016 Census confirmed that membership has grown for the eleventh consecutive year, with our youth membership growing by 1.8% and our adult volunteer numbers increasing by 14.9%. We recorded the highest number of girls in Scouting ever: now 25% of our members are female. On average, across the UK, more than 21 new young people join Scouting every day.

From January 2016, we began the implementation of a revised way of collecting membership fees in order to encourage more adult volunteers into Scouting by removing the financial barrier. To help make Scouting the volunteering opportunity of choice, we also continued to promote flexible volunteering opportunities through a range of communications.

### **The challenge ahead**

To achieve our growth strategic objective we need an increase of 47,856 members. We will continue to focus on growing our membership by opening new sections, improving the quality of our Programme's delivery, and continuing to promote flexible volunteering to increase the number of adult volunteers supporting Scouting. The actions in our agreed growth strategy will continue to be implemented and supported, including the introduction of Assistant Regional Commissioners for Growth to provide support to adult volunteer managers locally.

### **What we said we would do**

We will continue, and reinforce, the focus on new sections by opening 400 next year, primarily in areas where Scouting is not currently present. We will support the transition period for the refreshed 6-18 Programme, and plan how we can help and support leaders to deliver quality Programmes.

### **What we did**

In the past year, 519 new sections were opened, many in areas where Scouting was not previously present. We continued to support the local implementation of the revised 6-18 Programme, with a focus on improving the quality of delivery. A range of new measures were put in place, including providing direct support to local commissioners and volunteers through national and regional events and forums. In addition, we concluded our Youth in Adventure project, which encouraged more young people to take on leadership roles in the delivery of adventurous activities, staying true to our ambition of having 50% of our Programme focused on the areas of outdoor and adventure.

### **The challenge ahead**

We will continue to focus on growth by opening a further 400 new sections next year, particularly in areas where Scouting is not currently present. In addition, we will focus our efforts on identified opportunities for growth relating to incomplete Scout Groups; where Scout Groups do not currently have provision for Beaver Scouts, Cub Scouts or Scouts, and small sections that are not currently operating at capacity. By focusing on these existing opportunities, there is the potential to grow the Movement by a further 29,000 young people.

## STRATEGIC OBJECTIVE: INCLUSIVITY

To be as diverse as our communities.

### **What we said we would do**

We will work with external experts to develop a national inclusion strategy with a clear understanding of the diversity of our membership and ensure Scouting is available to all young people.

We will continue to target and open new sections and Groups in some of the most deprived communities across the UK as well as actively seek further support and external funding to deliver this work.

We will continue to build on our ability to deliver bilingual communications for Wales, having supported the creation and distribution of bilingual recruitment packs for commissioners this year. A newly formed advisory group is working on the translations of all awards, whilst the new alternative promise has been translated and is available to all sections.

We will continue to support our inclusivity aims, while also developing new and innovative models and approaches, to help local Scouting deliver our strategy: [prepared.scouts.org.uk](http://prepared.scouts.org.uk)

### **What we did**

Through our inclusion project, Better Prepared, we have opened 237 new sections in some of the most deprived communities across the UK. We were also successful in attracting funding from a number of sources, including from the Blgrave Trust and the Royal Masonic Trust for Girls and Boys, as well as the Youth United Foundation (YUF) and the Pears Foundation to help deliver this work, whilst our partnership with Vodafone is unlocking the potential of technology to bring generations together.

We commissioned think-tank Demos to produce Learning by Doing, a report covering the importance of non-formal learning for school children from all backgrounds. We have already rolled out a number of pilots in schools across the UK; this has provided development opportunities for young people who might not otherwise have had the opportunity to experience what Scouting has to offer.



On average more than 21 new young people, across the UK, join Scouting every single day.

We plan to be present and sustainable in 300 of the most deprived communities across the UK, ensuring that Scouting is available to those who need it most.



In partnership with SCOPE, a charity that provides support, information and advice to disabled people and their families, we have been piloting new approaches to encourage young people with additional needs to become Scouts, and support adult volunteers in delivering inclusive Scouting Programmes. The SCOPE resources will be released in 2016/17.

We have delivered a number of initiatives to promote and establish Scouting for young people from diverse backgrounds, including the Roma community, schools with high numbers of young people with Special Education Needs and continued attendance at Pride.

Our work on developing a national inclusion strategy is continuing, albeit with a revised timescale for delivery and implementation. Scouting in the Muslim community grew by 36% this year; a significant achievement for the Muslim Scout Fellowship.

#### **The challenge ahead**

We will continue to open and support new sections and Groups in some of the most deprived communities across the UK and will actively seek further support and external funding to deliver this work. We have revised our ambitions upwards to be present and sustainable in 300 such communities, ensuring that Scouting is available to those who need it most.

We will collate and disseminate learning and best practice from previous pilots and innovation projects, making these more accessible to adult volunteers on a self-service basis.

Over the coming year we will consult on how our inclusivity work should evolve as we approach a new strategic plan from 2018.

## STRATEGIC OBJECTIVE: YOUTH SHAPED

To ensure Scouting is shaped by young people in partnership with adults.

#### **What we said we would do**

Building on the successes of YouShape 2015, our next YouShape Conference in 2016 will aim to further address the topics young people said they wanted to influence, and encourage them to contribute towards current projects being undertaken nationally.

In addition, a pilot of a national Scout youth council will be launched ensuring that young people have a meaningful voice in national decision making in Scouting. We will also ensure that young people of all ages are given opportunities and support to shape Scouting in their section and local community through local youth forums and appointed youth commissioners.

The revised Scout Network provision rolls out during 2015, and we will provide increased opportunities for 18-25 year olds to shape, lead and take part in community, international and adventure Programme experiences.

#### **What we did**

This year's youth member conference, YouShape 2016 (which included a pilot of a national Scout Youth Council), took place in February with 200 young people. To extend the reach to local Scouting, we developed YouShape Week and created resources and an occasional badge for all sections. Twenty-five thousand young people and adults participated in YouShape Week.

The roles of District and County Youth Commissioner were introduced to build on the work being done nationally by the UK Youth Commissioner, Hannah Kentish, and her team. Already 145 young people have been appointed and included as part of District and County teams across the country.

Scout Network, a network that connects and provides support for 18-25 year olds who have an interest in Scouting, was launched in late 2015 with new Programme themes. In 2016, updated Adult Training material was released.

#### **The challenge ahead**

We will continue to embed Youth Shaped Scouting in all that we do with an ambition to ensure that at least 80% of our young people influence decisions made in Scouting. We also aim to ensure that 80% of adults in Scouting are helping young people to shape their Scouting.

The approved Youth Shaped Scouting strategy focuses development and support in four key areas:

- the Scouting Programme shaped by young people
- taking a step into an adult leadership role and volunteering with young people
- playing an active part in the management of Scouting
- taking responsibility for the governance of the organisation.

This will provide proactive support to Lodge, Six and Patrol systems within the Beaver Scout, Cub Scout and Scout sections, by coaching and mentoring young people, in particular Young Leaders and Youth Commissioners. In addition, we will focus on developing a training framework for Youth Commissioners to equip them with the tools for the role, reviewing the role of Nominated Youth Representative. We will explore how young people play a part in the governance of the organisation, with a special focus on those that are Trustees and Executive Committee members.



## STRATEGIC OBJECTIVE: COMMUNITY IMPACT

To make a positive impact  
in our communities.

### What we said we would do

We will support Scouting on the ground to understand what high quality community impact projects look like and what resources are available to them. We will also tell the world about the amazing things our young people are achieving for others while enjoying personal development.

We will use Scout Community Week to drive momentum for A Million Hands, asking our young people to make a pledge to take action over the course of the year. We also plan to expand the pool of pilot Districts undertaking projects based on what their young people locally decide is important, extracting even more learning of what the Movement needs to support high quality community impact projects.

We aim to develop and deliver Region/ County level training to support adult volunteers in delivering community impact projects, while developing proposals on how to embed community impact into adult training, the Young Leaders' Scheme and volunteer line management.

### What we did

During the 2015 Scout Community Week, we launched our A Million Hands community impact project along with a microsite that simplified delivery by providing online support, tools, videos, external speakers, Programme ideas and resource packs. As a result more Section Leaders understand what high quality community impact projects look like and how they can support their young people to deliver them. Since October 2015, 6,220 sections from 4,000 Scout Groups have registered, achieving a potential reach of 205,000 young people.

Bespoke consultancy was provided to pilot Groups and Districts that took action on other issues that local young people were passionate about. Key takeaways and case studies were shared across the Movement to inform and inspire.

Our young people are building real and lasting relationships in communities that will enable them to continue taking social action long into the future. Their achievements have been recognised with 43,000 Community Impact Staged Activity Badges awarded and 370 pieces of external media coverage published, reaching 43 million readers and listeners.

### The challenge ahead

Our off-the-shelf training day delivered by local volunteers will guide members through an action-focused approach to become advocates and deliver high quality community impact activities within their local communities. Following their attendance, participants will receive regular support, advice and networking opportunities.

We will deliver a bespoke offer for Scout Network, aiming to reach 100 members, with face-to-face training and opportunities advertised on the Scout Network website.

We will use the 2016 Scout Community Week to drive momentum for A Million Hands, asking our young people to celebrate action taken over the previous 12 months by engaging key opinion formers and their local communities. A high profile national celebration event will increase the perception of relevance among decision makers.



## WHAT IS A MILLION HANDS?

How would you like to change your community for the better? That's the question we put to the Scout Community Impact Group made up of young people in Scouting. Their responses identified four key areas of concern: the wellbeing of those living with dementia; helping those disabled by society; improving the mental wellbeing of our communities and ensuring that everyone has access to clean water and sanitation.

Working with a number of key partner charities, it's our ambition to mobilise half a million Scouts across the UK in support of these social issues to affect genuine and lasting change. Over the next three years, our aim is to build relationships in our communities that enable young people to lead community impact projects as a key part of their Scouting experience.

## WHAT ISSUES DOES A MILLION HANDS TAKE ACTION ON?

- Improving the lives of those affected by dementia, supported by Alzheimer's Society
- Improving the lives of those disabled by society, supported by Leonard Cheshire and Guide Dogs
- Improving mental wellbeing and resilience of families, Scout Groups and broader society, supported by Mind
- Ensuring everyone, everywhere has access to clean water and sanitation, supported by WaterAid.

The Canal & River Trust is also supporting us to use land and waterways to make changes on the above social issues.

## UNDERPINNING STRATEGIES FOR UK HEADQUARTERS:

Ensure sound management of finances, assets, communications, business systems and good governance throughout the organisation.

### What we said we would do

COMPASS: Our focus for Compass is to relaunch the highest priority services to our Movement with the remaining features returning in line with the needs of our members. We aim to restore service in the autumn of 2015.

The vision for Compass is an ambitious one. The centralised consolidation of our membership data is key to supporting our Strategy. Only by holding the core data centrally can we provide accurate information back to local Scouting to support our Growth and Inclusivity agendas. The development and implementation of the Digital Strategy will be key to supporting our volunteers and members as they deliver and participate in local Scouting.

The lessons learned from Compass have highlighted the need for closer engagement with our members when developing digital solutions. We will ensure that each voice is heard and that everyone has the opportunity to shape the future of Scouting.

### What we did

We reintroduced adult functionality of Compass in early 2016, adopting a staged approach with considerable support available both through regular webinars, a comprehensive support website, and email and telephone support from the Information Centre. Access was extended to all adult members by mid-March 2016. Plans to reintroduce the youth data functionality continue.

### The challenge ahead

Our challenge ahead is to deliver simpler Scouting in partnership with our members. This will include the provision of simple tools to support Programme planning and streamline the administration of Scouting and the collection of youth data. They will enable us to understand all our members and how they participate in the Programme.

### What we said we would do

SCOUT ACTIVITY CENTRES: We want to increase the capacity of Scout Activity Centres with 384 additional bed spaces, using a cost effective model incorporating more tented villages across the network. We also want to undertake a review of estate property to create a ten-year investment plan that would be funded internally and through fundraising activity.

We want to create a unified external facing brand which we can sell to a broader market, yielding higher revenue to maximise capacity.

### What we did

We have increased capacity by an additional 352 bed spaces through the addition of new tented villages across all centres. The number of beds is lower than anticipated due to an adjustment in the size of each tented village. This was based on customer research about average group sizes.

We undertook a small number of critical condition surveys only during 2015/16 due to the amount of major project work and available resources in the estates team.

We concluded work on the new Scout Adventures brand, with the launch scheduled for September 2016. The new brand brings us closer to the primary Scout brand and better reflects what we do.

### The challenge ahead

As we reach capacity at our peak times, we need to explore different products and methods for delivering activities to more young people. During 2016/17, we plan to research, test and, where appropriate, launch these solutions.

During 2016/17, we will undertake detailed surveys, on a centre-by-centre basis, which will provide sufficient information to determine the costs necessary to manage the property portfolio over a ten-year term. These will include energy consumption, maintenance and refurbishment costs, asset life cycle as well as, replacement plans and costs.

### What we said we would do

WORLD SCOUT JAMBOREE: On the back of the profile of the World Scout Jamboree, we will significantly grow World Scout Shop sales with the 87 countries we currently trade with.

We will replace the existing e-commerce website and increase the number of e-commerce transactions driven through mobile and tablet channels.

### What we did

This year, World Scout Shop made a number of new contacts, opened more accounts and agreed licenses which means that we now trade in 103 countries at present. The World Scout Shop's website is mobile optimised and about 25% of the transactions are made on a mobile or tablet.

We are in the process of sourcing providers for a new Scout Shops e-commerce website and ERP system which will include mobile optimisation. Currently, although the website is not mobile optimised, about 20% of transactions are being made on a mobile device or tablet.

### The challenge ahead

In the coming year, we will work with various shipping companies in order to find the most cost-effective solution for shipping internationally. In the long term, we plan to discuss a proposal to move to regional licensing with the World Organisation of Scouting Movement in order to reduce international shipping costs.

A standard requirement for the new website and ERP system for Scout Shops is mobile and tablet optimisation. During the year ahead, we will undertake to contract a provider that can offer an efficient digital solution which integrates well with a robust financial and business reporting package.

### What we said we would do

UNITY INSURANCE: Lower insurance premiums, broader coverage and long lead times for acquisition of new larger charity business means achieving step growth in the short term remains the main challenge.

We will undertake a review of options and opportunities to achieve accelerated growth whilst maintaining high quality insurance services for Scouting and its other charity clients.



43,000 Community Impact Badges have been awarded to our young people who are building real and lasting relationships in communities that will enable them to continue taking social action long into the future.

### **What we did**

We increased sales capacity within our core Scout insurance business with a dedicated 'new business' team for proactive new income generation. The results have been positive with a 30% increase seen in the rate of new business acquisition.

We implemented an apprenticeship programme to grow future talent. Other new recruits have strengthened our staff team and helped to create a vibrant culture, high staff engagement and new business opportunities, leading to a new five-year acceleration plan.

Unity met its overall profit target for the year with continued growth whilst maintaining a high quality insurance service for Scouting.

### **The challenge ahead**

Unity needs to continue to make inroads into the wider charity sector which is crucial for long-term growth and to find additional income streams and customers beyond Scout insurance.

In 2016/17, we will replicate the success of the Scout insurance new business function for our charity and not-for-profit customers to accelerate sales growth and remain on course to achieve our long-term plans.

### **What we said we would do**

GOVERNANCE: We will complete the roll out of the local risk management framework across Counties and Areas in England and Wales and embed good practice both nationally and locally.

### **What we did**

We launched the local risk management framework in the majority of Counties in England through a series of presentations and workshops, with the remaining launches scheduled in two Regions.

The framework has been well received. Feedback shows that using the framework has brought greater focus to Executive Committee meetings and provided local Scouting with real benefits, from business planning for a whole year to planning individual events.

### **The challenge ahead**

The challenge ahead is to ensure that the framework is adequately embedded locally – initially at a County level. During the next year, we will complete the roll out and commence a post-implementation review. In addition, a new module will be developed and incorporated into Executive Training to provide ongoing and wider support.

### **What we said we would do**

We will have agreed a new structure for Policy, Organisation and Rules (POR) and planned a timetable for its implementation.

### **What we did**

We have agreed a new structure for POR and timescales for completion. The project board includes relevant staff and volunteers and we will work to ensure that the new POR will be delivered in the most accessible way possible.

### **The challenge ahead**

Our plan is that the 2017 POR will be the first step towards a clear, accessible and easily navigable online POR.

### **What we said we would do**

Led by the new Chair, we will draw on published research to initiate self-evaluation against best practice within the charity and not-for-profit sector as to Board effectiveness.

### **What we did**

We benchmarked our practices against other charities, and worked with an independent governance expert to improve the Board self-evaluation methodology. Following the Board's self-evaluation, Board meetings are now mapped against the requirements of the Good Governance Code for charities and voluntary organisations and include a Trustee training and development session at each meeting.

The new Chair has set individual objectives with each Trustee and introduced formal Board reporting from The Scout Association's key leaders. In addition, the Board adopted a standard method for evaluating the effectiveness of Board and Board Committee meetings.

During the year, the Board agreed the scope of a review of our governance. The Governance Review working group made progress against the key aims, the principal one being to ensure the Association has the right governance to deliver its strategic objectives, in particular Youth Shaped Scouting.

We publish key aspects of each Board meeting across the Movement and publish Board minutes on The Scout Association's website.

### **The challenge ahead**

The Board will conduct a further formal self-evaluation in 2016/17, reviewing its governance against the Good Governance Code. It will also consider what changes should be made as a result of the meeting effectiveness reviews. Alongside this, the Chair will conduct appraisals with individual Trustees based on the objectives set at the beginning of the annual cycle.

The Board will consider the recommendations from the first phase of the Governance Review and approve a plan and timescales for putting those recommendations into effect, as well as approving the scope of the second phase. The plan will include asking the Council at the 2017 AGM to approve changes to the bye laws.

We will publish a Governance Manual clarifying the Association's governance structures, procedures and practices.



Established in 1916, the Cub Scout section turned 100 this year and Cubs across the UK have been celebrating the wildest birthday ever with national and local events and takeover days.

# GROWTH

By helping to develop Scouting in communities that need it most, The Scout Association is showing how we can give everyone the opportunity to join the adventure.

In 2014, a team of six bright-eyed interns from The Scout Association's Regional Development Service arrived in Lockleaze, Bristol, with the intention of giving the area a boost. They were the Pears Project team. The project is a pilot, funded by the Pears Foundation – a family-run charity that supports projects that promote experimental learning and citizenship. The overall aim of the Pears Project is to increase the number of young people who have access to Scouting – to give everyone a chance to join the adventure. From the Bristol Channel in the west, to Bath in the east, the team has been hard at work in some of the most deprived urban areas in the southwest, building up Scouting from a grassroots level.

In the last year, 10 projects have been completed, ranging from reinvigorating floundering inner city Groups, to opening new sections to relieve enormous waiting lists, and setting up brand new Groups in areas with zero provision. An estimated 600 new youth members have joined Beaver Scouts, Cub Scouts and Scouts, along with over 80 new volunteers. One of the project's major successes has been in Lockleaze, a place with rare and enduring community spirit in the face of hard times. Opportunities for young people in Lockleaze are limited – the streets of the old estates are full of bored kids kicking footballs against concrete kerbs. Many schemes have started up here and then closed down again after they lost their funding. But when the community gets behind a project – like the improvements made to the community centre garden by a group of green-fingered volunteers – they are a real force for good.

The Pears Project team turned up at Lockleaze local primary schools with brightly coloured neckers and a pop-up tent, talking about adventure and toasting marshmallows on fires. At an open invitation event – where young people could make juggling balls, take part in welly wanging, design their own necker and generally announce their interest in Scouting – over 100 people marched through the door of the community centre. The response was overwhelmingly positive – the messages of achievement and challenge through Scouting were understood and appreciated right from the start. And so the team launched a brand new Scout Group in the area.

By September 2015, the new Group was thriving: almost 50 young people were accessing Scouting every week in the area. In year two, the Pears Project will venture into Bath and rural South Gloucestershire and will tackle some challenging inner city projects, like in Knowle West – one of the most deprived wards in the country. This small pilot project has already brought Scouting to hundreds of new young people and adults in Bristol; if it were rolled out nationwide, perhaps it has the potential to bring Scouting to many thousands more.



Our youth membership has grown by 1.8% this year.



Adult volunteer numbers have increased by 14.9%



# INCLUSIVITY

A unique project at HMP Low Moss in Glasgow, Scotland, is helping to bring prisoners and their children together through Scouting.

Every Thursday evening, a team of volunteers lock up their belongings, offer up their IDs and pass through an airport-like security system to enter Low Moss Prison, just north of Glasgow, for their weekly Scouting session. These volunteers from Scouts offer the children of prisoners the chance to play games, get crafty, and interact with their parents in a relaxed, fun environment, ensuring that Scouting is accessible to young people who may not otherwise have the opportunity.

The focus at HMP Low Moss is on building strong family relationships, so that when the prisoners have completed their sentence they have the support of their family to help smooth the transition back into society. When the idea of Scouting in prison was put forward, managers at Low Moss were keen to bring it to life.

The volunteers involved in this project are overcoming a number of challenges to make this unusual setup work. The Scouts have no idea who will decide to join in each session and there are restrictions on the type of equipment they can take in with them. Visitors to the prison must comply with a long list of other restrictions, including leaving all unauthorized electrical equipment outside and removing scarves to avoid any choking hazards. For confidentiality

reasons, the Scouts never ask for names. With this in mind, it would be easy to assume that the prison is a scary place, but, despite its towering walls and understandably strict security measures, the large, bright room where the Scouting takes place feels safe and controlled.

The focus of the volunteers is on the children but the project is having a positive effect on the prisoners and on their relationships with their children; they are given the opportunity to develop bonds with their children through Scouting. It has been well documented that Scouting can provide life-changing experiences for participants, and as unconventional as this group is, it is certainly changing the lives of all involved.

The project has been such a success that the idea is being duplicated at a higher security prison nearby. Meanwhile, the Scouts are continuing to focus on making the project sustainable so that future children visiting their parents can receive the same support and experience that Scouting offers them.



We have opened 237 new sections in some of the most deprived communities across the UK.



Scouting in the Muslim community grew by 36% this year.



# YOUTH SHAPED

38th Rossendale Scout Group in East Lancashire shows how Youth Shaped Scouting is done.

Youth Shaped Scouting is all about empowering young people to undertake their own adventures and shape their own experiences. It's a core concept dating back to 1907, and is an essential part of what makes us Scouts. Being Youth Shaped is about more than asking young people to choose from a shortlist of activities; the idea is to support the young people in making the list in the first place.

The 38th Rossendale Scout Group in East Lancashire has over 30 Scouts, most of whom are relatively young for their age group. The adult volunteers at 38th Rossendale have adopted a Youth Shaped approach and gather Scouts' thoughts, hopes and ideas right from the beginning when making decisions. The Scout Troop has Patrol Leaders, Assistant Patrol Leaders and Troop Forums to provide everyone with a platform to speak out. The Group Scout Leader sits down with the Patrol Leaders each month, and with everyone each planning cycle to choose badges. The adult volunteers make sure they don't promise too much and give too little. If the young people want big things, they try and work with them to turn those things into something achievable. Their overall focus is on listening, making changes and responding honestly – but with a healthy dose of optimism.

Youth Shaped methods of Scouting are working their magic at 38th Rossendale by securing committed members and potential future leaders. By listening and showing the Scouts that their opinions matter, the more ambitious Troop members have started thinking about devoting more time to Scouting long term. Youth Shaped Scouting benefits both younger and older members of Scouting, engaging young people and reducing the pressure on volunteers. It's a mindset that allows everyone to work together, regardless of age.

The list of pros is vast, and for 38th Rossendale it's visible in the number of Cubs who have moved up to Scouts.

As Group Scout Leader Chris rightly points out: 'It's a lot about the atmosphere that's created as well as what you're actually doing.'



200 young people attended this year's Youth Member Conference, YouShape 2016.



This Year, 798 young people received The Queen's Scout Award.



# COMMUNITY IMPACT

## Scouts in Liverpool tackle homelessness in Merseyside.

According to the latest statistics from Homeless Link, the national membership charity for organisations working directly with homeless people, rough sleeping in the UK has risen by 55% since 2010. Homelessness and rough sleeping affects a staggering number of people all over the UK.

Scouts from Liverpool's 1st Walton on the Hill (WOTH) Group decided that homelessness and rough sleeping in Merseyside was a social issue they want to take action on. It all started when some of the young leaders went on a youth engagement tour and travelled to London to take part in a group discussion about the things young people would like to change in their community. Among some of the other big issues, which are now being tackled by the A Million Hands project, one of the recurring themes was homelessness.

Having become aware of the Scouts' interest in addressing the issue, County Chairman Steve MacFarlane suggested Liverpool's leading homeless and housing charity, the Whitechapel Centre, as a place to begin the community impact project. Upon returning to Liverpool, Scouts from 1st WOTH contacted the staff at the Whitechapel Centre and the two teams coordinated working together to raise awareness about the problem of rough sleeping in Merseyside.

After discussing how they could help, the Group agreed to carry No Second Night Out cards. These cards have a number for them to call and alert the centre if they see anyone living on the streets who looks like they need help. They also organised workshops for Beavers and Cubs in order to help them understand the issue, but in a fun way. A number of Scouts spoke to staff at the Whitechapel Centre and to people who had been directly affected by homelessness to learn how many people are touched by the problem and how easy it is for people to find themselves on the streets.

The group also decided to organise a Sleep Out for the young people of Liverpool and launch a new website packed with information and Programme plans for Beaver Scouts, Cub Scouts and Scouts. The Sleep Out was set to coincide with World Homelessness Day. The Group requested a £3.50 donation to take part and encouraged people to get sponsored too. The Group prepared for the Sleep Out by creating makeshift shelters and running related activities, all planned and created by the young people themselves.

After, the Sleep Out, the Group plan to put together resources with ways to help other Groups educate their Scouts.



Since October 2015, 6,220 sections from 4,000 Scout Groups have registered to take part in A Million Hands.



Our Community Impact work has reached 43 million people through media coverage.



# OUR FINANCES

## Financial review

The Association's accounts have been prepared in accordance with the Statement of Recommended Practice (Accounting and Reporting by Charities) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective from 1 January 2015) and known as the Charities SORP (FRS 102), and the Charities Act 2011.

## Consolidation:

In these accounts we have brought together the results of The Scout Association with those of its five wholly owned trading subsidiaries:

- Scouts Shops Limited
- Scout Insurance Services Limited
- Scout Services Limited
- Scout Insurance Services (Guernsey) Limited
- World Scout Shop Limited

Subsidiary trading companies are required in order to prevent a tax charge arising in the parent charity. These companies Gift Aid their surpluses to The Scout Association. More information on these companies is included in note 11 to the Accounts.

## Financial highlights:

- Our youth membership (under 18 years) in our 2016 census, for the eleventh year in succession, increased to a total of 452,159 (2015: 444,146). These numbers exclude our Network section members. Growth is one of our strategic objectives
- Our total income increased by 9% to £32.59m (2015: £30m) excluding income of £10.80m from the 23rd World Scout Jamboree Contingent (2015: £NIL).
- During 2015/16, we increased our spending on charitable activities by 16% to £27.04m (2015: £23.40m) excluding expenditure of £9.96m in respect of the 23rd World Scout Jamboree Contingent (2015: £ NIL).
- The Consolidated Statement of Financial Activities shows an unrestricted deficit for the year, before any recognised gains or losses, of £0.85m (2015: £1.38m)
- The contributions due to be paid over in 2016/17 from our trading subsidiaries for 2015/16 total £4.97m (2015: £4.47m) – an increase of 11%
- It is estimated that through sales discounts and arrangements by our subsidiaries with District Scout Shops and other scouting retail outlets, an additional £1m has been generated and retained in local Groups, Districts, Areas and Counties
- Our total unrestricted funds fell by £0.79m to £37.25m (after deducting the pension reserve). Our free unrestricted reserves fell to £10.51m, from £15.01m at 31 March 2015. The main reason for the fall was a transfer of £3.50m from free unrestricted funds to designated unrestricted funds representing the net book value increase from the building and purchase of property and IT systems assets.

	<b>2016</b>	<b>2015</b>
	<b>£m</b>	<b>£m</b>
Net unrestricted expenditure before 'one off' items	<b>(0.38)</b>	(1.27)
Net restricted (expenditure)/income before 'one off' items	<b>(1.29)</b>	0.86
Special pension contributions	<b>(0.60)</b>	(0.60)
Movement in pension scheme deficit recognised in expenditure	<b>0.13</b>	0.50
Net expenditure	<b>(2.14)</b>	(0.51)
Net (losses)/gains on investment assets	<b>(0.77)</b>	0.07
Net gains on heritage assets	<b>0.10</b>	-
Actuarial surplus/(losses) on defined benefits pension scheme	<b>0.63</b>	(4.57)
Decrease in funds	<b>(2.18)</b>	(5.01)

**Key figures extracted from SoFA (Consolidated Statement of Financial Activities) – see page 32**

## Financial results

The Association's financial result, before recognised gains and losses and other revaluations, was a deficit for the year of £2.14m compared with the previous year's deficit of £0.51m. The result is made up of an unrestricted operating deficit of £0.85m, before recognised gains and losses and other revaluations, with a deficit of £1.29m on restricted funds.

The operating results (as shown in the Consolidated Statement of Financial Activities (SoFA) on page 32) in both 2016 and 2015 include several one-off items: £0.60m (2015: £0.60m) special pension contributions, and £0.13m decrease (2015: £0.5m) in the pension scheme deficit. The net unrestricted expenditure before these 'one-off' items was a deficit of £0.38m (2015: £1.27m deficit).

Despite small decreases in the value of the defined benefit pension scheme's assets as at 31 March 2016, there were also adjustments for decreasing the value of the scheme's liabilities leading to a small decrease in the actuarial loss as measured by Financial Reporting Standard (FRS) 102 of £0.63m (2015: increase of £4.57m). We saw a modest net loss on the valuation of investments at the year-end amounting to £0.67m (2015: net gain of £0.70m).

## Income

Total income for the year amounted to £43.39m compared with £30m last year – an increase of over 45%. This figure includes some related trading income and income of £10.80m for the management of the 23rd World Scout Jamboree Contingent that took place in Japan during July and August 2015.

In June 2014, the Trustees decided that the national membership subscription for 2015/16 should remain at £20.50 per adult and youth member, which includes a 50p rebate for prompt payment. With only a very minimal growth in membership numbers as shown in our 2015 census and a small increase in local discounts, membership fee income fell by 0.03% (2015: increase of 2.60%) to £10.37m (2015: £10.40m).

Donations, legacies and similar income amounted to £2.44m, a decrease of £0.31m from 2015. Our unrestricted income increased by £0.20m and we generated £1.91m (2015: £2.42m) of restricted income towards the International Volunteer Lodge project and grants for development in deprived areas and our work in schools.

Our trading activities include the retail sales of Scout Shops Limited and World Scout Shop Limited, sponsorship and promotional income, together with non-Scouting income generated by Baden-Powell House and the Gilwell Park Conference Centre. This income increased overall by £1.54m to £10.69m. It was an excellent year for our trading subsidiaries with a 13% increase in retail sales and a reversal of the prior

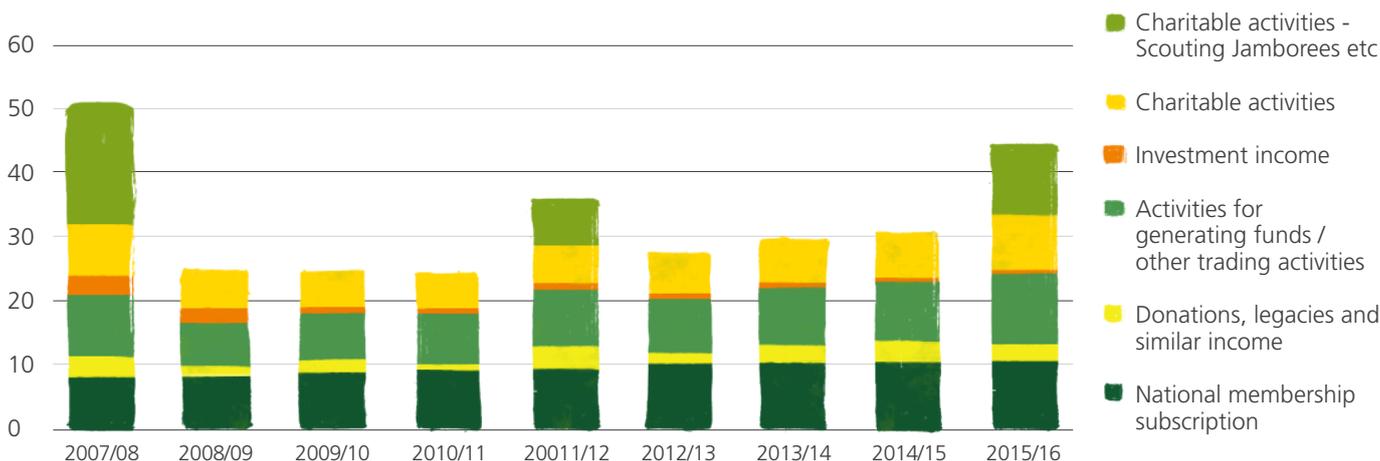
year's disappointments for the corporate sponsorship, promotion and royalty team who increased income by £0.77m to £1.18m. This is the direct result of a change in staffing levels and the refocusing of our approach and offer to corporate partners. The Fundraising team expects this income to continue climbing in 2016/17.

Investment income dropped by 16% as we transferred cash and current asset investments into capital expenditure projects. However the level of income derived from investments and deposits remains significantly below historic norms due to continuing low interest rates and yields.

Income from charitable activities arises in part as a result of the sale of goods and services as part of the charitable activities of the Association and of ancillary trades carried on in support of its primary purpose. These include camping, training, activity and accommodation charges at Baden-Powell House, Gilwell Park and our other National Activity Centres.

In addition it includes insurance commissions earned both by Scout Insurance Services Limited (Unity) and by Scout Insurance (Guernsey) Limited, and income from the disposal of tangible fixed assets. Total income from charitable activities (excluding income of £10.80m from the 23rd World Scout Jamboree contingent) grew by £1.50m to £8.47m over the year, primarily as a result of increased income from our National Centres.

**Table 1 – Total Income 2016: £43.39m [including £10.80m World Jamboree event] (2015: £30m)**



**Expenditure**

Total expenditure during the year amounted to £45.5m (2015: £30.50m) including £9.96m of 23rd World Scout Jamboree contingent expenditure as part of Youth Programme and Activities. We spent an extra £4m on our key charitable activities areas of the Development of Scouting, Adult Support and Training, and Support and Services to the Scouting Movement.

This increase included additional costs relating to safeguarding and child protection.

Expenditure also contains an amount of £0.42m (2015: £0.50m) related to the planned staffing restructures which took place during the two-year period ending March 2016 to re-align resources to the planned delivery of our strategic objectives contained within 'Scouting for All'.

**National Activity and Conference Centres**

Total income grew by 11% and the contribution after the allocation of support costs such as depreciation and restructure costs, remained similar to the contribution in 2015.

Baden-Powell House continued to grow in terms of income, and expansion works were completed during the year to improve the future capacity and quality of the conferencing facilities.

Youlbury Scout Activity Centre continued to achieve the expected increase in income following our investment in, and completion of, the major building works in 2014 and March 2016.

Great Tower Activity Centre remains the biggest challenge with overall growth slower than expected. Further ideas for the generation and diversification of income streams are being explored for 2016/17.

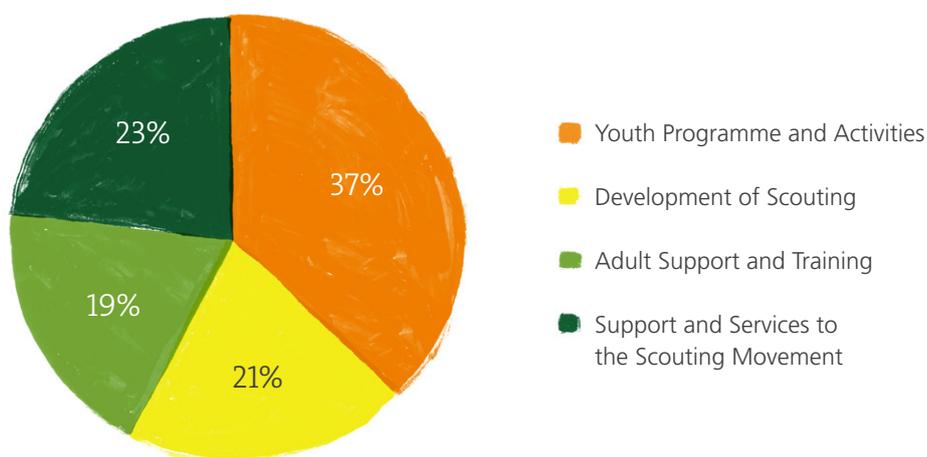
**Charitable activities**

Total expenditure on charitable activities was £37m or £27.04m if 23rd World Scout Jamboree contingent costs are excluded (2015: £23.63m). The expenditure has been analysed under the following headings:

- Youth Programme and Activities (eg updating and provision of Youth Programme Resources and in 2015/16 the 23rd World Scout Jamboree contingent)
- Development of Scouting (eg external relations and Regional Services)
- Adult Support and Training (eg members' records and updating adult training material)
- Support and Services to the Scouting Movement (eg safeguarding children, insurance and Information Centre)

The Trustees consider that it would be misleading to try to analyse the resources expended on charitable activities under

**Table 2 - Our spend on charitable activities in 2015/16 - 2016: £37m - including World Scout Jamboree expenditure of £9.96m (2015: £23.63m)**



the four strategic objectives that we use to group our activities and our achievements as described earlier in this report. Many of the actions and activities that deliver the strategic objectives are led and delivered by volunteers and incur proportionately less financial expenditure due to this mobilisation. To analyse the expenditure on charitable activities under these four objectives would therefore materially distort the importance of some of the aims and objectives. Instead, the Trustees consider that the four headings used to analyse expenditure on charitable activities provide a more meaningful and appropriate explanation of our spending priorities.

Support costs comprise the expenditure that enables a fundraising or charitable activity to be conducted; whilst important to achieving this activity they do not in themselves constitute a charitable activity. They include finance, information technology, human resources, legal costs, central management, governance and depreciation. They have been attributed to the costs of raising funds and to charitable activities based on an estimate of staff resources employed in delivering these functions.

## Reserves

The Scout Association's consolidated restricted and unrestricted reserves decreased by £2.18m to £41.56m at the end of the year. All funds are described in more detail in note 16 and include:

£0.10m	Goodwill on the purchase of Great Tower Activity Centre and a trading licence for the World Organisation of the Scout Movement (WOSM).
£3.55m	Capitalised heritage assets
£31.64m	Funds invested in fixed assets
£4.30m	Restricted and Endowment Funds
£4.02m	Funds retained in subsidiaries

In addition, the Trustees have identified a reserve against unrestricted funds that equates to the deficit on The Scout Association's Defined Benefit Pension Scheme at 31 March 2016.

A further £1.11m has been set aside in designated funds to meet future calls on the Association's finances, including buildings at Gilwell Park, the provision of grants towards attendance at future World Scout events and to

further support the future growth and development of Scouting in the UK.

## Unrestricted General Funds Reserves

During 2015 the Trustees conducted a review of the Association's current Reserves Policy. The Policy was established in 2011 to protect the Association and its charitable programmes by providing time to adjust to changing financial circumstances. It also provides parameters for future budgeting and strategic plans and contributes towards decision making. The Association's Reserves Policy establishes an appropriate target range for the level of general 'free' reserves. The range is based on a risk assessment of the probability and likely impact on the Association's activities that might be caused by a decline in income, an inability to meet financial obligations, or an inability to reduce expenditure in the immediate short term. The Policy ensures a balance between spending the maximum amount of income raised as soon as possible after receipt, while maintaining the appropriate level of reserves to ensure uninterrupted operation. The Policy and target range (to hold between three and six months of unrestricted expenditure up to a maximum value of £10m) is reviewed annually to reassess the risks and ensure that it reflects changes in the Association's income, financial obligations and expenditure.

At the end of March 2016 unrestricted reserves (excluding any designated fund reduction for the pension deficit of £10.03m) were £10.51m (see note 16a), a decrease of £4.50m in the year and representing approximately six months of the Association's budget for unrestricted expenditure in 2016/17.

This is £0.51m more than the upper level of the reserves policy target range of £10m.

The SORP 2015 definition of free reserves treats the pension reserve as a designated fund. Using this definition free reserves would be £0.48m (2015: £4.22m).

The reduction in unrestricted reserves is in line with a Trustees' approved financial strategy and a programme of planned capital expenditure which commenced during 2012/13. This programme, now completed, is forecast to bring

unrestricted reserves down to a figure representing just over four months of annual unrestricted expenditure by 31 March 2019.

The Association had a defined benefit pension scheme deficit of £10.03m at 31 March 2016. The Scheme's last triennial actuarial valuation was carried out on 31 March 2013 and is updated annually in accordance with FRS 102.

## Intangible Fixed Assets

The World Organisation of the Scout Movement awarded the Association the licence to design, distribute, market and sell products bearing the World Scout Organisation's registered logo. A payment of £0.06m was made during 2011/12 and an additional payment of £0.03m during 2013/14.

Goodwill of £0.10m (arising from the purchase of 'Oakleaves' and the Great Tower Activity Centre in March 2011) and the licence are being amortised over five to ten years.

## Tangible Fixed Assets

The Association maintains a collection of Scouting memorabilia, artefacts and works of art, including collections of paintings, furniture and other household and military items received from the founder of Scouting, Lord Baden-Powell. In line with accounting best practice for heritage assets, the Association has valued the fine art, statues and other major items where the nature of the items permits sufficiently reliable valuation. During 2011 and 2012 valuations of these items were conducted by Lyon & Turnbull and revaluation adjustments were reflected in the accounts for those years. A further revaluation report was completed by Pall Mall art advisors on 1 April 2016, resulting in a small upward valuation adjustment in these accounts. (see note 10a).

The Association made significant capital investments during the year in a combination of the infrastructure, furniture and equipment at the National Centres and information technology systems including Compass, the Association's national membership database. The capitalised cost of Compass (phase 1) amounts to £2.59m and is being written off over 4.5 years in accordance with the Association's accounting policies.

## Volunteers

During the year over 116,000 adults volunteered their time, energy, skills and commitment to Scouting at Group, District, County, Region or National level. Their roles ranged from regularly leading section meetings and organising camps, to helping with administration, training future leaders and attending meetings at every level. Without this contribution from its volunteers, Scouting would be unable to offer a wide range of challenging and inspiring activities that make it the largest co-educational youth movement in the UK today.

## Scout Shops Limited

Scout Shops Limited is a wholly owned subsidiary of The Scout Association that is incorporated in England selling Scouting and ancillary products mainly to members of The Scout Association, either directly or via District Scout Shops and other wholesale outlets. During the year Scout Shops continued to focus on developing its core business and key customer base, the Scout Movement, and offering a high level of service to our members. The subsidiary was involved in the development and dispatch of many products related to the World Scout Jamboree and the Programme relaunch.

Turnover in the year increased by 12.5% to £8.36m (2015: £7.43m) and operating costs were £5.67m (2014: £4.7m). The company delivered an operating profit before taxation of £3.10m (2015: £2.58m) with 100% of the taxable profits donated to The Scout Association.

The financial outturn for the year exceeded original expectations a result of sales mix, margin performance, prudent cost management and the commitment of an experienced workforce.

Through the provision of wholesale discounts to Badge Secretaries and District Scout Shops, Scout Shops Limited estimates it provides to local Scouting up to £1m of additional income each year.

Costs of £0.30m are included in the 2016 Scout Shops Limited accounts in respect of provisions and costs to meet contractual obligations on previously occupied retail properties.

## World Scout Shop Limited

Scout Shops Limited (an associated subsidiary undertaking) commenced trading operations at The World Scout Jamboree on 26 July 2011 under the trading name of the World Scout Shop. Following the incorporation of World Scout Shop Limited on 8 September 2011, the turnover and costs attributable to the event were transferred from Scout Shops Limited to the new business. The new company commenced to trade on that date.

The financial outturn for the third full year of trading exceeded expectations due primarily to its attendance and trading at the World Scout Jamboree in Japan.

Turnover amounted to £0.85m (2015: £0.31m) and operating costs were £0.58m (2015: £0.18m). The company delivered a profit after taxation of £0.31m (2015: £0.15m) with 100% of the taxable profits donated to The Scout Association.

## Scout Insurance Services Limited

Scout Insurance Services Limited is a wholly owned subsidiary of The Scout Association that is incorporated in England and trades under the name Unity Insurance Services. Its principal activity is that of an insurance broker providing insurance broking services primarily to The Scout Association, the Scout Movement and to other charities and not for profit organisations, including GirlGuiding UK.

In the year to March 2016, Unity Insurance Services generated turnover of £1.46m (2015: £1.40m) and a surplus after taxation of £0.49m (2015: £0.49m). 100% of the taxable profit was donated to The Scout Association.

During the year the company streamlined many of its business processes, improving customer service and realising efficiencies.

## Scout Insurance (Guernsey) Limited

Scout Insurance (Guernsey) Limited is a wholly owned subsidiary of The Scout Association that is incorporated in Guernsey. Its principal activity is that of an insurance captive. The company continues to play an important role in enabling the Association to manage its

insurance costs in an effective manner while helping to limit the risk of a material claim in an increasingly litigious society. In the year to March 2016, the net profit before taxation reduced to £0.27m (2015: £0.48m). During the year the directors paid a dividend of £0.48m (2015: £0.80m) to the Association.

## Scout Services Limited

Scout Services Limited is a wholly owned subsidiary of The Scout Association that is incorporated in England. Its principal activities are that of commercial property management and conferences, commercial fundraising and corporate sponsorship activity on behalf of The Scout Association.

Scout Services Limited produced a net profit of £0.61m (2015: £0.50m). The increased profit was principally due to the increase in corporate partnership income in the year.

## The Scout Association Defined Benefit Pension Scheme

The most recent full actuarial valuation of The Scout Association Defined Benefit Pension Scheme was carried out as at 31 March 2013. The market value of the assets of the scheme was £29.55m and the actuarial value of those assets represented 85% of the value of the benefits that had accrued to members. Based on this valuation the Trustees have agreed a funding plan to address the deficit.

The valuation of the defined benefit pension scheme at 31 March 2016, for the purposes of Financial Reporting Standard 102 (FRS 102), showed a funding deficit of £10.03m (2015: £10.79m).

There was a slight change in the assumptions used to value the Scheme's liabilities; in particular an increase in discount rates (discount rates of 3.5% in March 2015 increased to 3.75% by the end of the current year) reflecting slight improvements in bond yields. There was a small drop in the value of the Scheme's assets.

The Association contributed £0.90m (2015: £0.90m) to the scheme, including special contributions totaling £0.60m (2015: £0.60m). These special contributions are due to be paid for the

next nine years, although the amounts are subject to review with each triennial valuation. It is expected that these contributions will have to increase in coming years to meet the increase in deficit balance since 2013.

The cash flow required to meet the £10.03m deficit relates to future pension benefits. Therefore, this deficit is expected to arise over the long term rather than in the immediate future, and the amount of the deficit is subject to considerable variability because it depends on a range of demographic and financial assumptions which are likely to change over time. The Scheme was closed to new members in the year ended 31 March 2001 and therefore the obligations are mainly associated with long standing members of staff and current pensioners. The Trustees regularly monitor the pension scheme funding deficit to ensure that general reserves provide adequate cover against the future liability.

In accordance with Charity Commission guidance ('Charity Reserves and Defined Benefit Pension Schemes'), the Trustees have reviewed the cash flow impact on general reserves of the planned funding of the deficit. Since this is met from anticipated future income streams a separate designated fund is not required.

## Short Term Investment Service

As at 31 March 2016, total deposits by Scout Groups, Districts, Counties and Regions in the Short Term Investment Service were £13.50m (2015: £12.60m). This represented an increase of £0.90m in the year. These funds generated investment income for depositors of £0.05m (2015: £0.05m).

## National Membership Subscription

In June 2014, the Trustees decided that the National Membership Subscription for 2015/16 would not increase for another year and hence remains at £21.00 per member before a rebate of 50p for prompt payment. This decision was made after careful consideration of the CPI and RPI measures of inflation, our income growth and diversification, cost pressures including addressing the pension deficit and the latest three-year rolling forecast. In light of the information available on insurance premium increases

and other costs, the Trustees agreed that this decision would continue to send a positive message to the Movement following the previous stated objective for the Association to further reduce reliance on the membership fee income.

Following the January 2016 census, the National Membership Subscription will only be collected from young people within the Movement. The total income received by National HQ will not increase as a result of this change but will give recognition to the 116,000 or more volunteers who are members and volunteer to assist the delivery of our vision Scouting for All.

## Investment Policy and performance

Following a consultation with the members, the Trustees updated the Association's Investment Policy and have incorporated a Socially Responsible Investment (SRI) requirement that reflects the principles of the Association.

Having looked at several alternatives the Trustees adopted a segregated portfolio managed by Cazenove Capital Management in June 2011.

The performance objectives are:

- To maintain an optimum level of income tempered by the need for capital growth in order to safeguard future grant-making capacity
- To outperform benchmarks on a rolling three year basis.

As at 31st March 2016, the investment portfolio asset allocation was 49.3 % equities, 38.5% bonds, 7.4% property, 1.7% infrastructure and 3.1% cash in comparison to 50% equities, 40 % bonds, 5% property and infrastructure, and 5% cash for its composite benchmark. The investment portfolio generated income of approximately £0.35m and produced a total return of -2.4 % over the 12 month period to 31 March 2016 compared with a composite benchmark return of -0.8%.

Over the last 12 months the portfolio has underperformed the composite benchmark predominantly due to having a larger exposure to UK Oil and Gas and Mining sectors than the FTSE All Share as well as holding a shorter duration bond position than the benchmark. Property and infrastructure have performed well

producing positive returns in a more volatile period for equity markets.

In the 3 years to 31st March 2016, the portfolio's cumulative total return was 8.4% compared to its composite benchmark return of 8.6%.

The Association's current asset investment cash holdings are managed separately from the main investment portfolio. Total investment income of £0.49m was again slightly below target due to a further decline in yields and interest rates continuing to remain low.

## Remuneration policy

The Trustees consider the Board of Trustees and the Senior Leadership Team (the chief executive and the directors) as comprising the key management personnel of the charity in charge of directing and controlling, running and operating the Scout Association on a day to day basis.

All Trustees give of their time freely and no trustee received remuneration in the year. The chief executive (who is also a trustee and a full member of the Board) is paid for his executive duties only.

Details of Trustees' expenses and related party transactions are disclosed in note 6d of the accounts.

The pay of the Senior Leadership Team is reviewed annually by the Staffing, Salaries and Remuneration Committee (a subcommittee of the Board of Trustees) which takes into account market comparators, cost of living increases and the financial position of the organisation.

The Senior Leadership Team sets the salaries for all other employees.

The remuneration benchmark is the mid-point of the range paid for similar roles. If recruitment has proven difficult in the recent past a market rate supplement is also paid.

## Pension and other benefits

The Senior Leadership Team members are able to receive employer pension contribution rates and other benefits that are available to all employees generally. In addition senior staff are entitled to a company car or car allowance and enhanced medical insurance provision.

# TRUSTEES' RESPONSIBILITIES

Trustees are responsible for preparing the Annual Report and the financial statements in accordance with the Charities Act 2011 and for being satisfied that the financial statements give a true and fair view. Trustees are also responsible for preparing the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Charity law requires Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the group and charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, Trustees are required to:

- select suitable accounting policies and then apply them consistently
- make judgments and estimates that are reasonable and prudent
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

Trustees are responsible for keeping adequate accounting records that show and explain the charity's transactions, disclose with reasonable accuracy at any time the financial position of the charity, and enable them to ensure that the financial statements comply with the Charities Act 2011.

Trustees are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Financial statements are published on The Scout Association's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the group's website is the responsibility of the Trustees. The Trustees' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Our controls include:

- a strategic and operational plan and budget
- regular consideration by the Board, Finance Committee and Senior Leadership Team of financial results, variances from budget and other (non financial) performance indicators
- delegation of authority and segregation of duties
- identification and management of risks by the Board, its Committees and Senior Leadership Team

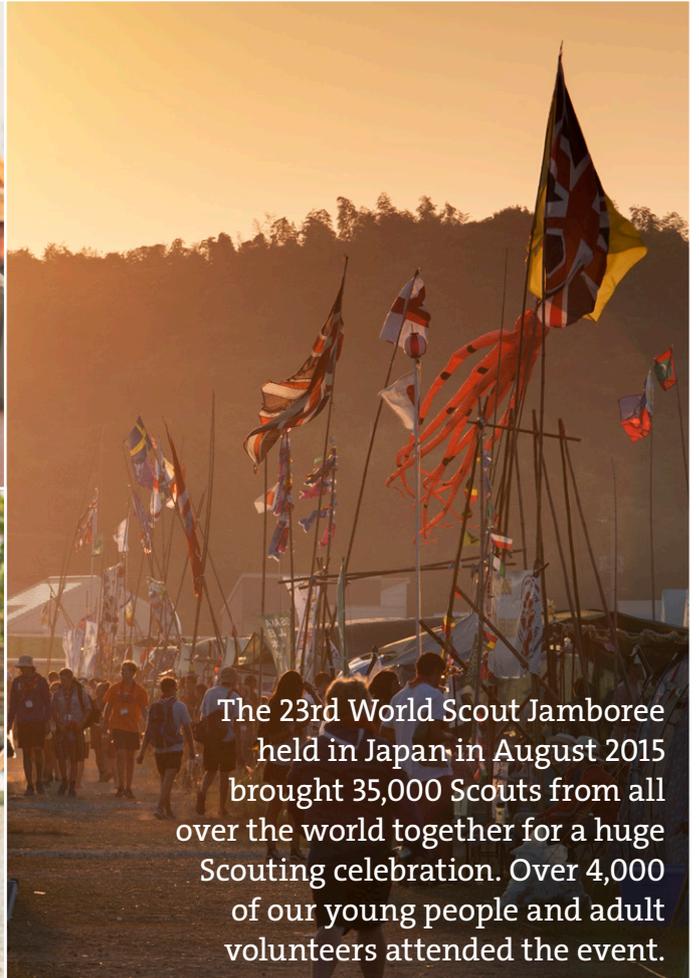
The Finance Committee monitors the effectiveness of any external and internal audits and, together with the Risk Committee, reviews our risk management processes.

Trustees believe that the system of internal controls has been adequate to provide reassurance against material misstatement or loss.



**Ann Limb**  
Chair, The Scout Association

On behalf of the Board of Trustees,  
9 July 2016



The 23rd World Scout Jamboree held in Japan in August 2015 brought 35,000 Scouts from all over the world together for a huge Scouting celebration. Over 4,000 of our young people and adult volunteers attended the event.

# CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 March 2016

	Notes	2016			2015		
		Unrestricted	Restricted and Endowment	Total	Unrestricted	Restricted and Endowment	Total
		£'000	£'000	£'000	£'000	£'000	£'000
<b>INCOME AND ENDOWMENTS FROM:</b>							
<b>Donations and legacies:</b>							
Membership subscriptions		10,374	-	<b>10,374</b>	10,402	-	<b>10,402</b>
Other donations	5(a)	530	1,908	<b>2,438</b>	333	2,417	<b>2,750</b>
		<b>10,904</b>	<b>1,908</b>	<b>12,812</b>	<b>10,735</b>	<b>2,417</b>	<b>13,152</b>
<b>Charitable activities:</b>							
Youth Programme		12,872	-	<b>12,872</b>	1,647	-	<b>1,647</b>
Development of Scouting		1,761	250	<b>2,011</b>	1,414	-	<b>1,414</b>
Adult Support and Training		1,841	-	<b>1,841</b>	1,491	-	<b>1,491</b>
Support and Services to the Scouting Movement		2,548	-	<b>2,548</b>	2,416	-	<b>2,416</b>
	5(b)	19,022	250	<b>19,272</b>	6,968	-	<b>6,968</b>
Other trading activities	5(c)	10,693	-	<b>10,693</b>	9,157	-	<b>9,157</b>
Investment Income	5(d)	558	50	<b>608</b>	623	97	<b>720</b>
Total income		<b>41,177</b>	<b>2,208</b>	<b>43,385</b>	<b>27,483</b>	<b>2,514</b>	<b>29,997</b>
<b>EXPENDITURE ON:</b>							
<b>Raising funds:</b>							
Donations and Legacies		399	11	<b>410</b>	211	5	<b>216</b>
Trading activities	6(a)	8,116	-	<b>8,116</b>	6,662	-	<b>6,662</b>
		8,515	11	<b>8,526</b>	6,873	5	<b>6,878</b>
<b>Charitable activities:</b>							
Youth Programme		13,852	22	<b>13,874</b>	4,413	110	<b>4,523</b>
Development of Scouting		6,910	843	<b>7,753</b>	5,767	668	<b>6,435</b>
Adult Support and Training		6,225	508	<b>6,733</b>	4,867	441	<b>5,308</b>
Support and Services to the Scouting Movement		7,662	974	<b>8,636</b>	6,697	669	<b>7,366</b>
	6(b)	34,649	2,347	<b>36,996</b>	21,744	1,888	<b>23,632</b>
Total expenditure		<b>43,164</b>	<b>2,358</b>	<b>45,522</b>	<b>28,617</b>	<b>1,893</b>	<b>30,510</b>
Net (losses)/gains on investments		(667)	(104)	<b>(771)</b>	62	12	<b>74</b>
<b>Net (expenditure)/income for the year</b>		<b>(2,654)</b>	<b>(254)</b>	<b>(2,908)</b>	<b>(1,072)</b>	<b>633</b>	<b>(439)</b>
Net Gains on revaluation of fixed assets-heritage assets		100	-	<b>100</b>	-	-	-
<b>Net movement in funds</b>		<b>(2,554)</b>	<b>(254)</b>	<b>(2,808)</b>	<b>(1,072)</b>	<b>633</b>	<b>(439)</b>
Transfers between funds		1,137	(1,137)	-	(243)	243	-
<b>Other recognised gains/(losses):</b>							
Actuarial gains/(losses) on defined benefit pension scheme	7	627	-	<b>627</b>	(4,573)	-	<b>(4,573)</b>
		(790)	(1,391)	<b>(2,181)</b>	(5,888)	876	<b>(5,012)</b>
<b>Reconciliation of funds:</b>							
Fund balances brought forward at 31 March 2015		38,041	5,695	<b>43,736</b>	43,929	4,819	<b>48,748</b>
<b>Fund balances carried forward at 31 March 2016</b>	16	<b>37,251</b>	<b>4,304</b>	<b>41,555</b>	<b>38,041</b>	<b>5,695</b>	<b>43,736</b>

## BALANCE SHEETS

As at 31 March 2016

	Notes	Consolidated		The Association	
		2016	2015	2016	2015
		£'000	£'000	£'000	£'000
<b>FIXED ASSETS</b>					
Intangible fixed assets	9	53	88	-	26
Tangible fixed assets	10	31,793	28,326	31,642	28,103
Investment in subsidiary companies	11	-	-	500	500
Investments	12	18,997	25,101	10,296	17,248
		<b>50,843</b>	<b>53,515</b>	<b>42,438</b>	<b>45,877</b>
<b>CURRENT ASSETS</b>					
Stocks	13	683	865	132	121
Debtors	14	6,602	9,473	7,875	10,683
Current asset investments		13,628	18,586	13,628	18,586
Cash and cash equivalents		6,297	6,170	1,348	380
		<b>27,210</b>	<b>35,094</b>	<b>22,983</b>	<b>29,770</b>
<b>CURRENT LIABILITIES</b>					
Creditors	15	(25,231)	(32,663)	(17,690)	(25,325)
<b>Net current assets</b>		<b>1,979</b>	<b>2,431</b>	<b>5,293</b>	<b>4,445</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>52,822</b>	<b>55,946</b>	<b>47,731</b>	<b>50,322</b>
<b>Creditors - amounts falling due after more than one year</b>					
	15	<b>(1,235)</b>	<b>(1,421)</b>	-	-
<b>Net assets excluding pension liability</b>		<b>51,587</b>	<b>54,525</b>	<b>47,731</b>	<b>50,322</b>
<b>Pension liability</b>	7	<b>(10,032)</b>	<b>(10,789)</b>	<b>(10,032)</b>	<b>(10,789)</b>
<b>Net assets including pension liability</b>		<b>41,555</b>	<b>43,736</b>	<b>37,699</b>	<b>39,533</b>
<b>THE ASSOCIATION'S FUNDS</b>					
Unrestricted Funds:	16(a)				
General Funds Excluding Pension Liability		10,509	15,008	10,675	15,049
Pension Reserve	7	(10,032)	(10,789)	(10,032)	(10,789)
General Funds		477	4,219	643	4,260
Designated Funds	16(b)	32,752	29,578	32,752	29,578
Non charitable trading funds	11	4,022	4,244	-	-
<b>Unrestricted Funds Including Pension Reserve</b>		<b>37,251</b>	<b>38,041</b>	<b>33,395</b>	<b>33,838</b>
Restricted Funds	16(c)	3,064	4,378	3,064	4,378
Endowment Funds	16(d)	1,240	1,317	1,240	1,317
<b>Total Funds</b>		<b>41,555</b>	<b>43,736</b>	<b>37,699</b>	<b>39,533</b>

Approved by the Board of Trustees on 9 July 2016 and signed on its behalf by:



**Ann Limb**  
Chair



**Gordon Boyd**  
Treasurer

## CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2016

	Consolidated		Charity		
	2016	2015	2016	2015	
	£'000	£'000	£'000	£'000	
<b>Cash flows from operating activities:</b>					
<b>Net cash provided by (used in) operating activities</b>	(951)	3,349	(998)	1,904	See (a)
<b>Cash flows from investing activities:</b>					
Dividends, interest and rents from investments	608	720	608	720	
Proceeds from the sale of property, plant and equipment	59	52	55	-	
Purchase of property, plant and equipment	(5,932)	(2,667)	(5,889)	(2,580)	
Proceeds from sale of investments	10,328	24,559	10,328	2,904	
Purchase of investments	(3,985)	(24,154)	(3,136)	(3,047)	
<b>Net cash provided by (used in) investing activities</b>	1,078	(1,490)	1,966	(2,003)	
Cash flows from financing activities:					
<b>Net cash provided by (used in) financing activities</b>	-	-	-	-	
Change in cash and cash equivalents in the reporting period	127	1,859	968	(99)	
Cash and cash equivalents at the beginning of the reporting period	6,170	4,311	380	479	
Cash and cash equivalents at the end of the reporting period	6,297	6,170	1,348	380	See (b)

### a) Reconciliation of (expenditure)/net income to net cash flow from operating activities

#### Net (expenditure)/income for the reporting period (as per the statement of financial activities)

Adjustments for:

	(2,908)	(439)	(2,561)	(150)
Depreciation charges	2,542	1,845	2,421	1,630
(Gains)/losses on investments	(240)	137	(240)	137
Dividends, interest and rents from investments	(608)	(720)	(608)	(720)
FRS Pension adj in I&E	(130)	(497)	(130)	(497)
Gifts in kind	-	(10)	-	(10)
Loss/(profit) on the sale of fixed assets	-	(2)	-	(5)
(Increase)/decrease in stocks	182	(373)	(11)	11
(Increase)/decrease in debtors	2,871	(1,465)	2,808	(2,102)
(Increase)/decrease in current Investments	4,958	(3,928)	4,958	(3,928)
Increase/(decrease) in creditors	(7,618)	8,801	(7,635)	7,538
<b>Net cash provided by/(used in) operating activities</b>	(951)	3,349	(998)	1,904

### b) Analysis of cash and cash equivalents

Cash in hand	6,297	6,170	1,348	380
<b>Total cash and cash equivalents</b>	6,297	6,170	1,348	380

## 1. CONSTITUTION

The Scout Association is incorporated by Royal Charter and is a registered charity whose purpose is to promote the development of young people in achieving their full physical, intellectual, social and spiritual potentials, as individuals, as responsible citizens and as members of their local, national and international communities.

## 2. SCOPE OF THE FINANCIAL STATEMENTS

These financial statements cover the activities directly controlled by The Scout Association. The activities of the Scout Councils of Northern Ireland, Scotland and Wales together with Scout Counties, Areas, Regions, Districts and Groups are not reflected in these financial statements. These bodies are separate autonomous charities that are affiliated to The Scout Association.

## 3. 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 of consolidated financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2015) - (Charities SORP (FRS102)), this is the first year that the accounts have been prepared under FRS102 and the Charities Act 2011.

The Scouts Association meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The financial statements consolidate the financial statements of The Scout Association and its subsidiary companies. The financial statements of all entities are made up to 31 March 2016.

The Balance Sheets and Profit and Loss accounts of the subsidiaries have been consolidated on a line by line basis as required by the Statement of Recommended Practice.

On acquisition of a business all of the assets and liabilities that exist at the date of acquisition are recorded at their fair values reflecting their condition at that time. All changes to those assets and liabilities and the resulting surpluses that arise after acquisition are charged to the post-acquisition Statement of Financial Activities.

### b. Reconciliation with previous Generally Accepted Accounting Practice

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 the restatement of comparative items were required.

At the date of transition in applying the requirement to recognise liabilities arising from employee benefits, a liability was recognised for short-term compensated absence arising from employee entitlement of the parent charity to paid annual leave. The consolidated value of this liability has been calculated at £206,759 (2015 £179,474).

In accordance with the requirements of FRS102 the opening fund balances of the group has been adjusted to reflect this change and a reconciliation is provided.

	1 April 2014	31 March 2015
	£'000	£'000
Fund Balances as previously stated	48,928	43,916
Short-term compensated absence	(180)	(180)
Fund balances as restated	48,748	43,736

The net effect on the prior year SOFA is £nil.

### c. Recognition of income National membership subscriptions

Membership subscriptions are payable in advance for a year ended 31 March. The amount receivable for the year ended 31 March 2016 is shown in the Statement of Financial Activities. Subscriptions are treated as voluntary income because they are more similar in nature to donations than to payments for goods or services.

### Investment income

Dividends are accounted for on a receipts basis. Interest is accounted for on an accruals basis and includes all amounts earned up to 31 March 2016. Associated tax recoveries are included for all amounts shown as income.

### Legacies

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

### Gifts in Kind

Properties, investments, heritage assets, other fixed assets and any other assets or services donated to the charity are included as donated income at their estimated value to the charity at the time of receipt.

### Insurance Income

Insurance commission is recognised at the date of inception of the policy. The amount recognised is the total brokerage due to the company less an overall provision for unearned commission. Historic profit commission is recognised when it can be reliably calculated and forecast to be receivable.

## Notes to the financial statements (continued)

Insurance underwriting gross premium written comprises the premium due on contracts entered into in a financial year, regardless of whether such amounts relate in whole or in part to a later financial year. Reinsurance premium is accounted for in the same accounting period as the premium for the related direct insurance. Unearned premium represents the proportion of premiums written estimated to be earned in future financial years. It is calculated on a monthly pro-rata basis. Acquisition costs relating to unearned premiums are deferred on the same basis as the premiums to which they relate.

### d. Allocation of income and costs

Activities for generating funds and Fundraising trading: costs of goods sold and other costs

Income and expenditure from Scout Shops Limited, World Scout Shop Limited, Scout Services Limited and

from commercial activities carried out at Baden-Powell House and the Gilwell Conference Centre are classified under these headings.

### Incoming resources from charitable activities

This comprises income from the provision of services supporting the objectives of the Association through operations including the Information Centre, insurance services, and Scouting Magazine as well as the National Activity Centres. A percentage of accommodation and training fees receivable at Baden-Powell House and the Gilwell Conference Centre are also included under this heading. The percentages used in respect of these two sites are 20% and 80% respectively. The remaining income from Baden-Powell House and the Gilwell Conference Centre is included in Activities for Generating Funds.

The charitable activities have been analysed under the following headings:

- Youth Programme
- Development of Scouting
- Adult Support and Training
- Support and Services to the Scouting Movement

The Association's activities are largely financed by national membership subscriptions and income from the trading subsidiaries rather than income from the charitable activities. The activities have been classified as described in note 6.

Where possible the income and costs relating to a department or cost-centre are allocated in full to one of the above categories, but in practice many departments have an involvement in more than one activity. The other major allocations, which are reviewed annually by the Trustees, are set out below.

	Youth Programme and Activities	Development of Scouting	Adult Support and Training	Support and Services
World and European membership fees	-	-	-	100%
Members records and awards	-	-	40%	60%
Membership services	20%	20%	20%	40%
Safeguarding children	-	-	-	100%
Public relations	-	100%	-	-
Insurance	-	-	-	100%
Scouting Magazine	33%	33%	33%	-
Short Term Investment Service	-	-	-	100%
Regional Development Service	-	33%	33%	33%
Baden-Powell House	20%	-	-	-
Gilwell Conference Centre	27%	27%	27%	-
Other National Activity Centres	33%	33%	33%	-

### Support costs

These are costs incurred directly in support of the objects of the charity. The costs are attributed to the activities that they support. Where a department supports all the charity's activities the costs have been apportioned pro-rata to the staff resources directly engaged in that activity. The percentages that apply are:

Trading – 6%

Youth Programme – 20%

Development of Scouting – 29%

Adult Support and Training – 26%

Support and Services to the Scouting Movement – 19%

### e. Intangible fixed assets

Intangible fixed assets represent goodwill arising on acquisitions less accumulated amortisation. Goodwill arising on acquisition of an undertaking is the difference between the fair value of the consideration paid and the fair value of the assets and liabilities acquired. It is capitalised and amortised through the Statement of Financial Activities over the Trustees' estimate of its useful economic life which can range from 5 to 10 years. Impairment tests on the carrying value are undertaken at the end of the first full year after acquisition and in any other subsequent period if events or changes in circumstances indicate that the carrying value may not be recoverable. The cost of acquiring a brand licence is written off over the term of the related contract.

### f. Fixed Assets - Heritage assets

The Association maintains a collection of Scouting memorabilia, artefacts and works of art, including collections of paintings, furniture and other household and military items received from the founder of Scouting, Lord Baden-Powell.

In accordance with FRS 102 - Heritage Assets, the Association's collection of fine art, statues and other major items are recorded on the balance sheet at valuation. Periodic professional revaluations are performed at the discretion of the Trustees when conditions indicate that their valuation may have significantly changed. Any surplus or deficit on revaluation is charged to the net movement in funds on the Consolidated Statement of Financial Activities.

The Trustees consider that obtaining valuations for the remainder of the collection would involve disproportionate cost due to the diverse nature of the assets held and the lack of comparable market values. Other than the items that have been valued as described above, the Association does not recognise these assets on its Balance Sheet.

The Trustees will occasionally approve the disposal of elements of the collection, for example when an item is of doubtful provenance. Where items that are not recognised as fixed assets are disposed of, the proceeds, net of disposal costs, are reported in the Statement of Financial Activities. Disposal proceeds are also disclosed separately in the notes to the accounts.

Acquisitions are normally made by donation with occasional purchases. Donations are recorded at a current market valuation with reference, where possible, to commercial markets using recent transaction information from auctions. Recent purchases are recorded at cost.

Expenditure which in the Trustees' view is required to preserve or prevent further deterioration of individual items, including preservation work, is recognised in the Income and Expenditure Account when it is incurred.

It is the intention of the Scout Association to preserve these items indefinitely, therefore amortisation is not in our view appropriate.

### g. Fixed assets – Other fixed assets

The cost of acquiring fixed assets used for charitable purposes is capitalised and depreciation is calculated to write off the cost of assets brought into use at the Balance Sheet date on a straight line basis over their estimated useful lives. Assets costing less than £200 are not capitalised.

In the case of freehold buildings the useful life is normally taken as 50 years. Where land and buildings were acquired together it has been assumed that the buildings represent 50% of the initial cost of freehold properties. No depreciation is provided on freehold land.

Gains or losses on the disposal of fixed assets held for charitable use are reflected in net income / expenditure for the year shown in the Statement of Financial Activities.

Fixed assets held for investment purposes are stated at market value on the Balance Sheet date. Any gains or losses on the disposal or revaluation of investment assets are shown as Net Gains/ (Losses) on Investment Assets.

### h. Stocks

Stocks are valued at the lower of cost and estimated net realisable value. Cost is calculated using the current purchase price method and consists of the original cost of goods without any addition for overheads.

### i. VAT

The Association is partially exempt for VAT purposes and is not able to reclaim all the VAT it pays. It is not practicable to allocate irrecoverable VAT to the expenses and assets concerned, and irrecoverable VAT is normally written off. For large acquisitions of property, irrecoverable VAT is added to the capital cost.

### j. Leases

Significant assets held under finance leases and the related lease obligations are included at the fair value of the leased assets at the inception of the lease. Depreciation on leased assets is calculated to write off this amount on a straight-line basis over the shorter of the lease term and the useful life of the asset.

Rentals payable are apportioned between the finance charge and a reduction of the outstanding obligations.

All other leases have been treated as operating leases and the rentals written off as they are paid because of the insignificant amounts involved.

**k. Pension costs**

Contributions payable to The Scout Association Pension Scheme are charged to the Statement of Financial Activities so as to spread the cost of pensions over the working lives of employees in the scheme. The pension charge is calculated on the basis of actuarial advice.

The pension scheme liabilities are measured using a projected unit method and discounted at an AA sterling corporate bond rate. The pension scheme deficit is recognised in full on the Balance Sheet.

The difference between the fair value of the assets held in the Association's defined benefit pension scheme and the Scheme's liabilities measured on an actuarial basis using the projected unit method are recognised in the Association's balance sheet as a pension liability.

**l. Grants payable**

Grants payable are included in the Statement of Financial Activities as expenditure in the period in which the award is made. Grants which have been approved by the Trustees and agreed with other organisations but which are unpaid at the year end are accrued. Grants where the beneficiary has not been informed or has to meet certain conditions before the grant is released are not accrued.

**m. Cash and cash equivalents**

Cash and cash equivalents comprise cash balances.

**n. Financial instruments**

The Company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. This includes secured loans that are made to local scout groups and other members of the UK Scouting Movement. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

**b. Restricted Funds**

Restricted Funds are those received which have been earmarked for a special purpose by the donor or the terms of an appeal.

**c. Unrestricted Funds**

Unrestricted Funds are those received, which are not subject to any special restriction. They are divided between General Funds and Designated Funds. Designated Funds comprise amounts set aside by the Trustees to be used for particular purposes.

**4. NATURE OF FUNDS**

Following the requirements of the Statement of Recommended Practice all Funds have been identified as falling into one of three categories.

**a. Endowment Funds**

Endowment Funds are those received to be held as capital with only the income available to be spent. Subsequent gains or losses on the disposal of the underlying assets of the fund become part of the capital.

## 5. INCOME AND ENDOWMENTS

## a. Other donations and legacies

				2016	2015
	Unrestricted	Restricted	Endowment	Total	Total
	£'000	£'000	£'000	£'000	£'000
Legacies	258	14	-	272	330
Other donations	272	1,893	1	2,166	2,420
<b>Total</b>	<b>530</b>	<b>1,907</b>	<b>1</b>	<b>2,438</b>	<b>2,750</b>

## b. Charitable activities

The income in this category is derived primarily from the Association's insurance subsidiaries and National Activity Centres. Many of the activities are not conducted with the prime intention of generating net income. Instead, the Association's charitable activities are largely financed by fundraising activities and by membership subscriptions.

				2016	2015
	Unrestricted	Restricted	Endowment	Total	Total
	£'000	£'000	£'000	£'000	£'000
National events	90	-	-	90	112
Insurance broking and underwriting	2,510	-	-	2,510	2,494
Scouting Magazine advertising	155	-	-	155	212
National Centres	5,377	-	-	5,377	4,104
World Jamboree/Roverway	10,769	-	-	10,769	-
Other income	121	250	-	371	46
<b>Total</b>	<b>19,022</b>	<b>250</b>	<b>-</b>	<b>19,272</b>	<b>6,968</b>

## c. Other trading activities

				2016	2015
	Unrestricted	Restricted	Endowment	Total	Total
	£'000	£'000	£'000	£'000	£'000
Retail sales	8,795	-	-	8,795	7,779
Hostel and conference income	721	-	-	721	967
Sponsorship, promotions and royalties	1,177	-	-	1,177	411
<b>Total</b>	<b>10,693</b>	<b>-</b>	<b>-</b>	<b>10,693</b>	<b>9,157</b>

## d. Investment income

				2016	2015
	Unrestricted	Restricted	Endowment	Total	Total
	£'000	£'000	£'000	£'000	£'000
Quoted investments	352	1	-	353	465
Short Term Investment Service	-	49	-	49	48
Other deposit interest	168	-	-	168	129
Rental income	38	-	-	38	78
<b>Total</b>	<b>558</b>	<b>50</b>	<b>-</b>	<b>608</b>	<b>720</b>

## 6. EXPENDITURE ON:

## a. Trading activities

				2016	2015
	Unrestricted	Restricted	Endowment	Total	Total
	£'000	£'000	£'000	£'000	£'000
Retail operating costs	6,047	-	-	6,047	5,401
Hostel and conference expenditure	1,269	-	-	1,269	949
Sponsorship and promotions	800	-	-	800	312
<b>Total</b>	<b>8,116</b>	<b>-</b>	<b>-</b>	<b>8,116</b>	<b>6,662</b>

Hostel, conference and commercial trading expenditure includes support costs of £0.55m (2015 - £0.39m). The basis for allocation of support costs is explained in note 6 (c).

## b. Costs of charitable activities

Charitable activities have been analysed into four categories as explained in note 3 (d). Costs are allocated using the principles explained in that note.

Youth Programme includes the various educational activities that members participate in. Development activities are those which are aimed at growing the Scout Movement. Adult Support and Training includes those activities that support leaders and other adults involved in Scouting. Support and Services to the Scouting Movement includes activities such as safeguarding children and insurance, which assist the activities of Scout Groups

				2016	2015
	Unrestricted	Restricted	Endowment	Total	Total
	£'000	£'000	£'000	£'000	£'000
Youth Programme	13,852	22	-	13,874	4,523
Development of Scouting	6,910	836	7	7,753	6,435
Adult Support and Training	6,225	508	-	6,733	5,308
Support and Services to the Scouting Movement	7,662	974	-	8,636	7,366
<b>Total</b>	<b>34,649</b>	<b>2,340</b>	<b>7</b>	<b>36,996</b>	<b>23,632</b>

## Analysis of costs of charitable activities

				2016	2015
	Direct	Grant funding	Support costs	Total	Total
	£'000	£'000	£'000	£'000	£'000
Youth Programme	12,185	224	1,465	13,874	4,523
Development of Scouting	4,734	817	2,202	7,753	6,435
Adult Support and Training	4,354	98	2,281	6,733	5,308
Support and Services to the Scouting Movement	6,996	254	1,386	8,636	7,366
<b>Total</b>	<b>28,269</b>	<b>1,393</b>	<b>7,334</b>	<b>36,996</b>	<b>23,632</b>

Youth Programme expenditure for the year ended 31 March 2016 included £9.96m relating to the UK contingent participating in the 23rd World Scout Jamboree in Japan

## Grant funding

Grants are paid from restricted and designated funds administered by the Association to a large number of Scout Groups, Districts, Regions, Areas and Counties in accordance with the objectives of the respective funds. No grants were awarded to individuals and none were material.

ANALYSIS OF GRANTS	Grants to local Scouting	
	2016	2015
	£'000	£'000
Development	982	789
International Fund	51	29
Benevolent Fund	11	14
Ralph Reader Memorial Fund	-	-
Admiralty Fund and Trinity House Fund (Sea Scout Groups)	90	92
Grants to local Groups from legacies	151	142
King George VI Leadership Fund	13	19
Other	96	373
<b>Total</b>	<b>1,394</b>	<b>1,458</b>

**c. Support costs allocation**

	2016	2015
	Unrestricted and Total £'000	Total £'000
Property and equipment depreciation	2,500	1,450
Irrecoverable VAT	360	340
Office accommodation and services	370	659
Central management	664	593
HR, legal and secretarial	912	879
Finance and accounting	504	493
Information technology and business solutions	1,670	1,368
Movement in pension scheme deficit recognised in resources expended	470	102
Other	307	326
Governance	163	171
<b>Total</b>	<b>7,920</b>	<b>6,381</b>

Support costs comprise the costs that enable a fundraising or charitable activity to be conducted, but do not in themselves constitute an activity. The support costs listed above have all been allocated to the costs of generating funds and charitable activities pro-rata to the full-time equivalent number of staff directly engaged in the appropriate activities. The relevant percentages are analysed in Note 3(d).

**d. Resources expended include:**

	2016	2015
	£'000	£'000
<b>Auditor's remuneration</b>		
Audit fees	70	68
Other	41	2
<b>Trustees' expenses</b>	<b>54</b>	<b>34</b>

During the year 15 (2015: 17) Trustees were reimbursed for their out of pocket expenses incurred attending meetings and carrying out their duties.

## 7. STAFF COSTS

	<b>2016</b>	<b>2015</b>
	<b>£'000</b>	<b>£'000</b>
Wages and salaries	<b>9,984</b>	9,227
Social security costs	<b>938</b>	916
Other pension costs	<b>692</b>	717
	<b>11,614</b>	<b>10,860</b>
In addition, termination costs in the year	<b>422</b>	500

Termination costs are accrued when agreed. Accruals at 31 March 2016 were 0.03m (2015: 0.3m)

The average number of persons employed during the year (full-time equivalent) was:

<b>ACTIVITY</b>	<b>2016</b>	<b>2015</b>
The Scout Association	<b>274</b>	264
Scout Shops Limited/World Scout Shop Limited	<b>37</b>	37
Unity (Scout Insurance Services Limited)	<b>16</b>	14
<b>Total</b>	<b>327</b>	<b>315</b>

The number of employees whose total emoluments for the year exceeded £60,000 were as follows:

	<b>2016</b>	<b>2015</b>
£60,001 to £70,000	<b>6</b>	1
£70,001 to £80,000	-	1
£80,001 to £90,000	-	1
£90,001 to £100,000	<b>3</b>	3
£100,001 to £110,000	<b>1</b>	-
£110,001 to £120,000	<b>1</b>	2

The Chief Executive Officer, Matt Hyde, is also a Trustee. He received remuneration and benefits for his service as Chief Executive Officer which amounted to £114,814 (2015: £113,254). No other Trustee received remuneration for services to the Association.

The key management personnel of the parent charity and the subsidiaries comprise the Trustees, the Chief Executive Officer, Director of Commercial Services, Director of Communications, Director of Scouting Operations, Director of Support Services, Managing Director of Unity Insurance (SISL) and General Manager of Scout Shops and World Scout Shop. The total employee benefits of the key management personnel of The Scout Association was £707,229 (2015 £774,167).

## PENSION SCHEMES

**a. The Scout Association Pension Scheme (FRS102 disclosure for year to 31 March 2016)**

The Scout Association ("the Association") operates a defined benefit pension arrangement called the Scout Association Defined Benefit Pension Scheme ("the Scheme"). The Scheme provides benefits based on final salary and length of service on retirement, leaving service or death. The following disclosures exclude any allowance for defined contribution schemes operated by the Association.

The Scheme is subject to the Statutory Funding Objective under the Pensions Act 2004. A valuation of the Scheme is carried out at least once every three years to determine whether the Statutory Funding Objective is met. As part of the process the Association must agree with the trustees of the Scheme the contributions to be paid to address any shortfall against the Statutory Funding Objective and contributions to pay for future accrual of benefits.

## Notes to the financial statements (continued)

The most recent comprehensive actuarial valuation of the Scheme was carried out as at 31 March 2013. The results of that valuation have been updated to 31 March 2016 allowing for cashflows in and out of the Scheme and changes to assumptions over the period. These updated results were provided to the Trustees in a report dated 12 November 2015. The triennial actuarial valuation of the Scheme as at 31 March 2016 is currently being carried out.

The Association operates a pension scheme providing benefits based on final pensionable salaries. The scheme is funded with the assets being held by the pension scheme's Trustees separately from the assets of the Association. The pension costs are assessed by a qualified actuary and are charged to the Statement of Financial Activities so as to spread those costs over the employees' working lives with the Association.

### Actuarial assumptions

#### The principal assumptions used to calculate the Scheme's liabilities include:

	31 March 2016	31 March 2015
Discount rate	3.75%	3.50%
Inflation assumption - RPI	2.90%	2.90%
Inflation assumption - CPI	1.90%	1.90%
LPI 5% pension increases	2.90%	2.90%
LPI 2.5% pension increases	2.50%	2.90%
Revaluation in deferment		
. Pensions earned before 6/4/2009	1.9% p.a.	1.9% p.a.
. Pensions earned after 5/4/2009	2.90% p.a.	2.90% p.a.
Pensionable Salary Increases	3.40%	3.40%
Mortality	S1NA tables CMI 2012 projections 1.25% p.a. long-term trend rate for pensioners 1.50% p.a. long-term trend rate for nonpensioners	S1NA tables CMI 2012 projections 1.25% p.a. long-term trend rate for pensioners 1.50% p.a. long-term trend rate for nonpensioners
Retirement Cash	Members are assumed to take 20% of their pension as tax free cash	Members are assumed to take 20% of their pension as tax free cash

Under the mortality tables adopted, the assumed future life expectancy at age 65 is as follows:

	31 March 2016	31 March 2015
Life expectancy at age 65		
Male currently aged 45	25.2	25.1
Female currently aged 45	27.9	27.8
Male currently aged 65	23.0	22.9
Female currently aged 65	25.5	25.4

### ASSET CATEGORY

The major categories of assets as a percentage of total assets are as follows:

	31 March 2016	31 March 2015
Equities	29%	29%
Gilts	24%	16%
Bonds	14%	23%
Cash	2%	0%
Other assets*	31%	32%
Total	100%	100%

\*Other assets include investments held in Standard Life GARS and Pyrford's Global Total Return Fund.

The actual return on the Scheme's assets over the period to the Review Date was (£56,000).

The fair value of the Scheme's assets does not include property investment that is occupied by the Association.

**Amounts recognised in the balance sheet at 31 March 2016**

	<b>2016</b>	2015
	<b>£'000</b>	£'000
Fair value of assets	<b>31,691</b>	32,695
Present value of funded obligations	<b>(41,723)</b>	(43,484)
<b>Deficit</b>	<b>(10,032)</b>	<b>(10,789)</b>
<b>Amounts recognised in the Statement of Total Resources Expended over the year</b>	<b>2016</b>	2015
	£'000	£'000
Current service cost	<b>231</b>	420
Administration costs	<b>163</b>	168
Interest on Liabilities	<b>1,493</b>	1,657
Interest on Assets	<b>(1,128)</b>	(1,770)
<b>Total</b>	<b>759</b>	<b>475</b>

**Remeasurements over the year**

	<b>31 March 2016</b>	31 March 2015 (restated)
	<b>£'000</b>	£'000
Loss/(gain) on scheme assets in excess of interest	<b>1184</b>	(1,724)
Experience losses(gains) on liabilities	-	-
Actuarial Gain /(Loss)	<b>(1,811)</b>	6,307
Changes in effect of asset ceiling	-	-
<b>Total remeasurements</b>	<b>(627)</b>	<b>4,583</b>

**Reconciliation of assets and defined benefit obligation**

The change in assets over the year was:

	<b>31 March 2016</b>	31 March 2015 (restated)
	<b>£'000</b>	£'000
<b>Fair value of assets at the beginning of the year</b>	<b>32,695</b>	29,809
Interest on assets	<b>1,128</b>	1,770
Associations contributions	<b>889</b>	805
Contributions by Scheme participants	<b>54</b>	77
Benefits paid	<b>(1,728)</b>	(1,323)
Administration costs	<b>(163)</b>	(168)
Change due to settlements	-	-
Return on plan assets less interest	<b>(1,184)</b>	1,725
<b>Fair value of assets at the end of the year</b>	<b>31,691</b>	<b>32,695</b>

The change in defined benefit obligation over the year was:

	<b>31 March 2016</b>	31 March 2015 (restated)
	<b>£'000</b>	£'000
Defined benefit obligation at the beginning of the year	<b>43,484</b>	36,523
Current service cost	<b>231</b>	420
Contributions by Scheme participants	<b>54</b>	77
Interest on Pension Scheme liabilities	<b>1,493</b>	1,657
Benefits paid	<b>(1,728)</b>	(1,491)
Actuarial(gain)/loss on defined benefit obligation	<b>(1,811)</b>	6,298
<b>Defined benefit obligation at the end of the year</b>	<b>41,723</b>	<b>43,484</b>

Summary of prior year amounts

	<b>2016</b>	2015	2014	2013	2012
	<b>£'000</b>	£'000	£'000	£'000	£'000
Present value of defined benefit obligation	<b>(41,723)</b>	(43,484)	(36,523)	(36,530)	(34,242)
Scheme assets	<b>31,691</b>	32,695	29,809	29,405	26,842
Deficit	<b>(10,032)</b>	(10,789)	(6,714)	(7,125)	(7,400)
Experience gains and losses on Scheme liabilities	<b>(1,184)</b>	-	812	-	(16)
Experience adjustments on Scheme assets	-	1,725	(433)	1,568	(1,009)

**Sensitivity of the value placed on the liabilities**

<b>Adjustments to assumptions</b>	<b>Approximate effect on liabilities</b>
<b>Discount rate</b>	£'000
Plus 0.50% p.a.	(3,600)
Minus 0.50% p.a.	4,000
 <b>Inflation</b>	
Plus 0.50% p.a.	1,400
Minus 0.50% p.a.	(1,300)
 <b>Salary increase</b>	
Plus 0.50% p.a.	525
Minus 0.50% p.a.	(500)
 <b>Mortality</b>	
Long-term trend rate 1.25% p.a. for all members	(450)
 <b>Commutation</b>	
Members take 25% of their pension as cash	(450)

The above sensitivities are approximate and only show the likely effect of an assumption being adjusted whilst all other assumptions remain the same

The level of employer contributions for 2016/17 has been set at 22%. (2015/16: 22%)

**(b) The Scout Association Group Personal Pension Scheme**

The Association also contributed £501,000 (2015: £471,000) towards individual defined contribution personal pension schemes for those employees that choose to join and are auto enrolled onto the scheme.

**8. NET MOVEMENT IN FUNDS**

The net movement in funds arises as follows:

	<b>2016</b>	<b>2015</b>
	<b>£'000</b>	<b>£'000</b>
The Scout Association	<b>(2,101)</b>	(4,715)
Subsidiaries	<b>(193)</b>	(297)
<b>Total</b>	<b>(2,294)</b>	<b>(5,012)</b>

## 9. INTANGIBLE FIXED ASSETS

## Goodwill and licences

	Consolidated		The Association	
	2016	2015	2016	2015
	£'000	£'000	£'000	£'000
<b>COST</b>				
<b>At 1 April 2015</b>	<b>223</b>	<b>223</b>	<b>138</b>	<b>138</b>
Additions	-	-	-	-
<b>At 31 March 2016</b>	<b>223</b>	<b>223</b>	<b>138</b>	<b>138</b>
<b>AMORTISATION</b>				
At 1 April 2015	135	98	112	84
Charge for the year - Goodwill	35	28	26	28
Charge for the year - Licences	-	9	-	-
<b>At 31 March 2016</b>	<b>170</b>	<b>135</b>	<b>138</b>	<b>112</b>
<b>Net Book Value at 31 March 2016</b>	<b>53</b>	<b>88</b>	<b>-</b>	<b>26</b>

Goodwill of £138,000 arose on the reversion of the lease of Great Tower Scout Activity Centre on 31 March 2011.

World Scout Shop Limited acquired a brand licence from the World Scout Organisation for £55,000 during the year ended 31 March 2012. An additional payment of £30,000 was made during the year ended 31 March 2014.

Goodwill and licences are amortised over 5 to 10 years straight line.

## 10. TANGIBLE FIXED ASSETS

## a. Heritage assets

	Consolidated		The Association	
	2016	2015	2016	2015
	£'000	£'000	£'000	£'000
<b>VALUATION</b>				
At 1 April 2015	3,453	3,443	3,453	3,443
Additions	-	10	100	10
Revaluation	100	-	-	-
<b>At 31 March 2016</b>	<b>3,553</b>	<b>3,453</b>	<b>3,553</b>	<b>3,453</b>

The Association maintains a collection of Scouting memorabilia, artefacts and works of art, including collections of paintings, furniture and other household and military items received from the founder of Scouting, Lord Baden-Powell. Some of these items, including statues and paintings, are displayed within the buildings and grounds of Gilwell Park and Baden-Powell House but most of the collection is held in a secure storage area. Included in the development plans for Gilwell Park is a new Heritage Centre which would enable more of the items to be on public display.

An inventory of the entire collection is maintained, including valuations where these can be obtained and provide a meaningful insight into the value of the asset. A number of paintings, statues and other exhibits are on display in the White House and around the grounds at Gilwell Park, and at Baden-Powell House. The majority of items held are not on display, as there is currently nowhere suitable to display them. Access to those items not on display is permitted to historians and other people with a keen interest in them by appointment with the Association's Archives and Heritage Manager.

These items are held in support of the Association's objective of increasing knowledge, understanding and appreciation of the history of Scouting and its place in society.

## Notes to the financial statements (continued)

Financial Reporting Standard 102 'Heritage Assets' made it mandatory for heritage assets to be reported as tangible fixed assets in the balance sheet, where information is available on cost or valuation, for accounting periods commencing on or after 1 April 2010. A valuation is provided for the Association's collection of fine art, statues and other major items since the nature of these items permits sufficiently reliable valuation. The valuation was prepared by Lyon & Turnbull, members of the Society of Fine Art Auctioneers and Valuers, on 26 April 2011. A valuation of further items within the collection was performed by Lyon & Turnbull on 29 June 2011. A revaluation report was produced by Pall Mall art advisors on 1 April 2016. In the opinion of the Trustees the values are applicable to these assets at 31 March 2016.

The Association maintains the heritage assets collection in a good condition and none currently require substantial restoration expenditure.

### b) Other fixed assets

Consolidated	Freehold Property	Leasehold Property	Furniture, Fittings and Equipment	Motor Vehicles	Total
COST	£'000	£'000	£'000	£'000	£'000
At 1 April 2015	24,601	1,074	11,301	1,124	38,100
Additions	3,761	-	2,155	16	5,932
Disposals	-	-	(25)	(104)	(129)
<b>At 31 March 2016</b>	<b>28,362</b>	<b>1,074</b>	<b>13,431</b>	<b>1,036</b>	<b>43,903</b>
DEPRECIATION					
At 1 April 2015	5,104	923	6,487	713	13,227
Charge for the year	503	30	1,919	55	2,507
Eliminated on disposals	-	-	(24)	(47)	(71)
<b>At 31 March 2016</b>	<b>5,607</b>	<b>953</b>	<b>8,382</b>	<b>721</b>	<b>15,663</b>
NET BOOK VALUES					
<b>At 31 March 2016</b>	<b>22,755</b>	<b>121</b>	<b>5,049</b>	<b>315</b>	<b>28,240</b>
<b>At 31 March 2015</b>	<b>19,497</b>	<b>151</b>	<b>4,814</b>	<b>411</b>	<b>24,873</b>
<b>THE ASSOCIATION</b>					
COST	£'000	£'000	£'000	£'000	£'000
At 1 April 2015	24,601	1,074	9,687	1,027	36,389
Additions	3,761	-	2,128	-	5,889
Disposals	-	-	-	(55)	(55)
<b>At 31 March 2016</b>	<b>28,362</b>	<b>1,074</b>	<b>11,815</b>	<b>972</b>	<b>42,223</b>
DEPRECIATION					
At 1 April 2015	5,104	923	5,081	631	11,739
Charge for the year	503	30	1,817	45	2,395
Eliminated on disposals	-	-	-	-	-
<b>At 31 March 2016</b>	<b>5,607</b>	<b>953</b>	<b>6,898</b>	<b>676</b>	<b>14,134</b>
NET BOOK VALUES					
<b>At 31 March 2016</b>	<b>22,755</b>	<b>121</b>	<b>4,917</b>	<b>296</b>	<b>28,089</b>
<b>At 31 March 2015</b>	<b>19,497</b>	<b>151</b>	<b>4,606</b>	<b>396</b>	<b>24,650</b>

The Furniture Fixtures and Equipment additions in both the Association and the consolidated figures include £0.53m for project Compass (Cumulative £2.59m to date)

## Notes to the financial statements (continued)

Depreciation rates are as follows:

Freehold Property	2% - 10% per annum (see note 3(g))
Leasehold Property	Over the period of the leases or useful economic life if shorter.
Furniture, Fittings and Equipment including Software	10% - 33.3% per annum
Motor Vehicles	20% per annum

## 11. INVESTMENT IN SUBSIDIARY COMPANIES

	2016	2015
	£'000	£'000
<b>COST OF SHARES</b>		
Balance at 1 April 2015	502	502
Additions	-	-
<b>Balance at 31 March 2016</b>	<b>502</b>	<b>502</b>
Provision for diminution in value		
Balance at 1 April 2015 and 31 March 2016	(2)	(2)
<b>Net investment in subsidiaries</b>	<b>500</b>	<b>500</b>

The Association owns 100% of the following unlisted companies:

	Country of incorporation	Issued share capital
Scout Shops Limited	England	£200,000
Scout Insurance Services Limited	England	£100,000
Scout Insurance (Guernsey) Limited	Guernsey	£100,000
Scout Services Limited	England	£100
World Scout Shop Limited	England	£100,000
Unity Insurance Services Limited (dormant)	England	£1

The Directors of Scout Shops Limited, World Scout Shop Limited, Scout Services Limited and Scout Insurance Services Limited have agreed to donate their taxable profits to the Association.

The Directors of Scout Insurance (Guernsey) Limited declared an interim dividend of £475,000 for the year ended 31 March 2016 (2015: £800,000) that was paid to the Association in November 2015.

The summarised profit and loss accounts for the active trading subsidiary companies are shown below:

The principle activities of each subsidiary is as follows:

Scout Shops Limited	Sale and distribution of merchandise
Scout Insurance Services Limited	Insurance broker
Scout Insurance (Guernsey) Limited	Insurance company
Scout Services Limited	Sponsorship and marketing services for The Scout Association and other commercial activities
World Scout Shop Limited	Sale and distribution of World Scout Organisation branded merchandise

Notes to the financial statements (continued)

Investment in Subsidiaries

						2,016	2015
	Scout Shops Limited	World Scout Shop Limited	Scout Insurance (Guernsey) Limited	Scout Services Limited	Scout Insurance Services Limited	Total	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Trading income	8,356	852	1,772	4,028	1,464	<b>16,472</b>	14,712
Cost of sales	(3,876)	(339)	(1,474)	(2,800)	-	<b>(8,489)</b>	(7,643)
Gross profit	4,480	513	298	1,228	1,464	<b>7,983</b>	7,069
Other income	412	34	65	36	1	<b>548</b>	611
Other costs and expenses	(1,798)	(239)	(95)	(652)	(971)	<b>(3,755)</b>	(3,508)
Surplus before taxation	3,094	308	268	612	494	<b>4,776</b>	4,172
Taxation	-	-	-	-	-	-	1
Surplus after taxation	3,094	308	268	612	494	<b>4,776</b>	4,173
Dividend/donation to the Association	(3,094)	(308)	(475)	(612)	(480)	<b>(4,969)</b>	(4,470)
Net surplus	(0)	-	(207)	-	14	<b>(193)</b>	<b>(297)</b>
Net gain on investments	-	-	-	-	-	-	-
<b>Retained surplus (deficit)</b>	<b>(0)</b>	<b>-</b>	<b>(207)</b>	<b>-</b>	<b>14</b>	<b>(193)</b>	<b>(297)</b>
<b>SHAREHOLDERS' FUNDS</b>							
Share capital	200	100	100	-	100	<b>500</b>	500
<b>Reserves</b>	<b>42</b>	<b>-</b>	<b>3,943</b>	<b>-</b>	<b>37</b>	<b>4,022</b>	<b>4,244</b>
	<b>242</b>	<b>100</b>	<b>4,043</b>	<b>-</b>	<b>137</b>	<b>4,522</b>	<b>4,744</b>

12. FIXED ASSET INVESTMENTS

Quoted Investments

	Consolidated		The Association	
	2016	2015	2016	2015
	£'000	£'000	£'000	£'000
Market value at 1 April 2015	25,101	25,643	17,248	17,242
Less: Disposals at opening value	(10,328)	(24,559)	(10,328)	(2,904)
Add: Acquisitions at cost	3,984	24,154	3,136	3,047
Net (loss)/gain on revaluation at 31 March	240	(137)	240	(137)
Market Value at 31 March 2016	<b>18,997</b>	<b>25,101</b>	<b>10,296</b>	<b>17,248</b>
Historical Cost at 31 March 2016	<b>18,717</b>	<b>24,112</b>	<b>10,016</b>	<b>16,260</b>

The Association paid investment management fees and commission charges to Cazenove Capital Management during the year. These amounted to £.06m (2015: £0.06m).

## 13. STOCKS

	Consolidated		The Association	
	2016	2015	2016	2015
	£'000	£'000	£'000	£'000
<b>Goods for resale</b>	<b>683</b>	<b>865</b>	<b>132</b>	<b>121</b>

## 14. DEBTORS

	Consolidated		The Association	
	2016	2015	2016	2015
	£'000	£'000	£'000	£'000
Trade debtors	2,733	2,350	888	275
Amounts owed by subsidiaries	0	0	3,143	3,423
Other debtors	2,333	5,999	2,308	5,861
Debtors within one year	5,066	8,349	6,339	9,559
Other debtors due between 2017 and 2024	1,536	1,124	1,536	1,124
	<b>6,602</b>	<b>9,473</b>	<b>7,875</b>	<b>10,683</b>

Other debtors due between 2017 and 2024 comprises £1.54m (2015: £1.12m) loans to Scout Groups.

## 15. CREDITORS

	Consolidated		The Association	
	2016	2015	2016	2015
	£'000	£'000	£'000	£'000
<b>Amounts falling due within one year:</b>				
Deposits by Scout Groups in the Short Term Investment Service	13,498	12,623	13,498	12,623
Trade creditors	4,210	5,225	881	1,609
Amounts owed to subsidiaries	-	-	783	462
Other creditors	7,523	14,815	2,528	10,631
	<b>25,231</b>	<b>32,663</b>	<b>17,690</b>	<b>25,325</b>

**Amounts falling due after more than one year:**

Insurance technical reserve	<b>1,235</b>	<b>1,421</b>	-	-
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The Insurance technical reserve is a provision made in the financial statements of Scout Insurance (Guernsey) Limited against future claims. Under the terms of Financial Reporting Standard 102 this amount should not be treated as a provision by a non-insurance entity. The Trustees consider that, in order to give a true and fair view, it is necessary for the Association to show this under long-term creditors following the view taken by the directors of Scout Insurance (Guernsey) Limited.

## 16. FUND BALANCES

**(a) Unrestricted funds**

	Consolidated		The Association	
	2016	2015	2016	2015
	£'000	£'000	£'000	£'000
General reserves before pension reserve	10,509	15,008	10,675	15,049
Pension reserve	(10,032)	(10,789)	(10,032)	(10,789)
General reserves	477	4,219	643	4,260
Designated	32,752	29,578	32,752	29,578
Non-charitable trading	4,022	4,244	-	-
<b>Unrestricted Funds</b>	<b>37,251</b>	<b>38,041</b>	<b>33,395</b>	<b>33,838</b>
Restricted Funds	3,064	4,378	3,064	4,378
Endowment Funds	1,240	1,317	1,240	1,317
	<b>41,555</b>	43,736	<b>37,699</b>	39,533

**(b) Designated funds - Consolidated and the Association**

	Balance 1 April 2015	Transfer (to)/ from general and restricted funds	Net (expenditure) in the year	Balance 31 March 2016
	£'000	£'000	£'000	£'000
Fixed Assets	28,129	3,512	-	31,641
World Scout Events	123	189	(30)	282
National Activity Centres	-	-	-	-
Future Growth Fund	1,177	(266)	(231)	680
Gilwell Buildings	149	-	-	149
<b>Total</b>	<b>29,578</b>	<b>3,435</b>	<b>(261)</b>	<b>32,752</b>

**(c) Restricted funds - Consolidated and the Association**

Restricted funds include income received by and paid from the Short Term Investment Service and 37 (2015: 36) funds administered by the Association.

	Balance 1 April 2015	Income	Expenditure	Net Transfers	Investment revaluation	Balance 31 March 2016
	£'000	£'000	£'000	£'000	£'000	£'000
King George VI Leadership Fund	775	23	(13)	-	(44)	741
International Friendship Fund	315	12	(51)	-	(24)	252
International Lodge Fund	710	225	-	(935)	-	-
Benevolent Fund	157	6	(11)	-	(13)	139
Cornwell	180	5	(3)	-	(9)	173
Gilwell Development	129	36	(11)	-	-	154
Local Development Fund	302	225	(379)	115	-	263
Youth United Fund	1,165	656	(1,314)	(66)	-	441
All other funds (29)	645	1,073	(733)	(88)	4	901
<b>Consolidated</b>	<b>4,378</b>	<b>2,261</b>	<b>(2,515)</b>	<b>(974)</b>	<b>(86)</b>	<b>3,064</b>

The Fixed Asset Fund is set aside to match the amount invested by the Association in intangible and tangible fixed assets as this is not available to be used for revenue expenditure.

The World Scout Events Fund provides support to members attending World Scouting events such as future World Jamborees, the World Moot and the World Scout Conference.

The National Activity Centres Fund was established from the receipts from the sale of certain sites under the National Campsite Strategy. The fund is being applied towards improvements at the National Activity Centres, other than Gilwell Park.

The Future Growth Fund is administered by the Development Grants Board and is used to finance a variety of projects relating to the medium/long-term growth of Scouting. This involved the transfer of £0.27m to other funds administered by The Scout Association which conduct development projects.

The Gilwell Buildings Fund is set aside to fund the development of Gilwell Park.

Funding from the Youth United Foundation supported a social inclusion programme initiative in several deprived areas of the country in partnership with local Scouting.

The International Lodge Fund comprises funds raised to provide new residential accommodation at Gilwell Park for use by UK and international volunteer staff working at the activity and conference centre. The income included £0.89m received from the Jack Petchey Foundation. The Lodge was completed in March 2016 and the fund closed.

Further details on the types of funds and applying for grants from the funds can be found at [scouts.org.uk/grants](http://scouts.org.uk/grants)

**(d) Endowment funds - Consolidated and the Association**

Endowment funds include the 1914 Endowment Fund and 6 (2015: 6) other funds administered by the Association. Income from the 1914 Endowment Fund and two other funds is unrestricted and passed to General Funds, income from one fund is restricted, and income from the remaining fund is passed to an external Scouting beneficiary

	Balance 1 April 2015	Income	Expenditure	Investment revaluation	Balance 31 March 2016
	£'000	£'000	£'000	£'000	£'000
1914 Endowment	991	-	-	(56)	935
All other funds	326	1	(7)	(15)	305
<b>Consolidated</b>	<b>1,317</b>	<b>1</b>	<b>(7)</b>	<b>(71)</b>	<b>1,240</b>

**(e) Analysis of net assets between funds**

	Unrestricted	Restricted	Endowment	Total
<b>Fund balances at 31 March 2016 are represented by:</b>				
	£'000	£'000	£'000	£'000
Intangible fixed assets	53	-	-	53
Tangible fixed assets	31,793	-	-	31,793
Investments	16,082	1,675	1,240	18,997
Current assets	12,323	14,887	-	27,210
Current liabilities	(11,733)	(13,498)	-	(25,231)
Long term liabilities	(1,235)	-	-	(1,235)
Pension liability	(10,032)	-	-	(10,032)
	<b>37,251</b>	<b>3,064</b>	<b>1,240</b>	<b>41,555</b>

**17. OTHER FINANCIAL COMMITMENTS**

	2016	2015
	£k	£k
At March 2016, the Group had the following minimum lease prepayments under non-cancellable operating leases:		
Within one year	70	70
Between three and five years	76	107
<b>Total</b>	<b>146</b>	<b>177</b>

**18. CONTINGENT LIABILITY**

The Scout Association offers unique experiences to 6 – 25 year olds in order to help them achieve their highest potential. Putting young people first is clearly a key objective that underpins everything we do. It has always been the policy of the Scout Association to ensure that young people are protected from harm and has been at the forefront of developing safeguarding education, procedures and processes. However, the nature of this work could give rise to potential claims against The Scout Association.

**19. RELATED PARTY TRANSACTIONS**

During the year 15 (2015: 17) Trustees were reimbursed for their out of pocket expenses incurred attending meetings and carrying out their duties. See Note 7 in regards to trustee remuneration.

Transactions with the pension fund were an annual payment towards the deficit in according to the agreed plan £600k and a further £289k in relation to current employees.

Transactions with subsidiaries:

Entity	Sales made by TSA to related party	Management charges to related party	Purchases from related party	Amounts due from related part at 31 March 2016	Amounts due to related party at 31 March 2016
Scout Shops Ltd	-	186	855	1598	180
World Scout Shop Ltd	-	-	-	308	-
Scout Services Ltd	-	319	828	661	149
SISL	-	85	109	576	454
SIGL	-	-	-	-	-

## 21. First time adoption of FRS102

In accordance with the requirements of FRS102 a liability is recognised to the extent of unused holiday entitlement which has accrued at the balance sheet date. The value and reconciliation are shown in note 3(b).

In addition heritage assets have been valued in line with the new accounting standard (see note 3(f)).

There have been no other changes as a result of the adoption of FRS102.

## Independent auditor's report to the Trustees of The Scout Association

We have audited the financial statements of The Scout Association for the year ended 31 March 2016 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Parent Charity Balance Sheets, the Consolidated and Parent Charity's Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

### Respective responsibilities of Trustees and Auditor

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

### Scope of the audit of the financial statements

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

### Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charity's affairs as at 31 March 2016 and of the group's incoming resources and application of resources for the year then ended
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- have been prepared in accordance with the requirements of the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

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

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

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



**Don Bawtree**

(Senior Statutory Auditor)  
For and on behalf of BDO LLP  
Gatwick  
United Kingdom

Date: 13 July 2016

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

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).



# OUR MEMBERS

Census results for the year ended 31 March 2016

			2016	2015
	Male	Female	Total	Total
<b>YOUTH MEMBERSHIP</b>				
Beaver Scouts	104,550	21,381	125,931	123,559
Cub Scouts	128,079	27,937	156,016	151,865
Scouts	96,346	29,507	125,853	124,366
Explorer Scouts	3 0,717	13,632	44,349	44,356
<b>Youth members (under 18)</b>	<b>359,692</b>	<b>92,457</b>	<b>452,149</b>	<b>444,146</b>
Network members (18–25)	3,478	1,911	5,389	2,286
<b>TOTAL YOUTH MEMBERSHIP</b>	<b>363,170</b>	<b>94,368</b>	<b>457,538</b>	<b>446,432</b>
<b>LEADERSHIP</b>				
Sections Leaders	34,078	27,205	61,283	58,896
Sectional Assistants and Skills Instructors	9,249	7,927	17,176	13,295
Group Scout Leaders	4,538	2,119	6,657	6,369
District Skills Instructors	637	173	810	563
District Advisers	262	114	376	248
District Scouters	614	437	1,051	950
District Commissioners	1,633	830	2,463	2,223
County Skills Instructors	322	76	398	422
County Advisers	347	107	454	319
County Scouters	171	109	280	327
County Commissioners	428	185	613	614
<b>TOTAL LEADERSHIP</b>	<b>52,279</b>	<b>39,282</b>	<b>91,561</b>	<b>84,226</b>
<b>ORGANISATIONAL SUPPORT</b>				
District Administrators	750	805	1,555	1,796
District Office Bearers	1,012	668	1,680	1,633
County Administrators	115	99	214	235
County Office Bearers	181	57	238	238
Active Support	5,388	3,918	9,306	7,331
Individual Members and Associate Members	6,113	5,771	11,884	5,870
<b>TOTAL ORGANISATIONAL SUPPORT</b>	<b>13,559</b>	<b>11,318</b>	<b>24,877</b>	<b>17,103</b>
<b>TOTAL MEMBERSHIP</b>	<b>429,008</b>	<b>144,968</b>	<b>573,976</b>	<b>547,761</b>
Members	427,227	142,929	570,156	546,435
Associate Members	1,781	2,039	3,820	1,326

Total Membership due to pay the Headquarters Membership Subscription  
 ie 2015: the Total Membership above less the District and County Administrator totals.  
 2016: Under 18 members only.

# HOW WE OPERATE

The Scout Association exists by authority of a Royal Charter granted by King George V in 1912 and supplemented by further Charters granted by King George VI and Queen Elizabeth II. These Charters give authority to the Bye Laws of the Association, which are approved by Her Majesty's Privy Council. The Bye Laws, in turn, authorise the making of rules for the regulation of the Association's affairs. The rules are laid out in the Association's 'Policy, Organisation and Rules'.

This report and accounts cover the activities directly controlled by the Association - charity numbers 306101 (England and Wales) and SCO38437 (Scotland). This includes its five wholly owned subsidiary companies – Scout Shops Limited, Scout Insurance Services Limited, Scout Insurance (Guernsey) Limited, Scout Services Limited and World Scout Shop Limited (see note 11 on page 49 to the accounts for further information on these companies).

The activities of the Scout Councils of Northern Ireland, Scotland and Wales together with Scout Counties, Areas, Regions (Scotland), Districts and Groups are not reflected in this report and accounts. These bodies are autonomous charities affiliated to the Association which together form the Scout Movement in the United Kingdom.

## The Board of Trustees

The management of the Association's business is vested in the Board of Trustees.

The Board has up to 19 members:

- nine Elected Members and three Elected Youth Members (elected by the Council of the Association at its Annual General Meeting)
- up to five Appointed Members, including a Chair of the Board and the Treasurer
- two Ex-Officio Members (the Chief Executive and Chief Scout or Deputy Chief Scout).

We provide induction for all new Trustees and all Trustees take part in further training and development opportunities throughout the year. These include in particular a training and development session before each Board meeting which focuses on one or more areas material to the Association's business.

During the last year the following areas have been explored by the Trustees:

- Effective Trusteeship and Good Governance
- Digital Landscape for Scouting
- Project, Programme and Portfolio Management
- Accounts and Finance

The Board's responsibility includes policy making and oversight of risk management. It delegates the day to day management of the Association to the Chief Executive and UK Chief Commissioner, who work in partnership with the UK Chief Commissioner's team, the UK Youth Commissioner and her team and the Senior Leadership Team. The Board also delegates certain functions to the five Committees which report to it (Operations; Finance; Staffing, Salary and Remuneration; Nominations; and Risk). The Board appoints Trustees to serve on these Committees annually, with the Committee Chair having a three year term, subject to performance and their continuation as a trustee. The Board met four times during 2015/16. Most of the Committees met quarterly. The Chair of the Board convenes a meeting of the Chair's Consultative

Group before each Board meeting. The Group consists of the Committee Chairs, the UK Chief Commissioner, UK Youth Commissioner and the Senior Leadership Team. It considers matters that impact on all the Committees – especially matters to be discussed at Board meetings.

## Policies and rules

The Association has a comprehensive set of policies and rules applicable to the Movement, which are regularly monitored and reviewed by senior volunteers, senior management and staff employed across the UK. We are committed to providing the best possible experience for everyone in Scouting, whether they are young people or adult volunteers. To help us achieve this we work to a number of key policies through which we can make sure that Scouting continues to develop in a way that is safe, accessible and free from discrimination.

Our key policies include:

- Anti-bullying policy
- Development policy
- Religious policy
- Child protection policy
- Equal opportunities policy
- Safety policy

## Risk management

A comprehensive risk management process is operated by The Scout Association and its subsidiaries in order to ensure that appropriate steps are taken to manage and mitigate organisational, reputational, operational and financial risks. This is overseen and monitored by the Risk Committee on behalf of the Board.

The process involves the identification and grouping of the risks we face, evaluating them in terms of their potential impact and likelihood to occur, identifying means whereby the risks can be mitigated, managed and assigned responsibility for their management to members of

the Senior Leadership Team and Chairs of the Board's reporting committees. It is recognised that the nature of our work requires active acceptance and management of some risks in undertaking activities in order to achieve our charitable objectives.

The Board regularly reviews its major risks. The safety and safeguarding of young people involved in Scouting are our highest priorities.

Other major risks include:

- A decline in youth membership
- Insufficient number of adults
- Digital and IT project implementation, such as Compass, fails to deliver on time, to budget or demonstrate expected benefits
- Pension scheme deficit liabilities increasing faster than the agreed recovery plan and investment performance

In all cases the above risks are either accepted or being mitigated and controlled.

During the year, the risk dashboard, matrix and register have been used regularly to enable trustees and managers to respond to risk in a structured and robust fashion. Some areas of the risk management framework required further embedding especially where there were inconsistencies with approach.

Under the leadership of the Risk Committee a plan has been developed and implemented which has made significant improvements throughout the year. Risk champions for different areas of functionality throughout the organisation have been identified, enabling the senior leadership team to refresh the organisational corporate register as well as begin to refresh functional registers across teams. This register has been approved by the Board with more detailed work now underway to ensure mitigants are robust. This work will continue into 2016/17.

The roll out of the Risk Management Framework to Counties is near completion. This provides guidance on Risk Management to local Executive Committees based on guidance from the Charity Commission.

## Governance structure and Board membership – 1 April 2015 to 31 March 2016

### FOUNDER

Robert Baden-Powell, OM,  
First Baron Baden-Powell of Gilwell

### PATRON

Her Majesty The Queen

### PRESIDENT

His Royal Highness The Duke of Kent,  
KG, GCMG, GCVO

### VICE PRESIDENTS

The Rt. Hon. The Earl of Airlie,  
KT, GCVO, PC

The Lord Baden-Powell

John Beresford, CBE

Peter Duncan

Sir William Gladstone, 7th Baronet,  
KG, JP, DL

George Purdy, CBE

Major General Michael Walsh,  
CB, CBE, DSO, DL (Deceased 13  
October 2015)

### CHIEF SCOUT

Lt Cdr (Hon) Bear Grylls RN

## The Board of Trustees

The percentages indicate the number of eligible Board meetings each member attended.

- 1= Finance Committee Member
- 2= Operations Committee Member
- 3= Nominations Committee Member
- 4= Staffing, Salary and Remuneration Committee Member
- 5= Risk Committee Member

### Trustees (voting)

Gordon Boyd,  
Treasurer (50%) 1, 4

Wayne Bulpitt,  
UK Chief Commissioner and Deputy  
Chief Scout (100%) 2, 3

Sally Cantello (100%) 4

David Chapman (100%) 1, 3  
(to September 2015)

Byron Chatburn (100%) 2  
(from September 2015)

Sir Alan Craft,  
Chair of the Board (100%) 3, 4  
(to September 2015)

Gareth Davies (100%) 1

Fiona Durrant (100%) 2

Nicola Gamlen (100%) 1  
(from September 2015)

Carl Hankinson (100%) 2  
(to September 2015)

Nigel Hailey (100%) 2

Stuart Howells (75%) 5

Liz Jack (100%) 5  
(from September 2015)

John Kennedy (75%) 1, 3

Stephen Lake (50%) 2  
(to September 2015)

Colin Lammey (75%) 2, 4

Dr Ann Limb CBE DL,  
Chair of the Board (100%) 3, 4  
(from September 2015)

Zena Martin (75%) 2  
(to September 2015)

Kieron Moir (100%) 3  
(from September 2015)

Jake Myatt (75%) 1

Michael Rollinson (100%) 2, 3  
(to September 2015)

Ashley Russell (100%) 2

Sonika Sidhu (100%) 4  
(to September 2015)

Lexie Sims (75%) 3, 4  
(from September 2015)

Jane Simpson (100%) 2, 5  
(from September 2015)

Matt Hyde,  
Chief Executive (100%) 3, 4

#### **Right of attendance (non-voting)**

The Chief Scout, the Deputy Chief Scout, the International Commissioner, any Country/Regional/County/Area Commissioner or Chair, Chief Commissioner and UK Commissioner.

#### **Invited to attend (non-voting)**

Hannah Kentish, UK Youth Commissioner, [invited by the Chair to attend all 2015/16 Board meetings as an observer (100%)] 2.

David Hamilton,  
Director of Communications 2  
(from May 2015)

Mark Hislop,  
Director of Commercial Services 1  
(from April 2015)

Ross Maloney,  
Director of Scouting Operations 2  
(from June 2015)

Lindsay Sartori,  
Director of Support Services 1,4, 5

In addition to its trustee members as indicated above, each Board Committee, except the Nominations Committee, has one or more non-trustee members appointed for their specialist skills and at least one member who is under the age of 25 years.

## Our advisors

#### **Auditors:**

BDO LLP  
2nd Floor, 2 City Place  
Beehive Ring Road  
Gatwick  
West Sussex RH6 0PA

#### **Bankers:**

Barclays Bank plc  
1 Churchill Place  
London E14 5HP

#### **Investment managers:**

Cazenove Capital Management  
12 Moorgate  
London EC2R 6DA

#### **Pension advisers:**

Barnett Waddingham  
Port of Liverpool Building,  
Pier Head  
Liverpool L3 1BW

#### **Solicitors:**

Bates Wells Braithwaite  
10 Queen Street Place  
London EC4R 1BE

Kennedys  
25 Fenchurch Avenue  
London EC3M 5AD

## Charity and Company Secretary

Judeth Neville  
(from September 2015)

Lindsay Sartori  
(to September 2015)

## Our thanks

The Association would like to thank all our volunteers and supporters for their commitment and contributions over the last year. Special thanks go to those mentioned here.

#### **Ambassadors**

Julia Bradbury  
Lord Sebastian Coe  
Chris Evans  
Richard Harpin  
Ian Hislop  
Justin King CBE  
Phil Packer MBE  
Ed Stafford  
Dawud Wharnsby

#### **Corporate partners**

AVG  
Brunton  
Canon  
Care  
Chubb Fire and Security  
Cotswold Outdoor  
Halfords  
Heathrow  
Hobbycraft  
IET  
KidZania  
Kip McGrath  
Macmillan  
Mattel  
Merlin Entertainments  
National Grid  
National Express  
Nesta  
Odeon  
Ordnance Survey  
Pets at Home  
RAC  
Rolls-Royce  
Tesco  
20th Century Fox  
UK Space Agency  
Victorinox  
Vodafone  
Volvo  
Wrap  
ZSL

#### **International Volunteer Lodge:**

The Jack Petchey Foundation  
The Heathcote Family

#### **Our UK Scout Fellows**

#### **Life Friends and Supporters of Gilwell Park**

**Grant makers**

The 29th May Charitable Trust  
The Admiralty Fund  
Alpkit Foundation  
Anthony & Deirdre Montagu Trust  
Bell Family Charitable Trust  
The Blagrave Trust  
Dudley & Geoffrey Cox Charitable Trust  
The Eric Frank Trust  
Geoffrey Fox Charitable Trust  
Mrs R A Hardy Charitable Trust  
The Helianthus Charitable Trust  
Jack Petchey Foundation  
John Lyon's Charity  
The Joseph & Lilian Sully Foundation  
The Lexus Foundation  
The Milly Apthorp Charitable Trust  
Pears Foundation  
The Privy Purse Charitable Trust  
Rest Harrow Trust  
The Royal Masonic Trust for Girls and Boys  
Sir Donald and Lady Edna Wilson Trust  
The Tanner Trust  
Trinity House  
The Worshipful Company of Chartered Accountants  
The Worshipful Company of Shipwrights  
The Worshipful Society of Apothecaries  
WPA  
Youth United Foundation

**A 'Million Hands' partners:**

Alzheimer's Society  
Canal and River Trust  
Guide Dogs for the Blind Association  
Leonard Cheshire Disability  
Mind  
WaterAid

**A 'Million Hands' local  
charity partners:**

Alzheimer Scotland  
Northern Ireland Association for  
Mental Health  
Scottish Association of Mental Health  
Scottish Waterways Trust  
Waterways Ireland

**Other charity partners:**

British Youth Council  
Generation Change  
National Council for Voluntary Organisations (NCVO)  
Scope  
Step Up to Serve  
Youth United Foundation

Gifts in Wills are vital to The Scout Association. They are crucial to helping us secure a brighter future for so many young people. Once you have looked after your loved ones, leaving a gift to The Scout Association in your will is a wonderful way to ensure young people continue to enjoy new adventures; experience the outdoors; interact with others, gain confidence and have the opportunity to reach their full potential.

Contact us on 020 8433 7212 for more information and a copy of our legacy leaflet to change lives for the better for years to come.



