

(A CHARITABLE INCORPORATED ORGANISATION)

**TRUSTEES' ANNUAL REPORT AND  
FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31ST DECEMBER 2016**

CHARITY NUMBER: 1159255

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**OUR MISSION IS...**  
TO ENABLE GIRLS AND YOUNG WOMEN TO DEVELOP  
THEIR FULLEST POTENTIAL AS RESPONSIBLE  
CITIZENS OF THE WORLD

**OUR VISION IS...**  
ALL GIRLS AND YOUNG WOMEN ARE VALUED AND  
TAKE ACTION TO CHANGE THE WORLD

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## INTRODUCTION

The Trustees are pleased to present the annual report and consolidated financial statements of the Charitable Incorporated Organisation (CIO), which was formally registered with the Charity Commission for England and Wales on 18 November 2014.

The trustees of the CIO are also trustees of the older, unincorporated charity (charity number 306125) which is also known as the World Association of Girl Guides and Girl Scouts (WAGGGS).

At the end of 2014, the trustees formally agreed to transfer all the older charity's assets and liabilities to the new CIO with effect from 1 January 2015 and to adopt all the older charity's policies and procedures (excluding any that were superseded by the CIO's constitution).

This report and financial statements cover the year ended 31 December 2016 (the comparative period was from 18 November 2014 to 31 December 2015).

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Charity's constitution, the Charities Act 2011 and the 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 (FRS 102) (published on 16 July 2014).

A motion to wind up the unincorporated charity will be presented to the WAGGGS' 36th World Conference in September 2017.

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## CHAIR'S REPORT

It makes me immensely proud to look back over 2016 and to everything we have achieved as an organisation. I would like to take this moment to thank our fantastic volunteers, members and generous donors for their continued support.

Overall it was also a year of transition as we worked to embed our organisational change programme, Achieving Our Ambition, into our day-to-day operations, ensuring that we continue to deliver a high quality, relevant service to our Member Organisations.

In February we celebrated the Movement on World Thinking Day, the biggest day of the year in the Girl Guiding and Girl Scouting calendar. Free Being Me met its ambitious three year target of reaching 3.5 million girls and young women with its body confidence programme, and we rolled out a new pilot partnership with Lifebuoy, focusing on hand-washing and behavioural change amongst young girls in India.

We took delegations of young women to high profile international events to speak out on matters important to them, and launched U-Report, a social messaging platform to encourage Girl Guides everywhere to speak out and be heard on issues they care about.

To achieve our goal of increasing the number of Member Organisations, we created the Rapid Response Team to focus on introducing WAGGGS to new countries, working with 13 potential Member Organisations on their journey towards membership.

In October we launched our bold, dynamic new brand, which will enable WAGGGS to stand out on a global platform as the world's only movement for every girl and any girl, and positions us as an organisation relevant to girls growing up in the world today.

The launch of our first ever #TeamGirl campaign to mark International Day of the Girl highlighted the difference girls and young women are making in their communities, and the impact they can have on the success of the Sustainable Development Goals.

Without the continued support of our members, volunteers, staff, donors and of course, Girl Guides and Girl Scouts from across the world, none of what we have achieved would have been possible. We have already accomplished so much, and I know by continuing to work together we can do so much more for girls and young women.

Our ambition is to create a generation of young girls who have the opportunities, confidence and skills to help create a better, more equal world for themselves, their families and their communities. Together, I know we can make this happen.



Nicola Grinstead  
Chair of the World Board

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## OUR PURPOSE AND ACTIVITIES

Our purpose is to further the aims of the Girl Guide/Girl Scout Movement by providing girls and young women with opportunities for self-development through leadership, responsible citizenship and service in their own and world communities.

Our Mission is to enable girls and young women to develop their fullest potential as responsible citizens of the world. Our Vision is that all girls are valued and take action to change the world.

Girl Guiding and Girl Scouting is the world's only movement for every girl and any girl. We believe that each of them deserves to be the best they can be. Free to make what they want from the Movement, girls learn by doing, making friends and having fun. In safe, local spaces, girls develop the skills and attitude to change themselves, their communities and our world.

WAGGGS keeps the global Movement thriving, united and growing. We have Member Organisations (MOs) in 146 countries worldwide. Between them they have a combined membership of 10 million girls and young women, including one and a half million volunteers.

We run non-formal education, advocacy and community action programmes on issues such as violence against girls and women and body confidence, which support girls and young women to address critical social issues at all levels, including at the United Nations.

We also operate residential centres in London (Pax Lodge), Switzerland (Our Chalet), India (Sangam); and a fourth centre (Our Cabaña), in Mexico, is operated under license by the national Girl Guiding association for that country. A fifth centre (Kusafiri) operates as a roaming world centre delivering events in Africa.

WAGGGS also distributes grants. In 2016, over 400 grants worth around £590,000 were disbursed to individual Girl Guides and Girl Scouts as well as MOs to participate in programme activities – including at World Centres – and to attend WAGGGS governance events.

In addition to the volunteer trustees, WAGGGS works through many different types of volunteers – for example on working groups and committees, at World Centres, as well as to develop and deliver programs and services.

WAGGGS works with its MOs based on a shared vision, equal partnership and active promotion of joint initiatives. Extensive consultations take place each triennium with the MOs, individual members and young women to determine their needs and priorities for the next triennium.

At a World Conference, held every three years, a global strategy is agreed. Recognising the varied cultural and regional needs, programmes and activities are developed to enable MOs to deliver WAGGGS' global mission and vision.

Each year, a business plan is agreed by the World Board to set out how the organisation will deliver its strategy over the coming twelve months. The business plan for 2016 was structured around the six global outcomes outlined in the 2015-2017 strategic plan with an additional area of work focusing on governance and administration.

Forty-three key performance indicators (KPIs) were identified for the year, of which 21 were fully met, 13 were partly met and nine were not achieved. Further information on delivery of the business plan is included in the "Highlights of the Year" section below.

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## **PUBLIC BENEFIT**

The Trustees have paid due regard to the Charity Commission's guidance on providing public benefit while reviewing the charity's aims and objectives, deciding what activities the charity should undertake, and assessing how the donations made will help the charity meet its objectives.

Charity Trustees have a duty in the Trustees' Annual Report to report on their charity's public benefit. The Trustees should demonstrate that they fully endorse and are clear about the specific benefits generated by the charity's activities. This report sets out in some detail the activities undertaken to further the goals set out in WAGGGS' 2015-2017 Strategic Plan, as well as the types of programmes offered to girls and young women. The benefits must be related to the objects of the charity.

The Object of WAGGGS is to further the aims of the Girl Guide/Girl Scout Movement by providing girls and young women with opportunities for self-development through leadership, responsible citizenship and service in their own communities and the world. The people who receive support are entitled to do so according to criteria set out in the charity's objectives.

Wherever possible, the views and opinions of girls and young women are sought in the design and implementation of programmes. This approach helps to ensure that programmes are targeted to the needs of girls and young women in each of our five regions, and the success of each can be evaluated and assessed.

## **HIGHLIGHTS OF THE YEAR**

As mentioned above, of the 43 (KPIs), 21 were fully met, 13 were partly met and nine were not achieved.

The areas of success across global programmes, membership, World Centres and global advocacy and communications are outlined below. Of the nine areas where the planned outcomes were not delivered, three related to providing more tailored support to MOs, two related to fundraising and budget management, two to internal communication and accountability, and two to organisational infrastructure.

As mentioned above, of the 43 (KPIs), 21 were fully met, 13 were partly met and 9 were not achieved. The areas of success across global programmes, membership, World Centres and global advocacy and communications are outlined below. Of the nine areas where the planned outcomes were not delivered:

- Three related to providing more tailored support to MOs which were delayed due to the timing of the initiatives to develop the frameworks/models needed to provide support. This support will now commence in 2017.
- Two related to fundraising and budget management, which were impacted by MOs ability to support joint fund development, an overall shortfall in WAGGGS unrestricted Fund Development and the costs of the organisational restructure. The Board has addressed fund development targets and overall expenditure in budgets for 2017-2020.
- Two related to internal communication and accountability, which were not progressed as the staff organisational change meant that it was not possible to measure against a consistent baseline.
- Two related to organisational infrastructure where initial attempts to scope or develop the underlying technology did not meet the organisations requirements and the projects were halted while alternatives were considered.

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# 1. GLOBAL PROGRAMMES

## **UPS-WAGGGS Partnership: Resilience in Changing Times**

2016 was the second year in the two-year “Resilience in Changing Times” phase of the long-running WAGGGS-UPS global partnership. With the support of the UPS Foundation, we have helped girls and young women to develop the skills and confidence they need to make positive and long-lasting changes in their lives and communities.

The “Resilience in Changing Times” programme has also focused on a group of MOs to develop their organisational capacity and enable them to better deliver their own programmes in the future.

During 2016, National Leadership Development Programme (NLDP) training events were held in Mexico and Panama, while similar training sessions were delivered at events in UAE and Egypt for young women from across the Arab region. The programme also continued to deliver leadership development opportunities South Africa and Nigeria.

In late 2016 the UPS Foundation accepted a proposal from WAGGGS to continue our fruitful partnership through to 2019. The new “Be the Change” programme with Egypt, Mexico, The Netherlands, Nigeria, Oman, the UAE and the UK aims to increase and diversify Guiding and Scouting membership and leadership.

### **FREE BEING ME**

By the end of 2016, the three-year partnership support by Unilever/Dove met the ambitious target of reaching 3.5 million girls and young women with its body confidence programme. It has been delivered in 125 countries and translated into 18 languages. It is a significant accomplishment for a new programme and demonstrates how well its core focus has resonated with our global membership as well as young people outside of the Movement.

Towards the end of 2016 the next phase of our partnership with Dove was confirmed and it will run from 2017-2020. Building on the successes and challenges of the first three years, the aim is to reach nearly three million more girls through the Free Being Me body confidence programme, and encourage participation in community action and advocacy activities.

### **YOUTH EXCHANGE SOUTH TO SOUTH (YESS)**

The YESS project gives young women (18-25 years) in Africa the opportunity to live and work with an MO in another country for six months. The objective is for the young leaders to share their experiences of how Guiding is delivered in their own MOs so their host organisation can develop and learn. In turn the young leader can then take their own experience and insight back to their own countries to help foster learning and experiences across countries.

In 2016, the second Youth Exchange took place with 35 young women working with different MOs for six months before returning home.

During the year, preparations also began to send a third group of 35 young women from nine MOs, who will travel to their host MOs in 2017.

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## **WORLD THINKING DAY**

With a theme of #Connect10Million, a record number of Girl Guides and Girl Scouts celebrated World Thinking Day in 90 countries, while UPS supported delivery of activity packs to all 146 countries and the World Centres.

According to feedback from 60 MOs, the activity packs were creative, educational, flexible, interesting, entertaining and international.

## **SURF SMART: STAYING SAFE ONLINE**

Surf Smart is a non-formal education curriculum designed to enable young people to learn how they can get the most out of the internet while keeping themselves safe and making sure that their rights and reputations are protected.

The programme has proven highly popular - it is an excellent way to engage young people in the benefits of the internet and provides them with the skills and knowledge they need to navigate the web safely.

In partnership with Symantec, the Surf Smart programme was delivered to 105,576 children and young people in Latin America, the Caribbean and India, of which 78,038 were girls and young women ranging in age from 5-30 years.

In June 2016 Symantec agreed to a new phase of the partnership, which will take Surf Smart to girls in the Philippines and Singapore. Work to secure agreements with the participating MOs and prepare for the wider rollout began in the second half of the year.

## **LIFEBUOY**

The Lifebuoy "School of 5" is an educational programme that raises awareness of the importance of hand-washing and promotes behaviour change amongst children and their families. Improving girls' health is a key contributor to their ability to fulfil their full potential in life.

In 2016 WAGGGS entered a new partnership with the Unilever brand Lifebuoy, beginning with a pilot project - in Pune and Nashik in the Maharashtra region of India. The project is run jointly with the WAGGGS MO (Bharat Scouts and Guides), the global Lifebuoy team based in Mumbai and the Unilever Global Partnerships team.

This pilot will directly affect the lives of 100,000 children and young people aged 5-15 years by the end of 2017. These children and young people will then directly impact another 800,000 lives through their "Take Action" projects. This programme requires each child to reach at least eight of their friends and family to explain what they have learned and to ask each person reached to record their handwashing in a 21-day diary, thereby creating healthy habits.

## **NEW LEADERSHIP MODEL**

In partnership with the University of Exeter, WAGGGS commenced redesign and creation of its new Leadership Offer based on a new model of leadership practice.

At WAGGGS, this development has been led by the Membership Services Working Group (MSWG) which provided strategic oversight. Extensive feedback from MOs, regions, volunteers, staff and partners has been taken into consideration throughout this work.

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This new offer is designed to:

- Develop the leadership capabilities of girls and young women who will be able to support their MOs and the wider Movement
- Support WAGGGS members to better connect with our mission and strengthen their contribution to the wider Movement
- Improve the reach, diversity and accessibility of Girl Guiding and Girl Scouting
- Encourage adult members of all ages to recognise and develop their own leadership capabilities, apply these capabilities successfully in their wider lives as well as in their roles in Girl Guiding and Girl Scouting, and to serve as role models for young people
- Demonstrate the added value that this new leadership practice can bring to MOs and their members by making it easier for them to articulate the Movement's benefits to internal and external stakeholders
- Position WAGGGS as a thought leader in the gendered leadership space.

2016 drew together elements of WAGGGS' current leadership offer - including the Juliette Low Seminar and the Helen Storrow Seminar – together with the new model of leadership practice, in order to deliver a more holistic approach to leadership development. In addition, WAGGGS has commenced more in-depth exploration of the role of social entrepreneurship in leadership development for young people, and what impact it has on their ability to create change in society.

Now the new leadership model has been developed, MOs will again have the opportunity to give input. Piloting and co-creation of the WAGGGS leadership model is happening throughout 2017/2018.

### **JULIETTE LOW SEMINAR (JLS)**

In 2016, 65 girls from 50 countries attended the Juliette Low Seminar held at the Kusafiri World Centre in Ghana. Embodying the theme "Transforming Our World", the participants explored topics including personal development, leadership and change in the community.

### **HELEN STORROW SEMINAR (HSS)**

The 2016 HSS, "Young Women Leading to a Greener Future", was held as usual at Our Chalet and involved 23 participants from 20 different countries. Girl Guides and Girls Scouts from around the world came together to develop environment-friendly project ideas.

The MSWG also identified HSS as a testing ground for new delivery models and learning experiences relating to leadership. To increase engagement in, and reach of the seminar, companion pop-up seminars were developed in 2016 and will be piloted in 2017 using digital platforms for virtual collaboration.

This innovative strategy is expected to enable MOs to run parallel, locally adapted seminars with common learning outcomes, while supported by programme content and facilitation training from WAGGGS.

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## **2. ADVOCACY AND COMMUNICATIONS**

Throughout 2016, WAGGGS' advocacy work continued to grow. The organisation has worked closely with external partners including: UN Women on issues relating to youth and gender equality, UNHCR on the refugee crisis, and the UNICEF Global Partnership to End Violence against Children.

WAGGGS also partnered with UNICEF's Global Innovation Centre on U-report, a free online polling platform which aims to amplify the voices of youth on issues of importance to them.

Girl Guides and Girl Scouts continued to speak out locally and internationally at conferences such as the United Nations Commission on the Status of Women and Habitat III. Through participation in global events WAGGGS ensured that the experiences, needs and potential of girls and young women command the attention of world leaders.

### **U-REPORT**

In 2016, WAGGGS launched U-Report with Girl Guides and Girl Scouts, as a result of its partnership with UNICEF. U-Report is a social messaging platform where anyone from anywhere can speak out and be heard on issues they care about.

Girl Guides and Girl Scouts have taken part in global polls designed by WAGGGS to add girls' voices to a global community of change makers. By joining U-Report, Girl Guides and Girl Scouts have shared their priorities, namely, ending violence against women, and girls and improving self-esteem and body image.

In October, WAGGGS presented the results of our poll on public harassment to global decision makers at UN Habitat III in Quito, Ecuador.

Plans for 2017 include forming national partnerships between MOs and U-Report National teams, with the aim of involving Girl Guides and Girl Scouts in making policy and cultural changes in their own country.

### **16 DAYS OF ACTIVISM**

16 Days of Activism to End Gender-Based Violence took place from 25 November - 10 December 2016.

The aim was to raise awareness about violence against girls and women, ensure everyone knows they can advocate for change and take action to stop the violence, and highlight the role of WAGGGS in helping to do this.

To mark 16 Days of Activism this year, WAGGGS launched its own campaign titled "16 Ways in 16 Days" which highlighted 16 actions young people can take to stop the violence. Stories from MOs around the world, featuring Stop the Violence and the Voices Against Violence Curriculum, were shared across the website and social media.

### **BRAND LAUNCH**

One of the key successes of 2016 was the development and roll out of WAGGGS' new brand. Following consultations with MOs the new brand is bright, bold and energetic. WAGGGS wants to ensure girls' voices are heard and to show the impact and scale of the Movement.. All the different elements of WAGGGS' new, vibrant, modern brand identity are designed to help the organisation stand out on a global platform as the world's only movement for every girl and any girl.

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## **INTERNATIONAL DAY OF THE GIRL**

On 11 October 2016, the world celebrated International Day of the Girl (IDG). This year's theme was linked to the Global Goals for Sustainable Development, adopted by the UN in September 2015.

To mark IDG, WAGGGS launched its first ever #TeamGirl campaign to highlight how girls and young women are making a difference in their communities. The stories of five Girl Guides from five regions showed how girls are experts on their needs and are making a genuine contribution to the success of the Global Goals.

Global media coverage was achieved across the BBC and CNN. Girl Guide leader Elizabeth Chatuwa took part in a high-level meeting in Malawi, where she spoke out about girls' issues and met with UN Women Goodwill Ambassador, actress Emma Watson. A wealth of digital activity took place on Twitter and Facebook, leading to a spike in activity and engagement. Overall 39 MOs got involved with #TeamGirl.

## **3. MEMBERSHIP**

The focus for the Membership Department in 2016 was twofold; increasing the value of the offer that WAGGGS provides to our MOs, and introducing WAGGGS to new countries.

### **NEW COUNTRIES**

The newly formed Rapid Response Team, which focuses on introducing WAGGGS to new countries, worked with 13 potential MOs on their journey towards WAGGGS' membership. Each had a dedicated team devoted to supporting their progression towards meeting our membership criteria. Several countries are now at an advanced stage in the pipeline and will be presented as potential new MOs at the 36th World Conference in September 2017.

One of the success stories of the year has been the work undertaken in Albania, one of the first countries to adopt a 'programme first' approach within the Rapid Response process. The Peace Corps in Albania have been working closely with WAGGGS and a group of local champions to introduce Guiding to the country. The team has collaborated with youth workers, schools and communities to educate them about the impact and value of Guiding.

WAGGGS will continue to evaluate this 'programme first' approach over the coming year so that other potential member countries can benefit.

### **REGIONAL CONFERENCES**

In 2016, 448 participants from 127 MOs attended five Regional Conferences, together with representatives from nine potential new countries.

- European Guide Conference: The Norwegian Guides and Scouts Federation (Speidernes Fellesorganisasjon) hosted the 15th Europe Regional Conference from 17 to 21 June in Melsomvik, Norway. 145 participants from 36 MOs attended as well as representatives from three potential new countries (Bulgaria, Albania and Croatia).
- Western Hemisphere Regional Conference: Curaçao Girl Guides Association (Asosiasion di Guia PNA) hosted the 14th Western Hemisphere Regional Conference from 18 to 22 July in Curaçao, Netherlands Antilles. 89 participants from 29 MOs attended.
- Africa Regional Conference: Kenya Girl Guides Association hosted the 11th African Regional Conference from 26 to 31 July in Nairobi, Kenya. 65 participants from 28 MOs attended as well as representatives from three potential new countries (Ethiopia, Mozambique and Niger).

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- Asia Pacific Regional Conference: Nepal Scouts hosted the 12th Asia Pacific Regional Conference from 29 August to 2 September in Kathmandu, Nepal. 98 participants from 23 MOs attended.
  - Arab Regional Conference: The Scout and Guide Association of Qatar hosted the 21st Arab Regional Conference from 18 to 23 September in Doha, Qatar. 51 participants from 11 MOs attended, as well as representatives from three potential new countries (Algeria, Iraq and Palestine).
  - Partners that attended the Regional Conferences: Among the partners and supporters represented were: World Organisation of the Scout Movement (WOSM), UNICEF (U-report), TheGoals.org, International Scouting and Guiding Fellowship (ISGF), International Conference of Catholic Guiding (ICCG), FK Norway, Friends of Africa, Friends of Asia Pacific and the Global Alliance for Clean Cookstoves.

All these partners share our vision to reach more girls to help them have a greater impact on society and the world. Several MOs attended conferences in other regions, demonstrating how WAGGGS acts as a bridge and Global Hub, connecting MOs with each other so they can share, learn and understand Girl Guiding and Girl Scouting in all of its forms.

## **4. WORLD CENTRES**

### **Sangam 50th Birthday Celebration**

The golden birthday of Sangam World Centre in Pune, India, was celebrated with the theme of “Celebrate-Create-Change”. More than 1,000 individuals attended the 50th birthday party on the 16th of October including many international participants, members of the local community and Sangam’s community partners.

The Olave Baden-Powell Society (OB-PS) annual event was also hosted by Sangam in 2016. Participants were able to experience ‘WAGGGS in action’ and were immersed in Indian culture to celebrate Sangam’s 50th birthday.

### **Kusafiri**

In 2016 the Juliette Low Seminar was held in Ghana with 65 participants from 55 countries. The event theme was “Transforming our World” and focussed on transformation of self, community and the world as previously mentioned.

### **Inclusion of Foundations**

WAGGGS’ audited accounts include the figures for Our Chalet Foundation (OCF), a foundation set up under Swiss law in 1997. The purpose of the Foundation is to manage the buildings and surroundings belonging to the property of the Our Chalet World Centre. It focuses on the preservation and development of Our Chalet as a meeting place for young people from all over the world and particularly for members from MOs.

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## FINANCIAL REVIEW

Incoming resources in 2016 totalled £7.48 million which is marginally lower than in 2015 (£7.51million). Restricted income for 2016 amounted to 23% of the total income. Absolute unrestricted income for the year amounted to £5.5 million, which was only £0.21 million less than in 2015.

£0.89 million of income was received through WAGGGS' trading subsidiary. Most of this was attributable to the Unilever contracts for the "Free Being Me" and "Lifebuoy" projects, but there was also income of £0.16 million from non-charitable trading at the Pax Lodge World Centre.

Overall, the four static World Centres generated an unrestricted surplus of £0.11 million. WAGGGS continued to subsidize Our Cabaña in Mexico, which has been operated by the national Girl Guiding association since early 2014. Under the operating agreement Guías de Mexico retains all income generated from bookings and pays for the day-to-day running costs of the Centre. WAGGGS pays required legal, accountancy and audit costs related to the property and two legal entities that exist in Mexico.

Investment income was £0.34 million which is 8% higher than 2015 (£0.31 million), representing a return of 4% on the opening value of the portfolio. Investments were bought and sold throughout the year to manage risks in an increasingly volatile market. At year-end, there was an unrealised gain on the value of investments of £0.48 million.

Total expenditure for the year was £8.24 million (2015: £7.77 million), with £7.05 million being funded from unrestricted funds. The increase in unrestricted expenditure was mainly due to one-off costs relating to the restructure of the organisation in 2016. There was also greater use of regional reserves and higher costs associated with regional conferences and committee meetings. This resulted in a higher deficit of £1.36 million as compared to 2015 (£0.66 million) on unrestricted funds before transfers. The expenditure was fully funded from the expendable endowment fund of £1.40 million.

### RESERVES POLICY

WAGGGS aims to retain sufficient free reserves to ensure that contractual commitments can be made with reasonable confidence to staff, for premises and for programme work. The appropriateness of the Reserves Policy is reviewed each triennium in conjunction with WAGGGS' Strategic Plan. The continued appropriateness of the policy is reviewed annually by the Finance Committee.

Free reserves are those that are readily realisable, less funds which are restricted or have been designated for particular purposes.

In 2012, the World Board set the policy stating that WAGGGS should aim to hold free reserves, including expendable endowment funds, equal to between 12 and 15 months of unrestricted expenditure. For 2017, 12 months of unrestricted expenditure is estimated to be £4.51million. In 2015, the World Board agreed that the operating expenditure for the three directly-managed World Centres should be excluded from this 12-month threshold as these costs are covered by the Centres' operating income. At 31st December 2016 WAGGGS' free reserves amounted to £5.90 million as shown in note 18. The figure comprises total endowment and general reserves excluding tangible fixed assets.

This implies that reserves are currently at a higher level than that outlined in the policy. Although the aim of the World Board that the organisation's day to day operations should be covered by its regular income, it is also open to spending down reserves on specific projects that will advance the vision mission of WAGGGS, and has done so over the past six years.

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However, the focus in 2016 and in to 2017 is on strengthening the management of day to day activities and ensuring stability after a wide ranging restructure. As a result, there has been limited capacity to present business cases for strategic investment of reserves to the World Board. The World Board is willing to consider and approve business cases presented to it that demonstrate the potential for a return in terms of strategic outcomes.

## **INVESTMENT POLICIES AND PERFORMANCE**

The WAGGGS' constitution enables the World Board to invest any funds that are not immediately required for its purposes in such investments as may be thought fit, subject to any conditions and consents as may be required by law. The World Board has previously set an ethical investment policy, driven by WAGGGS' principles and consistent with Trustees' responsibilities under the Charities Act.

Our investment managers, Quilter Cheviot Asset Management, are instructed to take all reasonable measures to avoid investing in companies for which it is possible to determine that a material proportion of revenue is derived from the following activities: tobacco, alcohol, illicit drugs, pornography, gambling, armaments or war-producing items. The ethical policy was reviewed during 2013 and a decision taken in early 2014 to add companies involved in the retail of alcohol, gambling supplies and services and in causing environmental damage to a list of preferred exclusions. In addition, our investment managers are aware that WAGGGS wishes to avoid investment in regions or companies that have material dealings that breach human rights, particularly those of women and girls.

In setting the performance criteria against which the investment portfolio is managed, consideration is given to achieving capital growth for the WAGGGS Endowment Fund and the need to provide up to five per cent of WAGGGS' total income requirements in the year. The allocation of assets is reviewed each year taking into account advice from the investment managers and an independent investment analyst (currently Crowe Clark Whitehill). The degree of risk considered appropriate for WAGGGS investments and performance is reviewed against industry benchmarks.

The funds for investment were split between two funds, one provided access to capital in the short term (fully drawn down during the year) and the second with the objective of achieving longer term (5 years+) growth of CPI+3.5% through a combination of income and capital growth. The Board also set a target portfolio return of 3.5% per annum and as such the Trustees have adopted a low to medium risk investment strategy overall, which means, by Quilter Cheviot definitions, that no more than 50% of the fund is invested in equities. The Investment Managers are required to apply the ethical considerations, as agreed with the Trustees.

During 2016, the portfolio delivered a net capital return of 6.3%, a net income return of 4.3% and, consequently a total return of 10.6%. Whilst the income return was substantially ahead of target and the fund outperformed the long term return objective of CPI+3.5%, the overall total return of the bespoke benchmark, 75% UK gilts and 25% UK equity, rose by 12.2%. The variance in performance was due to a combination of factors, ranging from challenging market conditions in January, a rally in gilts, and an unusually strong correlation in returns between equities and gilts for most of the year. A number of stocks and sectors, excluded from the investment universe, also enjoyed strong returns. The long term statistics remain favourable; since appointment of Quilter Cheviot in November 2012, the portfolio has enjoyed an annualised net total return of 8.7%, as against 6.2% for the benchmark.

The WAGGGS investment portfolio generated an unrealised gain in value of £0.48 million in the year, compared to a loss of £0.14 million in 2015. This is the gain that WAGGGS would have realised had the entire investment portfolio been sold on 31st December 2016.

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## **GOING CONCERN**

WAGGGS has cash resources and a substantial portfolio of investments that can be liquidated at short notice. The Trustees therefore have a reasonable expectation that WAGGGS has adequate resources to continue to operate for the foreseeable future and are confident that these accounts can be prepared and agreed on a 'going concern' basis.

## **INTERNAL CONTROL**

The Trustees are responsible for ensuring that WAGGGS has a sound system of internal control to safeguard its assets and will use their best endeavours to ensure its policies and procedures are strengthened and its aims and objectives met. It is recognised that the systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

Internal control processes strengthened in 2015 and in place throughout 2016 include:

- Separation of duties within the Finance team
- Access controls in respect of the financial system and bank accounts
- Physical checks and audits, e.g. in respect of petty cash
- Use of standardised documentation
- Use of trial balances and regular reconciliations
- A regularly maintained scheme of delegated financial authority

In addition, there is regular monitoring of the delivery of the 2015-2017 Strategic Plan by the Leadership Team, Chair's Team and World Board, and regular monitoring of WAGGGS' financial performance by the Leadership Team, Finance Committee and Chair's Team.

## **RISK MANAGEMENT**

WAGGGS' risk register and reporting is structured around the six global outcomes outlined in our 2015-2017 Strategic Plan, with an additional area of work focusing on administration and governance.

A significant risk to WAGGGS is that MOs will leave the World Association. In 2016, in order to ensure more consistent support was provided to existing MOs, WAGGGS developed its value proposition for MOs. To support delivery of this value proposition, WAGGGS also underwent a staff reorganisation informed by extensive consultation with MOs.

Another key risk for WAGGGS is that Girl Guiding and Girl Scouting is not seen as relevant to the interests of girls and young women. In order to mitigate this, after extensive consultation with MOs, in 2016 WAGGGS adopted a new brand and brand identity.

A further identified risk is the potential for WAGGGS' support for the development of leadership at regional and global levels, and within the Movement more widely to not deliver sufficient impact. To mitigate this, in 2016 a new Movement-wide approach to leadership practice was created, which will be piloted and delivered from 2017.

Ensuring the right level and mixture of funding to deliver our objectives is a continuing risk. In terms of membership fees, a transparent and consistent model is used that takes account of both the size of an organisation as well as global differences in wealth. In relation to attracting institutional and individual philanthropic funding for programmatic work, a new value proposition was developed in 2016 to help articulate more clearly our mission to potential donors.

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A risk emerged later in 2016 in relation to the administration of the organisation. It became apparent that there were weaknesses in the organisation's budget planning, management and reporting systems. As a result, policies and processes will be strengthened in 2017.

Through the risk management processes that have been established, the World Board is satisfied that major risks are being managed appropriately.

**OLAVE BADEN-POWELL SOCIETY (OB-PS)**

OB-PS continues to be a significant financial supporter of WAGGGS through the donations of its individual members. In 2016, OB-PS raised £0.86 million for WAGGGS.

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## PLANS FOR 2017 AND BEYOND

### MEMBERSHIP:

- Develop and deliver a differentiated capacity building support offer to MOs based on a refreshed organisational capacity model and a membership segmentation approach
- Develop and implement a strategy to ensure 2020 new-country targets for 2020 are met, including priority country focus and active support needs to ensure accession to membership
- Effective support of new regional committees to deliver 2017-19 strategic priorities
- Development of ways of work to ensure effective engagement of a global pool of volunteers

### FUND DEVELOPMENT:

- Working with current and new strategic partners to deliver global reach and impact
- Strengthening the fundraising infrastructure including the donor management database

### COMMUNICATIONS AND ADVOCACY:

- Rolling out the WAGGGS brand and continuing to reposition the organisation so it has a more prominent global voice in the world on issues that affect girls
- Continuing to deliver high quality advocacy programmes
- Developing WAGGGS' responses to the new Sustainable Development Goals and the global news agenda

### GLOBAL PROGRAMMES:

- Pilot and embed the new WAGGGS leadership practice model to strengthen leadership across the Movement, including starting work on new delivery models that will extend the reach of our programmes
- Launching WAGGGS' strategy for supporting the achievement of the Sustainable Development Goals

### 2018-2020

In 2017, the World Conference will vote on a new strategic plan for 2018-2020. If approved, WAGGGS will continue its work to support the Girl Guiding and Girl Scouting Movement in three broad strategic areas:

- More opportunities for more girls
- Greater global influence
- A strong and vibrant Movement

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## STRUCTURE, GOVERNANCE AND MANAGEMENT

The authority of WAGGGS is exercised through delegates appointed by MOs of WAGGGS, meeting at the World Conference. The World Board acts on behalf of the Conference in between meetings and its members are the Trustees of the Charity.

During 2016 WAGGGS' governing instrument was the CIO Constitution and Bye-Laws that were approved at the World Conference in July 2014.

MOs nominate candidates for election to the World Board and to the Regional Committees. Prior to elections, MOs are informed of the experience and specific expertise required of potential candidates in order to have an effective and skilled World Board. They also nominate skilled members to serve on other Committees such as the Audit & Risk Committee and Working Groups of the World Board. If the World Board considers there is a lack of a particular expertise, it may co-opt external expertise to fill the gap.

The World Board consists of 17 voting members: 12 are elected by ballot at the World Conference for a term of six years. The five Chairs of the Regional Committees are elected by ballot to their Regional Committees and elected to the Chair by their fellow committee members at their respective Regional Conferences and serve for three years. Regional Chairs may serve for an additional term of three years on the World Board if re-elected to their Regional Committee and subsequently re-elected Chair according to procedures. The Chief Executive and the Chair of the Fund Development Committee of WAGGGS also attend World Board meetings without a vote.

During 2016, following the resignation of a Board Member to take up a senior paid role in a member organisation, the board enacted the alternative persons procedure within the Constitution to fill the casual vacancy.

All new Trustees are required to undertake an induction programme which sets out their duties as Trustees and provides a wide understanding of the strategic priorities as well as of the risks and opportunities facing WAGGGS.

Prior to each World Board meeting a programme of workshops keeps Trustees up to date with new practices and other developments applicable to WAGGGS' work and the requirements of the charity sector within the United Kingdom (UK). This is particularly important given the diverse background of the international World Board.

The main purpose of the World Board is to provide strategic oversight of the implementation of the global strategic plan. This includes reviewing performance and monitoring progress towards the achievement of objectives and targets set out in the Strategic Plan that is approved by voting delegates at the World Conference. The World Board also maintains an oversight of all aspects of the financial health of the organisation as well as compliance with all legal requirements.

The World Board's responsibilities were set out in Article 13 of the CIO constitution in 2014, which has been in effect since 2015. The World Board is committed to achieving best practice in governance and seeks to ensure that WAGGGS is efficient and effective in achieving its objectives.

The Chair's Team, comprising the Chair and Vice-Chairs of the World Board, the Treasurer and the Chief Executive Officer, provides leadership and oversight of the work of the organisation between meetings of the World Board. It takes action to manage risk to reputation and ensures effective management of new

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and emerging issues across the global Movement. The Team develops, proposes and implements procedures for the Board and Board member development and considers any proposals for a significant shift in staffing or organisational structure.

The Chair's Team also considers the allocation of any new unrestricted resources within the year and makes recommendations to the World Board for decision. The Chair's Team attends to any other business referred to it by the World Board.

The five Regional Committees are responsible for promoting quality Girl Guiding and Girl Scouting within their Region. They provide support through agreed Regional membership development strategies to enable MOs to contribute towards the overall achievement of WAGGGS' strategic objectives.

The Finance Committee formulates and reviews financial policy and plans and maintains financial oversight of the strategies and operations of WAGGGS. The Committee recommends the appointment of WAGGGS' investment managers to the World Board and monitors the performance of its investment portfolio. Each year the Finance Committee advises the World Board on the appropriate level of free reserves and the appropriate asset allocation for WAGGGS' investment portfolio. The Finance Committee is also responsible for overseeing the development of business plans for the four static World Centres and monitoring their financial performance.

The Human Resources Committee meets to review the remuneration policy (including remuneration of CEO and the staff Leadership Team) and consider human resources policies and procedures, to ensure good practice is maintained, and to ensure compliance with relevant employment practices and legislation. The World Board has delegated the authority for decisions on benefits and salaries to the Human Resources Committee, which provides regular reports on these decisions to the World Board.

The Audit & Risk Committee recommends to the World Board the formal approval of the Trustees Annual Report and Financial Statements and meets with the external auditors periodically to review the effectiveness of current processes and practice. The Audit & Risk Committee is responsible for overseeing WAGGGS' policies and processes for managing risk, and recommending actions to the World Board.

The primary purpose of the Fund Development Committee is to consider, formulate and review WAGGGS' Fund Development Strategy and its implementation. The committee acts in an advisory role to the Fund Development department and the Chief Executive in matters of Fund Development and, where appropriate, plays an active role in championing WAGGGS with major donors and corporate partners, and representing WAGGGS to external bodies and strategic partners.

The Governance Committee is responsible for providing advice to the World Board on the ongoing improvement of WAGGGS' governance structures and practices. Through its Constitutions Sub-Committee it maintains oversight of all issues relating to MOs constitutions and bye-laws. Through its Nominations Sub-Committee it takes the lead on the process for actively identifying and nominating qualified individuals for election to the World Board and Regional Committees.

The Strategy & Planning Committee leads the development of WAGGGS' strategic plans and maintains an oversight of the overall strategic and business planning process, including performance monitoring and reporting.

The World Board also established three Working Groups in 2014

- **Membership Services:** provides strategic direction on the development of services to MOs, and monitors the quality and relevance of services such as educational programs, leadership development programs, advocacy programs, international experiences and capacity building.

- Membership Growth: oversees the development, implementation and evaluation of strategies to deliver growth in membership
- Global Engagement: oversees the work of WAGGGS in relation to our global engagement and external profile including the development of our communications and public relations strategy and capacity. It maintains an oversight of: the global profile of WAGGGS and of the Girl Guide and Girl Scout Movement; key global communications, messages and marketing strategies; global actions and campaigns, including advocacy campaigns, World Thinking Day and all new and emerging areas of global engagement; strategic partnerships and external relations, including with the UN and other major global partners.

The Olave Baden-Powell Society (OB-PS) is an international group of donors who have committed to support the work of WAGGGS financially. OB-PS cooperates closely with the Fund Development Committee and the World Board. A representative, currently the President, is a voting member of the Fund Development Committee.

The WAGGGS/WOSM Consultative Committee facilitates communication and collaboration between the two organisations. The members of the Committee are Trustees of the two organisations and the two Chief Executive officers. The day-to-day running of WAGGGS, its operational decisions, the implementation of approved strategy and the exercise of executive responsibility is delegated to the Chief Executive and her or his Leadership Team.

## TRUSTEES, OFFICERS AND PROFESSIONAL ADVISORS

### WORLD BOARD (WB)

Nicola Grinstead	(Chair WB; Chair, HR Committee)
Natasha Hendrick	(Vice Chair WB; Chair, Membership Services Working Group)
Connie Matsui	(Vice Chair WB; Chair, Strategy & Planning Committee)
Fiona Harnett	(Treasurer; Chair, Finance Committee)
Shaleeka Abeygunasekera	
Michelle February	
Anne Guyaz	
Nadine Kaze	
Ana Maria Mideros	(Chair, Membership Growth Working Group)
Haifa Ourir	
Teruko Wada	(Chair, Governance Committee)
Jill Zelmanovits	(resigned July 2016)
Heidi Jokinen	(elected August 2016)
Rose Kioko	(Chair, Africa Region) retired August 2016
Zoe Rasoaniaina	(Chair, Africa Region) elected August 2016
Sharifa Al Harrasi	(Chair, Arab Region) retired September 2016
Raeda Bader Ismael Issa	(Chair, Arab Region) elected September 2016
Low Lih Jeng	(Chair, Asia Pacific Region) retired August 2016
Marybelle Mariñas	(Chair, Asia Pacific Region) elected August 2016
Corinna Hauri	(Chair, Europe Region) retired June 2016
Marjolein Sluijters	(Chair, Europe Region) elected June 2016
Grace-Anne Crichlow	(Chair, Western Hemisphere Region) retired July 2016
Joanne Carter Rosenberg	(Chair, Western Hemisphere Region) elected July 2016

### OTHERS:

Amee Chande	(Chair, Fund Development Committee) - non-voting
Fiona Bennett	(Chair, Audit & Risk Committee) - non-voting
Lara Tonna	(Approved Person) - non-voting

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## **OLAVE BADEN-POWELL SOCIETY**

Patron: HRH Princess Benedikte of Denmark

President: Vibeke Riemer (to November 2016);

President: Marlies Allan (from November 2016)

## **LEADERSHIP TEAM (LT) – STAFF**

Anita Tiessen, Chief Executive (to September 2017)

David Coe, Interim Chief Executive (from July 2017)

Cristal de Saldanha, Interim Director of Global Programmes (from June 2016)

Jen Stobart, Director of Membership (from September 2016 to April 2017)

Walter Tan, Interim Director of Corporate Services (from October 2016 to August 2017)

Rui Domingues, Interim Director of Corporate Services (from August 2017)

Carla Miller, Interim Director of Engagement (from January 2017 to June 2017)

Adam Heuman, Director of Engagement (from August 2017)

Elisa Chiodi, Membership Development Director (to June 2016)

Natasha Dickinson, Director of Engagement (from May to November 2016)

Rebecca Munro, Communication and Advocacy Director (to January 2016)

Andy Murphy, Director of Corporate Services (to October 2016)

Lydia Mutare, Leadership and Programme Development Director (to July 2016)

Catherine Roberts, Governance Director (to March 2016)

## **BANKERS AND PROFESSIONAL ADVISORS**

Bankers

- National Westminster Bank plc, 141 Ebury Street, London SW1W 9QP

Independent Auditor

- RSM UK Audit LLP, The Pinnacle, 170 Midsummer Boulevard, Milton Keynes, Buckinghamshire MK9 1BP

Investment Managers

- Quilter Cheviot Investment Management, One Kingsway, London WC2B 6AN

Solicitors

- Bircham Dyson Bell LLP, 50 Broadway, Westminster, London SW1H 0BL

## **PRINCIPAL OFFICE**

World Bureau

Olave Centre

12c Lyndhurst Road,

London NW3 5PQ

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## STATEMENT OF TRUSTEES' RESPONSIBILITIES

The World Board (as Trustees) is responsible for preparing the Trustees' Report and the Financial Statements in accordance with applicable law and regulations. Charity law requires the Trustees to prepare Financial Statements for each financial year. Under that law, the Trustees have agreed to prepare the Financial Statements in accordance with UK generally accepted accounting practice (UK Accounting Standards and applicable law). Under charity law the Trustees must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity as at the end of the financial year, and of its incoming resources and application of those resources, including income and expenditure for the year. In preparing the Financial Statements, the Trustees are required to:

- Select suitable accounting policies and apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the Financial Statements on a going concern basis unless it is inappropriate to presume that the charity will continue its activities.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and that disclose, with reasonable accuracy at any time, the financial position of WAGGGS and enable them to ensure that the Financial Statements comply with the Charities Act 2011, the 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 (FRS 102) and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and for their proper application, as required by charity law, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- There is no relevant audit information of which the charity's auditors are unaware.
- The Trustees have taken all steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The Trustees are responsible for the maintenance and integrity of the charity and the financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions.

Approved and authorised for issue by the Board of Trustees on 9th September 2017



Nicola Grinstead  
Chair of the World Board



Fiona Harnett  
Treasurer

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# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WAGGGS TRADING LIMITED

## OPINION ON FINANCIAL STATEMENTS

We have audited the financial statements of The World Association of Girl Guides and Girl Scouts (the 'charity') and its subsidiaries for the year ended 31 December 2016 which comprise of the Consolidated Statement of Financial Activities, the Group and Parent charity Balance Sheets, the Consolidated Statement of Cash Flows and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- give a true and fair view of the state of the group's and charity's affairs as at 31 December 2016 and of their incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

## EMPHASIS OF MATTER – EARLY ADOPTION OF THE CHARITIES SORP (FRS 102)

In forming our opinion, which is not modified, we have considered the disclosure in note 1.2 concerning the charity's early adoption of the Charities SORP (FRS 102) issued in July 2014, rather than applying the Charities 2005 SORP which has been withdrawn but is still referred to in the extant Charities (Accounts and Reports) Regulations 2008. This departure has been necessary for the financial statements to show a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice effective for accounting periods beginning on or after 1 January 2015.

## SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>

## 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 requires us to report to you if, in our opinion:

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

## RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Statement of Trustees' responsibilities set out on pages 21 to 22, 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 auditors under section 151 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

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

RSM UK Audit LLP

RSM UK Audit LLP  
Statutory Auditor  
Chartered Accountants  
The Pinnacle  
170 Midsummer Boulevard  
Milton Keynes  
Buckinghamshire  
MK9 1BP

Date: 19 September 2017

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

# CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2016

	NOTES	UNRESTRICTED FUNDS £'000	RESTRICTED FUNDS £'000	ENDOWMENT FUNDS £'000	TOTAL FUNDS YEAR TO 31/12/16 £'000	TOTAL FUNDS PERIOD TO 31/12/15 £'000
<b>INCOME FROM:</b>						
Donations & legacies & endowments	4	472	1,435	99	<b>2,006</b>	2,080
Charitable activities	5	3,960	290	-	<b>4,250</b>	4,031
Other trading activities	0	896	-	-	<b>896</b>	1,087
Investments	6	230	3	105	<b>338</b>	313
<b>Total income</b>		<b>5,558</b>	<b>1,728</b>	<b>204</b>	<b>7,490</b>	<b>7,511</b>
<b>EXPENDEDITURE ON:</b>						
Raising funds	7	31	466	104	<b>601</b>	492
Charitable activities	7	7,028	625	-	<b>7,653</b>	7,279
<b>Total expenditure</b>		<b>7,059</b>	<b>1,091</b>	<b>104</b>	<b>8,254</b>	<b>7,771</b>
Net gains/(losses) on investments	12	142	-	336	<b>478</b>	(137)
<b>NET INCOME/ (EXPENDITURE)</b>		(1,359)	637	436	<b>(286)</b>	(397)
Transfer between funds	18	1,427	(12)	(1,415)	-	-
Other gains / (losses)	9	152	72	-	<b>224</b>	144
<b>NET MOVEMENT IN FUNDS</b>		<b>220</b>	<b>697</b>	<b>(979)</b>	<b>(62)</b>	<b>(253)</b>
<b>Total Funds at 1 January</b>		1,586	5,005	5,935	<b>12,526</b>	12,779
<b>Total Funds at 31 December</b>		<b>1,806</b>	<b>5,702</b>	<b>4,956</b>	<b>12,464</b>	<b>12,526</b>

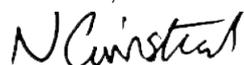
The notes on pages 28 to 51 form an integral part of these financial statements. All activities are classed as continuing. There were no recognised gains or losses other than those stated above.

## GROUP AND CHARITY BALANCE SHEETS

### AS AT 31 DECEMBER 2016

	NOTES	GROUP 2016 £'000	GROUP 2015 £'000	CHARITY 2016 £'000	CHARITY 2015 £'000
<b>FIXED ASSETS</b>					
Intangible Assets	10	79	90	79	90
Tangible Assets	11	4,158	4,111	3,665	3,713
Investments	12	6,745	7,546	6,688	7,496
<b>Total fixed assets</b>		<b>10,982</b>	<b>11,747</b>	<b>10,432</b>	<b>11,299</b>
<b>CURRENT ASSETS</b>					
Stocks	14	218	193	22	24
Debtors	15	784	631	1,799	475
Short Term Deposits		1,221	907	729	487
Cash at Bank and In Hand		1,154	881	139	229
		3,377	2,612	2,689	1,215
<b>CURRENT LIABILITIES</b>					
<b>Creditors</b> – amounts falling due within one year	16	(1,895)	(1,736)	(2,727)	(1,669)
<b>NET CURRENT ASSETS/ (LIABILITIES)</b>		<b>1,482</b>	<b>876</b>	<b>(38)</b>	<b>(454)</b>
<b>Creditors</b> – amounts falling due after more than one year	17	-	(79)	-	(28)
<b>NET ASSETS</b>		<b>12,464</b>	<b>12,526</b>	<b>10,394</b>	<b>10,817</b>
<b>FUNDS of the Charity</b>					
<b>Endowment Fund</b>	18	4,956	5,935	4,956	<b>5,935</b>
Restricted Funds:					
Restricted Property	18	3,469	3,510	3,349	3,377
Restricted Funds	18	2,233	1,495	1,618	986
<b>TOTAL RESTRICTED</b>		<b>5,702</b>	<b>5,005</b>	<b>4,967</b>	<b>4,363</b>
Unrestricted Funds:					
General Funds	18	1,633	1,004	298	163
Designated Funds	18	173	582	173	356
<b>Total Unrestricted</b>		<b>1,806</b>	<b>1,586</b>	<b>471</b>	<b>519</b>
<b>TOTAL FUNDS</b>		<b>12,464</b>	<b>12,526</b>	<b>10,394</b>	<b>10,817</b>

Approved and authorised for issue by the Board of Trustees on 9th September 2017 and signed on its behalf by



Nicola Grinstead  
(Chair of the World Board)

## CONSOLIDATED STATEMENT OF CASH FLOWS

	NOTES	YEAR TO 31/12/2016 £'000	PERIOD TO 31/03/2015 £'000
<b>OPERATING ACTIVITIES</b>			
Cash used in operations	19	(1,293)	(809)
<b>NET CASH FROM/(USED IN) OPERATING ACTIVITIES</b>		(1,293)	(809)
<b>INVESTING ACTIVITIES</b>			
Purchase of intangible assets		(8)	(96)
Purchase of tangible fixed assets		(131)	(239)
Proceeds on disposal of tangible fixed assets		1	-
Purchase of investments		<b>(986)</b>	<b>(581)</b>
Proceeds from sale of investments		2,260	605
Dividends received		239	219
Interest received		99	85
Other income		-	9
<b>NET CASH FROM INVESTING ACTIVITIES</b>		<b>1,474</b>	<b>2</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>181</b>	<b>(807)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>		<b>1,788</b>	<b>2,461</b>
<b>Effect of foreign exchange rate changes</b>		<b>406</b>	<b>134</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>		<b>2,375</b>	<b>1,788</b>

## **ACCOUNTING POLICIES**

### **1.1 CHARITY INFORMATION**

WAGGGS is a Charitable Incorporated Organisation (CIO) registered with the Charity Commission for England and Wales (no. 1159255). Details of the registered office are given on page 20 of the financial statements. Charity's operations and principal activities are described in the Trustees' Report.

### **1.2 BASIS OF ACCOUNTING**

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of listed investments, and are drawn up in accordance with the Charities Act 2011 and the 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 (FRS 102) effective January 2015 (published July 2014).

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following Accounting and Reporting by Charities preparing these accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn. The Charity constitutes a public benefit entity as defined by FRS 102.

The financial statements are presented in (£) Sterling which is also the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £1,000.

The financial results of the following entities are consolidated in these financial statements on a line by line basis:

- World Association of Girl Guides and Girl Scouts (charity registered with the Charity Commission of England and Wales, number 1159255)
- WAGGGS Trading Limited (company registered in England and Wales, number 07533080)
- Our Chalet Association (founded 15 December 1930 under Article 60ff of the Code Civil Suisse)
- Foundation for Girl Guides and Girl Scouts Centre Our Chalet Association (registered as a foundation – "stiftung" – in Switzerland)
- Nuestra Cabaña, A.C. (Asociación Civil) (non-profit association registered in Mexico, Tax Identification number NCA880620IF4)
- The Cabaña, S.A. DE C.V. (Sociedad Anónima de Capital Variable) (company registered in Mexico, Tax Identification Number CAB5407071W6)
- Sangam World Centre of the World Association of Girl Guides and Girl Scouts (registered in India with the Office of Commissioner of Income tax, Pune with the registration number CH.P. PNA-1976-76-77)
- World Association of Girl Guides and Girl Scouts (Europe Region) (registered in Belgium, company number BE 0457.323.425)

Please see note 13 for further details.

WAGGGS has control of a dormant company, WAGGGS MEX Limited (share capital £3), incorporated in Great Britain. The entity has not traded in the year.

The significant accounting policies adopted by the Trustees are described below and have been applied consistently throughout the current year and preceding year.

### 1.3 FIRST TIME ADOPTION OF FRS 102

These consolidated and charity financial statements are the first consolidated and charity financial statements of WAGGGS prepared in accordance with Charities SORP (FRS 102). The financial statements of WAGGGS for the period ended 31 December 2015 were prepared in accordance with previous UK GAAP. The transition date was 18 November 2014.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the Trustees have amended certain accounting policies to comply with FRS 102. The Trustees have also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

Comparative figures have been restated to reflect the adjustments made, except to the extent that the Trustees have taken advantage of exemptions to retrospective application of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'. Adjustments are recognised directly in the funds of the charity and group at the transition date (refer to note 24).

### 1.4 REDUCED DISCLOSURES

The charity has taken advantage of the exemption from disclosing the following information in its charity only accounts, as permitted by the reduced disclosure regime within FRS 102:

- Section 7 'Statement of Cash Flows' – Presentation of a Statement of Cash Flows and related notes and disclosures
- Section 11 'Basic Financial Instruments' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument

### 1.5 GOING CONCERN

WAGGGS has cash resources and has no requirement for external funding. The Trustees have a reasonable expectation that WAGGGS has adequate resources to continue in operational existence for the foreseeable future. They continue to believe the going concern basis of accounting is appropriate in preparing the annual financial statements.

### 1.6 FUND ACCOUNTING

Restricted Funds - these funds are subject to specific conditions imposed by the donors. The purposes and uses of these funds are set out on page 48 in the notes to the accounts.

Endowment Fund - this is an expendable endowment fund established by a resolution of the World Conference in 1999. Its aim is to provide a fund, the income and capital of which can be used to safeguard the continuing development, promotion and expansion of WAGGGS.

General Funds - these are funds which are available for use at the discretion of the World Board in the furtherance of the Charities Objects of WAGGGS.

Designated Funds - these funds have been set aside out of General Funds, at the discretion of the World Board, for specific purposes. The World Board reviews the status and adequacy of the individual designated funds in relation to the achievement of the World Association of Girl Guides and Girl Scouts' strategic goals. The purposes and uses of these funds are set out on page 48 in the notes to the accounts.

### 1.7 INCOME

All income is included in the accounts when the charity is legally entitled to the income, the amount can be quantified with reasonable accuracy and the receipt of income is probable. The following specific policies apply to categories of income.

- Membership fee income relates to the annual fee payable by MOs as a condition of membership. This is accounted for on a receivable basis, net of provisions.

- Legacies are credited to the Statement of Financial Activities on a case by case basis in accordance with the requirements of the SORP (being probability, entitlement and measurement). Entitlement is taken as the earlier date on which either:
  - the charity received a distribution from the estate or
  - the charity has received notification in writing from the Estate Executors of the amount to be received by the charity from the estate.
- Donations are accounted for where there is adequate probability of receipt.
- Grants for specific purposes are recognised as income when receivable and are shown as restricted income. The exception to this rule is where grants are received with preconditions attached, and where the preconditions have not been met by the balance sheet date. Such grants are included in creditors.
- Investment income, primarily from dividends and interest, is included gross and accounted for when receivable.
- Sale of materials and goods includes charitable trading income from the sale of publications, uniform and other items purely for charitable purposes. These are accounted for at the point of sale.
- World Centres Operating Income consists primarily of receipts for board, lodging and event costs. This is accounted for on an accruals basis.

### **1.8 EXPENDITURE**

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category, inclusive of any irrecoverable VAT.

The allocation of staff salaries, other benefits and overheads not directly attributable to a particular functional activity are apportioned over the relevant categories on the basis of management estimates of time spent by individual staff on various activities in support of the WAGGGS' global outcomes.

Expenditure on raising funds includes those expenses which are directly attributable to the generation of funds. These include Investment Managers fees and the salaries and overheads of the staff that directly undertake fundraising activities plus allocated support costs.

Charitable Activities expenditure is allocated against global outcomes and activities on the basis noted above.

Operational Support Services represent the central costs not directly attributable to WAGGGS' global outcomes but are in support of WAGGGS' charitable activities.

Governance costs include the direct costs of the administration of WAGGGS and compliance with constitutional and statutory requirements including an appropriate share of support costs. These costs include audit, legal advice for trustees and costs associated with Board meetings, the governance element of the World Conference and the preparation of the statutory accounts.

Pensions are provided through money purchase schemes and costs recognised when payments into those schemes are due and payable.

### **1.9 FOREIGN CURRENCIES**

Assets and liabilities denominated in foreign currencies and the results of overseas operations are translated at the rates of exchange ruling at the balance sheet date. Exchange differences arising from retranslation of opening net investment in overseas operations are dealt with as a movement in the funds. Transactions in foreign currencies are recorded at the rate ruling at the date of the transactions and exchange differences are dealt with through the Statement of Financial Activities.

### 1.10 FINANCIAL INSTRUMENTS

The charity has elected to apply the provisions of Section 11 “Basic Financial Instruments” and Section 12 “Other Financial Instruments Issues” of FRS 102, in full, to all of its financial instruments.

Financial instruments are classified and accounted for according to the substance of the contractual arrangement as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its liabilities.

#### FINANCIAL ASSETS

Basic financial assets, which include other debtors, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost, being transaction price less amounts settled and less any impairment losses.

#### FINANCIAL LIABILITIES

Basic financial liabilities, which include trade creditors, employees’ salaries provision and other creditors, are initially measured at transaction price and subsequently measured at amortised cost, being transaction price less amounts settled.

### 1.11 INTANGIBLE FIXED ASSETS (OTHER THAN GOODWILL)

Purchased intangible assets are recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Intangible assets are initially recognised at cost (which for intangible assets acquired in a business combination is the fair value at acquisition date) and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets are amortised to Statement of Financial Activities on a straight-line basis over their useful lives, as follows:

Purchased computer software	3 – 5 years
Trademarks	10 years

### 1.12 TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are stated initially measured at cost, and subsequently measured at cost or valuation, net of depreciation and any impairment losses. Freehold land is not depreciated.

#### IMPAIRMENT OF TANGIBLE FIXED ASSETS

An assessment is made at each reporting date of whether there are indications that a fixed asset may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indicators exist, the charity estimates the recoverable amount of the asset.

Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of fair value less costs to sell and value in use, are recognised as impairment losses.

**Depreciation** is provided in equal annual instalments over the estimated useful lives of the assets as follows:

- Freehold buildings - 50 years
- Leasehold buildings - the length of the lease
- Leasehold improvements - 20 years or length of remaining lease if shorter
- Fixtures and fittings - five years
- Office equipment other than computers - five years
- Computer equipment - three years

All tangible fixed assets are capitalised subject to a cost threshold of £1,000.

### **1.13 INVESTMENTS**

Investments are included in the balance sheet initially at transaction value and subsequently recognised at their fair value at the end of the financial period which is the bid price quoted on a recognised stock exchange. Realised and unrealised gains and losses are credited or debited to the Statement of Financial Activities in the year in which they arise.

### **1.14 STOCKS**

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

### **1.15 TAXATION**

WAGGGS is a registered charity and as such its income and gains falling within sections 471 to 489 of the Corporation Tax Act 2010 or section 256 of the Taxable and Chargeable Gains Act 1992 are exempt from corporation tax to the extent that they are applied to its charitable activities.

### **1.16 CASH AT BANK AND IN HAND**

Cash at bank and cash in hand include cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition of the deposit or similar account.

## **2. JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

In the application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised.

The Trustees do not consider that there are any critical estimates or areas of judgement that need to be brought to the attention of the readers of the financial statements.

**3. STATEMENT OF FINANCIAL ACTIVITIES – COMPARATIVE INFORMATION**

	UNRESTRICTED FUNDS £'000	RESTRICTED FUNDS £'000	ENDOWMENT FUNDS £'000	TOTAL FUNDS PERIOD TO 31/12/15 £'000
<b>INCOME FROM:</b>				
Donations and legacies	1,055	973	52	<b>2,080</b>
Charitable activities	3,401	629	1	<b>4,031</b>
Trading activities	1,087	-	-	<b>1,087</b>
Investments	215	-	98	<b>313</b>
<b>Total income</b>	<b>5,758</b>	<b>1,602</b>	<b>151</b>	<b>7,511</b>
<b>EXPENDEDITURE ON:</b>				
Raising funds	142	251	99	<b>492</b>
Charitable activities	6,235	1,044	-	<b>7,279</b>
<b>Total expenditure</b>	<b>6,377</b>	<b>1,295</b>	<b>99</b>	<b>7,771</b>
Net gains/(losses) on investments	(44)	(2)	(91)	<b>(137)</b>
<b>NET INCOME/(EXPENDITURE)</b>	<b>(663)</b>	<b>305</b>	<b>(39)</b>	<b>(397)</b>
Transfer between funds	13	(13)	-	-
Other gains / (losses)	33	111	-	<b>144</b>
<b>NET MOVEMENT IN FUNDS</b>	<b>(617)</b>	<b>403</b>	<b>(39)</b>	<b>(253)</b>
<b>Total Funds at 1 January</b>	<b>2,203</b>	<b>4,602</b>	<b>5,974</b>	<b>12,779</b>
<b>Total Funds at 31 December</b>	<b>1,586</b>	<b>5,005</b>	<b>5,935</b>	<b>12,526</b>

**4. INCOME FROM DONATIONS AND LEGACIES**

	UNRESTRICTED FUNDS £'000	RESTRICTED FUNDS £'000	ENDOWMENT FUNDS £'000	TOTAL FUNDS 2016 £'000	TOTAL FUNDS 2015 £'000
<b>Donations and legacies</b>					
Donations	35	690	-	<b>725</b>	1,047
World Thinking Day	117	-	-	<b>117</b>	103
Olave Baden-Powell Society	252	511	99	<b>862</b>	421
Regions	50	-	-	<b>50</b>	348
World Centres	18	234	-	<b>252</b>	161
<b>Total income from donations and legacies</b>	<b>472</b>	<b>1,435</b>	<b>99</b>	<b>2,006</b>	<b>2,080</b>

**5. INCOME FROM CHARITABLE ACTIVITIES**

	UNRESTRICTED FUNDS £'000	RESTRICTED FUNDS £'000	ENDOWMENT FUNDS £'000	TOTAL FUNDS 2016 £'000	TOTAL FUNDS 2015 £'000
Membership fees	1,732	-	-	<b>1,732</b>	1,756
World Centres Operating income	1,344	30	-	<b>1,374</b>	1,273
Sale of materials and goods	173	-	-	<b>173</b>	133
Grants for specific programmes	-	244	-	<b>244</b>	630
Conference, Event fees and other	711	16	-	<b>727</b>	239
<b>Total income from donations and legacies</b>	<b>3,960</b>	<b>290</b>	<b>-</b>	<b>4,250</b>	<b>4,031</b>

**6. INCOME FROM INVESTMENTS**

	UNRESTRICTED FUNDS £'000	RESTRICTED FUNDS £'000	ENDOWMENT FUNDS £'000	TOTAL FUNDS 2016 £'000	TOTAL FUNDS 2015 £'000
Dividend income	159	-	80	<b>239</b>	219
Interest income	71	3	25	<b>99</b>	85
Other income	-	-	-	-	9
<b>Total income from investments</b>	<b>230</b>	<b>3</b>	<b>105</b>	<b>338</b>	<b>313</b>

**7A. ANALYSIS OF TOTAL RESOURCES BY CATEGORY OF EXPENDITURE**

	DIRECT COSTS £'000	DIRECT STAFF COSTS £'000	SUPPORT COSTS £'000	TOTAL 2016 £'000	TOTAL 2015 £'000
Expenditure on raising funds	295	207	100	602	492
Outcome 1 – Increase and diversify membership	728	454	428	1,610	1,219
Outcome 2 – Improve image and visibility	770	362	346	1,478	1,385
Outcome 3 – Influence issues	468	292	280	1,040	1,323
Outcome 4 – Strengthen quality	691	431	410	1,532	1,525
Outcome 5 – Build leadership capacity	613	382	361	1,356	1,363
Outcome 6 – Increase funding	307	198	131	636	464
<b>Total Expenditure</b>	<b>3,872</b>	<b>2,326</b>	<b>2,056</b>	<b>8,254</b>	<b>7,771</b>

Support costs not directly attributable to the charitable activities, generating funds which include governance, have been allocated to each of the categories shown below on the basis of estimated time and number of staff employed during the year on each of the relevant activities.

Foreign currency exchange differences recognised in the Statement of Financial Activities during the year, except for those arising on consolidation, totalled £224k (2015: £134k).

Total grant payments made during 2016 were £590k. Grants paid to MOs amounted to £366k (2015: £381k) and were predominantly project grants. The remainder are smaller grants to individuals who receive support to attend WAGGS events and to carry out other activities in line with our charitable objects.

### LIST OF GRANTS PAID

	NUMBER OF GRANTS	WORLD BUREAU £'000	WORLD CENTRES £'000	GRAND TOTAL £'000
Delegates & Individuals	326	159	65	224
Membership Organisations	108	362	4	366
<b>TOTAL Grants Paid</b>	<b>434</b>	<b>521</b>	<b>69</b>	<b>590</b>

### DETAILED ANALYSIS OF GRANTS

	NUMBER OF GRANTS	DELEGATES & INDIVIDUALS £'000	MEMBER ORGANISA- TIONS £'000	TOTAL £'000
Verizon	3	-	7	7
Anne Scott project	29	7	-	7
Arab project	14	8	-	8
FK Norway project	32	1	170	171
Zonta project	27	33	-	33
5th World Centre project	4	7	-	7
Capital project	3	-	6	6
Advocacy events	10	8	-	8
UPS project	9	-	78	78
Stop the Violence project	3	-	16	16
Surf Smart project	2	-	16	16
Africa projects	59	76	11	87
Asia Pacific projects	36	-	54	54
Miscellaneous projects	16	5	2	7
Western Hemisphere projects	22	10	2	12
Scholarships	5	4	-	4
Our Chalet	86	33	-	33
Sangam	35	25	-	25
Our Cabaña	22	3	4	7
Pax Lodge	17	4	-	4
<b>TOTAL</b>	<b>434</b>	<b>224</b>	<b>366</b>	<b>590</b>

**7B. ANALYSIS OF SUPPORT COSTS BY FUNCTIONAL EXPENDITURE**

The support costs shown below are comprised of: Governance costs; the cost of finance and management time in overseeing charitable activities, office costs cover the cost of running the World Bureau, HR costs include staff training and other central staff related expenses and IT costs include all general IT support costs.

	FINANCE & MANAGEMENT £'000	OFFICE COSTS £'000	HR COSTS £'000	IT COSTS £'000	GOVERN- ANCE £'000	TOTAL SUP- PORT COSTS 2016 £'000
Expenditure on raising funds	33	18	29	10	10	<b>100</b>
Outcome 1 – Increase and diversify membership	108	60	96	30	134	<b>428</b>
Outcome 2 – Improve image and visibility	87	49	78	24	108	<b>346</b>
Outcome 3 – Influence issues	71	39	63	20	87	<b>280</b>
Outcome 4 – Strengthen quality	103	58	92	29	128	<b>410</b>
Outcome 5 – Build leadership capacity	90	51	82	25	113	<b>361</b>
Outcome 6 – Increase funding	33	19	31	9	39	<b>131</b>
<b>Total Support Costs</b>	<b>525</b>	<b>294</b>	<b>471</b>	<b>147</b>	<b>619</b>	<b>2,056</b>

**8. EMPLOYEES**
**AVERAGE NUMBER OF EMPLOYEES**

	2016 NUMBER	2015 NUMBER
Charitable activities	<b>54</b>	68
Fundraising	<b>9</b>	9
Support Services	<b>37</b>	26
Total	<b>100</b>	103

**TOTAL STAFF COSTS**

	2016 £'000	2015 £'000
Wages and salaries	<b>3,032</b>	2,877
Social security costs	<b>293</b>	269
Pension costs	<b>243</b>	150
Total	<b>3,568</b>	3,296

**8. EMPLOYEES (CONTINUED)**

**REMUNERATION POLICY AND BENEFITS**

The Association bases its reward policies and strategies on the needs of the organization. Salaries are benchmarked against other comparable organizations to ensure that WAGGGS pays a suitable rate of pay to all the staff in relation to the environment in which they work. The Association has a separate Group personal pension plan set up in 1998 with Aviva Life Services UK Limited, which is a contributory money purchase scheme to which the majority of staff belong. A small number of staff contribute to the money purchase pension scheme with Countrywide Assured plc. which commenced in 1984. The assets of both schemes are in independently administered funds. Contributions totalling £8k (2015:£11k) were payable at the year end and are included in other creditors. Where appropriate the World Centres contribute to local pension arrangements for senior staff.

The number of employees whose emoluments as defined for taxation purposes amounted to over £60,000

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

Pension contributions of £13k were paid in 2016 (2015: £18k) to the two employees earning more than £60,000 within the year.

The Trustees did not receive any remuneration or benefits in kind, other than the reimbursement of expenses. During the year, 20 (2015: 17) trustees were reimbursed for travelling and accommodation expense incurred on the Association’s business which amounted to £86k (2015: £88k).

**KEY MANAGEMENT PERSONNEL**

The key management personnel of the group and the charity comprise of the Trustees and the staff Leadership Team – LT (see page 20).

The total employee benefits of the key management personnel of the group during the year, which comprised salary, pension benefits, benefits in kind and Employer’s National Insurance were £613,313 (2015: £677,685).

The total employee benefits of the key management personnel of the charity during the year, which comprised salary, pension benefits, benefits in kind and Employer’s National Insurance were £523,087 (2015: £594,877).

**AUDITOR’S REMUNERATION**

Audit fees payable for the year ended 31 December 2016 were £61k in total (2015: £56k). Additional fees of £10k were paid in the year for other advice (2015: £3k).

## NOTES TO THE ACCOUNTS (CONTINUED) -FOR THE YEAR ENDED 31 DECEMBER 2016

<b>9. OTHER GAINS/(LOSSES)</b>	UNRESTRICTED FUNDS £'000	RESTRICTED FUNDS £'000	ENDOWMENT FUNDS £'000	TOTAL FUNDS 2016 £'000	TOTAL FUNDS 2015 £'000
Exchange gain/(losses)	152	72	-	224	144
<b>Total other gains/(losses)</b>	<b>152</b>	<b>72</b>	<b>-</b>	<b>224</b>	<b>144</b>

## 10. INTANGIBLE ASSETS

### GROUP AND CHARITY

	PURCHASED COMPUTER SOFTWARE & TRADEMARKS £'000
<b>Cost or valuation</b>	
Brought forward 1 January 2016	99
Additions	9
<b>Carried forward 31 December 2016</b>	<b>108</b>
<b>Amortisation</b>	
Brought forward 1 January 2016	9
Charge for year	20
<b>Carried forward 31 December 2016</b>	<b>29</b>
<b>Net Book Value:</b>	
<b>31 December 2016</b>	<b>79</b>
<b>31 December 2015</b>	<b>90</b>

## 11. TANGIBLE FIXED ASSETS - GROUP

	FREEHOLD LAND & BUILDINGS £'000	LEASEHOLD LAND & BUILDINGS £'000	FURNITURE & EQUIPMENT £'000	TOTAL £'000
<b>Cost or Valuation</b>				
Brought forward 1 January 2016	1,551	4,496	353	6,400
Additions	71	-	59	130
Disposal and fully depreciated assets	-	-	(14)	(14)
Exchange difference	20	-	3	23
<b>Carried forward 31 December 2016</b>	<b>1,642</b>	<b>4,496</b>	<b>401</b>	<b>6,539</b>
<b>Accumulated Depreciation</b>				
Brought forward 1 January 2016	1,199	854	236	2,289
Charge for year	34	43	54	131
Disposals and fully depreciated assets	-	-	(13)	(13)
Exchange difference	(21)	-	(5)	(26)
<b>Carried forward 31 December 2016</b>	<b>1,212</b>	<b>897</b>	<b>272</b>	<b>2,381</b>
<b>Net Book Value:</b>				
<b>31 December 2016</b>	<b>430</b>	<b>3,599</b>	<b>129</b>	<b>4,158</b>
<b>31 December 2015</b>	<b>352</b>	<b>3,642</b>	<b>117</b>	<b>4,111</b>

**TANGIBLE FIXED ASSETS - CHARITY**

	LEASEHOLD LAND & BUILDINGS £'000	FURNITURE & EQUIP- MENT £'000	TOTAL £'000
<b>Cost or Valuation</b>			
Brought forward 1 January 2016	4,496	173	<b>4,669</b>
Additions	-	26	<b>26</b>
<b>Carried forward 31 December 2016</b>	<b>4,496</b>	<b>199</b>	<b>4,695</b>
<b>Accumulated Depreciation</b>			
Brought forward 1 January 2016	854	104	<b>958</b>
Charge for year	43	29	<b>72</b>
<b>Carried forward 31 December 2016</b>	<b>897</b>	<b>133</b>	<b>1,030</b>
<b>Net Book Value:</b>			
<b>31 December 2016</b>	<b>3,599</b>	<b>66</b>	<b>3,665</b>
<b>31 December 2015</b>	<b>3,644</b>	<b>69</b>	<b>3,713</b>

The total value of land in the group that is not depreciated is £153k (2015: £153k)

**12. INVESTMENTS - GROUP**

	TOTAL 2016 £'000	TOTAL 2015 £'000
Market value at 1 January	7,546	7,697
Purchase at cost	986	581
Disposal at market value	(2,260)	(597)
Exchange difference	3	2
Net unrealised gain/(loss) on revaluation	470	(137)
Market value as at 31 December	<b>6,745</b>	<b>7,546</b>
At the balance sheet date, the portfolio was invested as follows:		
UK Equity shares	2,763	2,828
UK Fixed Interest Bonds and Deposits	2,255	2,824
Property Unit Trusts	1,670	1,771
Overseas Mutual Funds	57	50
Overseas Equity Shares	-	73
Market value as at 31 December	<b>6,745</b>	<b>7,546</b>

In both the Group and Charity, there are no restrictions on the realization of any of the investments. Within these investments there is a material holding Glaxo Smithkline which makes up 4.7% of the total investments. Our investment managers have confirmed that as the price of this investment is tied to the movement of the underlying index, in theory even a large disposal of the holding should have no effect on the price.

**13. SUBSIDIARY UNDERTAKINGS**

	For the year ended 31 December 2016				
	% age Control	Net assets/ (liabilities) at 31 Dec. 2016	Total Income	Total Expenditure	Surplus / (Deficit)
WAGGGS Trading Limited	100%	117	897	786	<b>111</b>
Our Chalet Association	100%	210	77	77	-
Foundation for Girl Guides and Girl Scouts Centre Our Chalet Association	100%	1,044	714	672	<b>42</b>
Nuestra Cabaña	100%	17	3	18	<b>(15)</b>
The Cabana S.A. DE C.V.	100%	55	12	32	<b>(20)</b>
Sangam WAGGGS	100%	360	397	345	<b>52</b>
AISBL (WAGGGS - Europe Region)	100%	274	633	628	<b>5</b>

**14. STOCKS**

	Group Total 2016 £'000	Group Total 2015 £'000	Charity Total 2016 £'000	Charity Total 2015 £'000
Uniforms, publications , badges and souvenirs	<b>209</b>	186	<b>22</b>	24
Other	<b>9</b>	7	-	-
Total Stocks	<b>218</b>	<b>193</b>	<b>22</b>	<b>24</b>

**15. DEBTORS**

	Group Total 2016 £'000	Group Total 2015 £'000	Charity Total 2016 £'000	Charity Total 2015 £'000
Other debtors	<b>592</b>	428	<b>1,625</b>	384
Prepayments	<b>192</b>	203	174	<b>91</b>
Total Debtors	<b>784</b>	<b>631</b>	<b>1,799</b>	<b>475</b>

Outstanding membership fees payable by MOs of 129£k (29£:2015k) are included within other debtors. The World Board has agreed rescheduled payment schemes with some MOs in respect of their outstanding membership fees.

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

	Group Total 2016 £'000	Group Total 2015 £'000	Charity Total 2016 £'000	Charity Total 2015 £'000
Trade creditors	<b>258</b>	405	<b>136</b>	427
Amounts due to group undertakings	-	-	2,210	<b>1,000</b>
Employees' salaries provision	<b>29</b>	40	-	-
Deferred income	<b>1,045</b>	831	98	<b>85</b>
Tax and social security	<b>79</b>	56	65	-
Other creditors	<b>484</b>	404	218	<b>157</b>
Total Creditors	<b>1,895</b>	<b>1,736</b>	<b>2,727</b>	<b>1,669</b>

## 17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group Total 2016 £'000	Group Total 2015 £'000	Charity Total 2016 £'000	Charity Total 2015 £'000
Deferred income	-	28	-	28
Other creditors	-	69	-	-
Total Creditors	-	<b>97</b>	-	<b>28</b>

	Group Total £'000	Charity Total £'000
Balance as at 1 January 2016	<b>859</b>	113
Amounts released to income in year	(856)	<b>(110)</b>
Amounts deferred in year	1,042	<b>95</b>
Balance as at 31 December 2016	-	<b>28</b>

The majority of deferred income as at 31 December 2016 relates to contract income paid in advance.

**18A. ANALYSIS OF MOVEMENTS OF FUNDS – GROUP**

	BALANCE 2015 £'000	INCOME £'000	EXPENDI- TURE £'000	TRANSFER BETWEEN FUNDS £'000	GAINS AND LOSSES £'000	BALANCE 2016 £'000
<b>WAGGGS Endowment Fund</b>	5,935	204	(104)	(1,415)	336	4,956
<b>Total Endowments Fund</b>	5,935	204	(104)	(1,415)	336	4,956
Restricted Funds – comprise of the following expended balances on donations and grants given for specific purposes. The purpose of each fund can be found on page 48.						
<b>Restricted Property</b>						
World Bureau	1,629	-	(14)	-	-	1,616
Pax Lodge	1,748	-	(14)	-	-	1,733
Our Cabaña	133	-	(13)	-	-	120
	3,510	-	(41)	-	-	3,469
<b>World Bureau</b>						
Leadership	34	355	(94)	-	-	295
Membership	31	87	(34)	-	-	84
Advocacy	24	20	(41)	-	-	3
UPS Signature Programme	50	385	(346)	-	-	89
A Bartlow legacy	696	11	(95)	-	-	612
GS USA Forever Green Project	18	-	(1)	-	-	17
World Conference and other grants	21	29	-	1	-	51
Other donations	80	450	(132)	(46)	-	352
	954	1,338	(744)	(45)	-	1,503
<b>World Centres &amp; Europe Office</b>						
Pax Lodge – other	32	89	(55)	48	-	114
Our Cabaña – other	72	1	(7)	(15)	1	52
Our Chalet Foundation	30	32	(6)	-	7	63
Our Chalet	341	41	(52)	-	56	386
Sangam	66	105	(90)	-	6	87
Europe	-	123	(97)	-	2	28
	541	391	(307)	33	72	730
<b>Total Restricted Funds</b>	5,005	1,728	(1,091)	(12)	72	5,702
<b>General</b>	1,004	5,508	(6,729)	1,556	294	1,633

Designated Funds – the following funds have been set aside to cover specific costs. The purpose of each fund can be found on page 48.

**18A. ANALYSIS OF MOVEMENTS OF FUNDS – GROUP (CONTINUED)**

	BALANCE 2015 £'000	INCOME £'000	EXPENDI- TURE £'000	TRANSFER BETWEEN FUNDS £'000	GAINS AND LOSSES £'000	BALANCE 2016 £'000
Reserves investment plan	356	-	(227)	(129)	-	-
Regional Funds	226	50	(103)	-	-	173
Total Designated Funds	582	50	(330)	(129)	-	173
Total Unrestricted Funds	1,586	5,558	(7,059)	1,427	294	1,806

**18B. ANALYSIS OF MOVEMENTS OF FUNDS – CHARITY**

	BALANCE 2015 £'000	INCOME £'000	EXPENDI- TURE £'000	TRANSFER BETWEEN FUNDS £'000	GAINS AND LOSSES £'000	BALANCE 2016 £'000
<b>WAGGGS Endowment Fund</b>	<b>5,935</b>	<b>540</b>	<b>(104)</b>	<b>(1,415)</b>	-	<b>4,956</b>
<b>Other Restricted Funds</b>						
Pax Lodge – other donations	32	89	(55)	48	-	<b>114</b>
UPS Signature Programme	50	385	(346)	-	-	<b>89</b>
A Bartlow legacy	696	11	(95)	-	-	<b>612</b>
GS USA Forever Green Project	18	-	(1)	-	-	<b>17</b>
World Conference & other grants	21	29	-	1	-	<b>51</b>
Other donations	80	450	(132)	(46)	-	<b>352</b>
	<b>986</b>	<b>1,338</b>	<b>(799)</b>	<b>3</b>	-	<b>1,503</b>
Restricted Property						
World Bureau	1,629	-	(14)	-	-	<b>1,616</b>
Pax Lodge	1,748	-	(14)	-	-	<b>1,733</b>
	3,377	-	(28)	-	-	<b>3,349</b>
<b>Total Restricted Funds</b>	<b>4,363</b>	<b>1,427</b>	<b>(827)</b>	<b>3</b>	-	<b>4,966</b>
<b>General</b>	<b>163</b>	<b>3,210</b>	<b>(4,390)</b>	<b>1,315</b>	-	<b>298</b>
Reserves investment plan	356	-	(227)	(129)	-	-
Regional Funds	-	50	(103)	226	-	<b>173</b>
<b>Total Designated Funds</b>	<b>356</b>	<b>50</b>	<b>(330)</b>	<b>97</b>	-	<b>173</b>
<b>Total Unrestricted Funds</b>	<b>519</b>	<b>3,260</b>	<b>(4,720)</b>	<b>1,412</b>	-	<b>471</b>

**19. RECONCILIATION OF NET INCOME TO NET CASH GENERATED FROM OPERATIONS**

	YEAR TO 31/12/2016 £'000	PERIOD TO 31/12/2015 £'000
Net expenditure	<b>(286)</b>	(387)
Adjustments for:		
Depreciation of tangible fixed assets	<b>131</b>	105
Amortisation of intangible assets	<b>19</b>	5
Fair value (gains)/losses on financial instruments	<b>(478)</b>	127
Foreign exchange (gains)/losses	<b>(224)</b>	27
Investment income	<b>(338)</b>	(313)
Operating cash flows before movements in working capital	<b>(1,176)</b>	(436)
Decrease/(increase) in stock	<b>(25)</b>	(21)
Decrease/(increase) in debtors	<b>(154)</b>	596
Increase/(decrease) in trade and other creditors	<b>62</b>	(948)
<b>Cash generated from/(used in) operations</b>	<b>(1,293)</b>	(809)

**20. ANALYSIS OF NET ASSETS BETWEEN FUNDS - GROUP**

	ENDOWMENT £'000	RESTRICTED £'000	GENERAL £'000	DESIGNATED £'000	TOTAL £'000
Intangible assets	-	-	79	-	<b>79</b>
Tangible fixed assets	-	3,469	689	-	<b>4,158</b>
Investments	4,956	207	1,582	-	<b>6,745</b>
Long-Term Liabilities	-	-	(7)	-	<b>(7)</b>
Net current assets	-	2,026	(710)	173	<b>1,489</b>
<b>Total</b>	<b>4,956</b>	<b>5,702</b>	<b>1,633</b>	<b>173</b>	<b>12,464</b>

**ANALYSIS OF NET ASSETS BETWEEN FUNDS – CHARITY**

	ENDOWMENT £'000	RESTRICTED £'000	GENERAL £'000	DESIGNATED £'000	TOTAL £'000
Intangible assets	-	-	79	-	<b>79</b>
Tangible fixed assets	-	3,349	316	-	<b>3,665</b>
Investments	4,956	150	1,582	-	<b>6,688</b>
Long-Term Liabilities	-	-	-	-	-
Net current assets	-	1,468	(1,679)	173	<b>(38)</b>
<b>Total</b>	<b>4,956</b>	<b>4,967</b>	<b>298</b>	<b>173</b>	<b>10,394</b>

**21. FINANCIAL PERFORMANCE OF THE CHARITY**

The consolidated statement of financial activities includes the results of the charity's wholly owned subsidiaries as listed in note 13. The net expenditure for the year for the charity only is £(653)K (2015: £(489)K).

**22. RELATED PARTY TRANSACTIONS**

During the year the Charity had the following transactions and balances with the subsidiaries listed in note 13.

	2016 £'000	2015 £'000
Income received from subsidiaries	119	102
Distribution of surplus from subsidiaries	111	165
Amounts owed by the charity to subsidiaries	1,621	1,000
Donations from Trustees	7	4
Net current assets	-	1,468

**23. PURPOSE OF RESTRICTED AND DESIGNATED FUNDS**

The prime purpose of the restricted funds and designated funds and the estimated timeframe in which these funds are expected to be utilised are shown on page 49.

**23. PURPOSE OF RESTRICTED AND DESIGNATED FUNDS (CONTINUED)**

Name of Fund	Purpose	Period to be used
<b>Restricted Funds</b>		
Property	To be used for the upkeep and depreciation of the World Bureau.	Over the period of the remaining lease
Leadership	Primarily for workshops, seminars and training.	Within 1 to 2 years
Membership	Primarily to support guiding activities in MOs.	Within 1 to 2 years
Advocacy	Primarily to support the delivery of advocacy campaigns	Within 1 to 2 years
UPS Signature Programme	Major project on volunteering.	Within 1 year
Arlene Bartlow Development Fund	Primarily to support guiding activities in African MOs.	Within 1 to 5 years
GS USA Forever Green Project	Global environment projects to be executed by girls and young women.	Within 1 year
World Conference	Primarily for the provision of grants to girls and young women.	Within 1 to 2 years
Vibeke Reimer Fund	Vibeke Reimer Fund	Within 3 to 10 years
Other Donations	Other strategic related issues not specifically in relation to leadership, membership and advocacy.	Within 1 to 2 years
<b>World Centres</b>		
Pax Lodge & Our Cabaña - Property	To be used for the upkeep and depreciation of the World Centres.	Over the period of the remaining lease or life of the property
World Centres other Restricted funds	Primarily for the provision of scholarships and support for training events held at the World Centres and building improvements.	Between 1 and 3 years
<b>Designated Funds</b>		
Regional Funds	Funds set aside for a range of projects and events that specifically enhance the ability of WAGGGS to provide the best possible service to the five main regional areas as they work with MOs in those regions and the movement as a whole.	Within 1 to 2 years

**24. FIRST TIME ADOPTION OF FRS 102**

Reconciliations and descriptions of the effect of the transition to FRS 102 are given below split by:

- (i) the group funds at the date of transition to FRS 102,
- (ii) the group funds at the end of the comparative period,
- (iii) the group Statement of Financial Activities for the comparative period reported under previous UK GAAP
- (iv) the charity funds at the date of transition to FRS 102,
- (v) the charity funds at the end of the comparative period,
- (vi) the charity Statement of Financial Activities for the comparative period reported under previous UK GAAP

**RECONCILIATION OF FUNDS - GROUP**

		18 NOVEMBER 2014 £'000	31 DECEMBER 2015 £'000
Consolidated Funds as previously reported under previous UK GAAP.		13,179	12,889
Recognition of holiday pay accrual	A	(34)	(34)
De-recognition of joint venture	B	(366)	(329)
Consolidated funds as reported under FRS 102		12,779	12,526

**RECONCILIATION OF NET EXPENDITURE – GROUP**

		31 DECEMBER 2015 £'000
Consolidated net expenditure as previously reported under previous UK GAAP		(260)
Adjustment for gains on investments now treated as a component of income/expenditure	F	(137)
<b>Consolidated net expenditure as reported under FRS 102</b>		<b>(397)</b>

**RECONCILIATION OF FUNDS - CHARITY**

		18 NOVEMBER 2014 £'000	31 DECEMBER 2015 £'000
Charity Funds as previously reported under previous UK GAAP.		13,179	12,889
Recognition of holiday pay accrual	A	(31)	(31)
Derecognition of joint venture	B	(366)	(329)
Branches now deemed to be subsidiaries	C	(736)	(1,713)
Charity funds as reported under FRS 102		12,046	10,816

**RECONCILIATION OF NET EXPENDITURE -CHARITY**

		PERIOD ENDED 31 DECEMBER 2015 £'000
Charity net expenditure as previously reported under previous UK GAAP		(260)
Branches now deemed to be subsidiaries	C	(84)
Adjustment for gains on investments now treated as a component of income/expenditure	F	(134)
		..... (478) .....

**A. Holiday pay**

Under Charities SORP FRS 102, the group and charity are required to recognise a holiday pay accrual for any holiday entitlement not taken by staff at the year-end date.

**B. De-recognition of joint venture**

As part of the transition to Charities SORP FRS 102 the status of each of the group entities was reviewed by the Trustees. Under previous GAAP the World Foundation for Girl Guides and Girl Scouts Inc (an independent not-for-profit institution incorporated under the law of the state of New York) was included in the consolidated financial statements of the charitable group as a joint venture. On review of the governance arrangements in place for this entity the Trustees deemed that this entity did not meet the definition of a joint venture under Charities SORP FRS 102.

**C. Branches deemed to be subsidiaries**

As part of the transition to Charities SORP FRS 102 the status of each of the group entities was reviewed by the Trustees. Charities SORP FRS 102 is explicit in the fact that charities that are incorporated and have a legal personality separate from their trustees and members should be excluded from the SORP definition of branches as such the following entities that had previously been treated as branches have been subsequently treated as subsidiaries of the Charity.

**24. FIRST TIME ADOPTION OF FRS 102 (CONTINUED)**

WAGGGS Trading Limited  
 Our Chalet Association  
 Foundation for Girl Guides and Girl Scouts Centre Our Chalet Association  
 Nuestra Cabaña  
 The Cabana S.A. DE C.V.  
 Sangam World Centre of the World Association of Girl Guides and Girl Scouts  
 AISBL (WAGGGS - Europe)

**D. Computer software & trademarks**

Purchased computer software costs and trademarks have been reclassified from tangible fixed assets to intangible fixed assets in line with the requirements of FRS 102. Please see note 10 for details.

**E. Governance costs**

Governance costs are no longer separated out on the face of the Statement of Financial Activities in line with the Charities SORP (FRS 102) but are shown in support costs.

**F. Investments**

Unrealised and realised gains and losses on investments are now treated as a component of income/expenditure in line with the requirements of FRS 102.