

# Annual report and financial statements 2019–20



Scouts

# Annual report and financial statements 2019–20

## Contents

<b>Welcome from the Chair</b>	<b>3</b>
<b>The impact of COVID-19</b>	<b>4</b>
<b>Safety: our number one priority</b>	<b>5</b>
<b>Our purpose and method</b>	<b>6</b>
<b>Vision and strategic objectives</b>	<b>6</b>
<b>Skills for Life</b>	
<b>Our plan to prepare better futures 2018-2023</b>	<b>7</b>
Growth	8
Inclusivity	11
Youth Shaped	12
Community Impact	15
<b>Three pillars of work</b>	<b>16</b>
Programme	16
People	17
Perception	18
Theory of Change	19
The impact of Scouts on young people	21
<b>Our finances</b>	<b>23</b>
<b>Trustees' responsibilities</b>	<b>29</b>
<b>Independent Auditor's Report to the Trustees of The Scout Association</b>	<b>30</b>
<b>Financial statements</b>	<b>32</b>
<b>Our members</b>	<b>57</b>
<b>How we operate</b>	<b>58</b>
Governance structure and Board membership	61
Our advisers	62
Our thanks	63

# Welcome from the Chair

## Facing difficult times with positivity

This year has been unlike any we've experienced in our lifetimes. The coronavirus crisis has thrown up serious personal and professional challenges, and it goes without saying that it's greatly impacted our movement, forcing us to make tough decisions and look at things in new ways. However, it's in our nature to look towards the positive. Our Chief Executive, Matt Hyde, will go into more detail about our challenges and how we're trying to overcome them on the next page.

Looking at some of the positives, in the last five years, 20,000 more young people have joined our movement. In the last year, we've opened 896 new sections and seen an increase of nearly 4,000 front line volunteers. However, even before the current crisis, the nature of volunteering was changing. Never one to rest on our laurels, we undertook a significant research project in 2019, speaking to thousands of people about the current volunteering experience and thinking about what we could do to improve it.

What's followed has been part of the exciting digital progress we've made in the past year. To help us grow, we created a suite of new tools on our website for recruiting and retaining new members. We ran a successful pilot to test and improve these tools with 40 groups across the UK and have now co-designed a new way to volunteer, which is ready for rollout.

Another step in our digital progress has been the collation of more than 800 activities, now available online for members and non-members alike. In order for these to be as useful as possible, we created two pages, each with a specially curated subsection of the activities: the first, The Great Indoors, has all the activities suitable for quarantined families (whether they're Scouts or not) and has reached 500,000 families; the second, Scouts at Home, is all the activities that members can do without meeting face-to-face. By the end of this project, in autumn 2020, we expect there to be more than 1,000 free activities available on our website. That's something we can be really proud of.

Something else we're proud of is our continued dedication to making sure our membership better reflects the society in which we live. In the last year, we opened 198 sections in the 30% most deprived areas in the UK and increased our female membership by 5,000. We also increased our number of Muslim members, to a total of 6,000. Finally, we recruited a national Inclusion Volunteer Team to drive this work forward and overhauled our training on diversity and inclusion.

Kindness emerged, this year, as the most important quality we can have and our young people have shown they've got buckets of it. In the first year of A Million Hands – our award-winning partnership with a number of charities to provide social change resources to young people – over 250,000 young people signed up to take part in community impact projects. That doesn't even include the fantastic work that members have done to help others during the coronavirus crisis – Matt will also touch on this in his update.

Speaking of community impact work, we've also been making a positive impact in new communities through our pilots of Scouts for four and five year olds. In 2019, we trialed this in 29 areas and reached 428 young people. The outcomes have been excellent, and we'll review how they went (and share the results with members) in autumn 2020.

Of course, none of what we do would be possible without our amazing volunteers, staff, young people and funders. Now more than ever, we feel so grateful to have the thousands of people who are so passionate about Scouts and so willing to make this movement the best it can be. It would be easy to feel pessimistic about the future at the moment, but with the wonderful people we have, all looking out for each other, I know that there are brighter days ahead.

Stay safe, stay well.



**Ann Limb CBE**  
Chair, Scouts

# The impact of COVID-19

These are undoubtedly, hugely challenging times – not just for Scouts, but for everyone. We've already experienced a tragic and profound loss of life around the globe, and we don't know how many more lives will be lost. Our way of life has had to change dramatically, and some things will be changed permanently.

As a movement that, for more than one hundred years, has been focussed on physically meeting up with one another to share skills, experience adventures, and feel part of a wider family, it's obvious that a health crisis that requires us all to stay home – to stay apart – was always going to be difficult. Getting through tough times and helping our communities is part of our DNA, but doing so when we can't be there on the ground is something very different.

In March, face-to-face Scouting and meetings were suspended in the UK. That included several national events that were scheduled to take place in the spring and the summer. We shouldn't underestimate the financial impact of the current crisis on local Scouting and UK headquarters: the suspension of Scouting meant an immediate curtailing of expenditure, the furloughing of over 50% staff, and will undoubtedly lead to more challenging decisions in the future. Throughout this period of national emergency, we'll make sure Scouts continues to be a force for good and that it revives just as it did after the first and second world war. We'll also make sure our energies are focused on supporting those communities most affected by COVID-19.

As always, I've been hugely impressed with the positive response I've seen from our young people and volunteers. They've been supporting each other, showing care and cooperation, and living the values that keep this movement together. It's in moments like these that our values matter most.

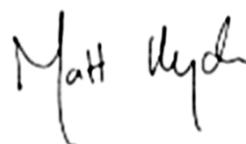
In spite of the suspension of face-to-face meetings, against the odds, Scouting itself hasn't stopped. Members have shown great initiative in setting up online meetings and sharing resources over social media, and we've supported them with updated guidance on choosing digital platforms and being

safe online. We also launched The Great Indoors – a free database of 150+ activities to support quarantined families. At the time of writing, the webpages have been visited by more than 525,000 people and 244 pieces of media coverage mentioning the project means that more than 43,802,039 people (around two thirds of the population) have been exposed to it. We've been so pleased with The Great Indoors' success, as it's allowed us to support young people and families we wouldn't have reached before.

Of course, our main priority – after keeping members safe – is to support them as best we can. We've been working on Scouts at Home, a tailored programme that members can do without being face-to-face. We also published new guidance on programme flexibility to support members which changes to the programme while in lockdown and to make clear any rules or guidance that still need to be followed. During this period and when Scouting starts back, we're encouraging volunteers to make full use of this flexibility so young people can keep accessing the Scouts programme and keep going for their top awards.

Finally, we worked out how we could help our communities while still keeping everyone safe. As part of BBC Children in Need and Comic Relief's Big Night In Appeal, we created Hike to the Moon – an opportunity for members and non-members alike to raise money to help those affected by COVID-19 by walking a mile in their homes or gardens. We were thrilled to collectively walk more than 240,000 miles (the distance to the Moon) and raise hundreds of thousands of pounds.

Scouts has been through tough times before and we're determined to get through this one too. Resilience, positivity and collaboration are needed now more than ever.



**Matt Hyde OBE**  
Chief Executive, Scouts

# Safety: our number one priority

We set out to deliver adventure and skills for life. But unfortunately, much like life isn't risk-free, Scouts isn't risk-free.

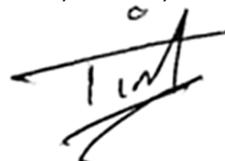
We believe our members benefit most when we manage risks to their wellbeing to be as low as possible. However, identifying and proportionately managing risk is a skill for life that we want to kindle and develop in all of our members – safety isn't just something we manage from the top down, but is something we hope is woven into every action taken by a Scouts volunteer and young person; something that permeates our entire movement.

Of course, we're committed to doing everything we can to keep our members safe from harm – it's our first priority. This year, we've focused even more than usual on keeping people safe, doubling down on our commitment and making improvements to our policies and processes. One of the most important aspects of this is our safety training – we've carried out a full review of this, including all of the information and fact sheets provided for volunteers, to make sure everyone fully understands best practice and their responsibilities. This is part of a rolling programme that works to make sure all volunteers complete the right training at the right time.

Our volunteer management structure is also an important part of the way we keep people safe – all volunteers have a line manager that they can go to for safety guidance. In addition to this, we have a Safety Committee reporting directly to the Board of Trustees, whose responsibility it is to provide leadership and oversight of our safety policies, procedures and rules. This is in addition to our Safeguarding Committee. We've made sure that members of the Safety Committee have a huge amount of experience in health and safety across a number of sectors, and that the chair is an external appointee with significant personal experience of health and safety management.

As part of our suite of key policies, our Safety Policy clearly outlines the commitment to safety expected from everyone in Scouts, making sure they play their part in keeping all members safe. We review the Safety Policy annually and keep it in line with wider sector best practice, and our Board of Trustees receive an update on safety matters (including incident statistics, training and compliance reports) at each of their quarterly meetings. Annually, they receive a full report of the activities of the Safety Committee and a detailed overview of trends and statistics.

Keeping more than six hundred thousand members safe across the UK is never going to be easy, but we know the importance of giving people the right knowledge, learning from experiences, and making robust responses to incidents when they occur. This approach is embedded in Scouts' culture and systems. It's why we're trusted – and we take that trust very seriously.



**Tim Kidd OBE**  
UK Chief Commissioner, Scouts

# Our purpose and method

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

Scouts' Trustees have a duty to report on our public benefit in this Annual Report. We've assessed our aims, activities and charitable objectives, which are to contribute to the development of young people in achieving their full potential as individuals, as responsible citizens, and as members of their local, national and international communities. We believe that we've met the Charity Commission's public benefit criteria for both the advancement of education, and the advancement of citizenship and community development. Scouts follows two key principles set by the Commission with regard to public benefit:

## 1. Identifiable benefit

The way in which we help young people in their personal development and empowers them to make a positive contribution to society. This benefit is directly linked to the purpose of Scouts.

## 2. Public benefit

Scouts is a national movement, open to young people aged 6-25 and adults who are willing to make the Scout Promise. People in areas of deprivation are able to benefit from our programme; while we charge a subscription to our members, access to our benefits aren't constrained by a member's ability to pay. Locally, there are arrangements to waive subscriptions and other costs for those who face financial hardship. Nationally, there are funds available for uniform and the cost of activities so that young people aren't excluded from Scouts on purely financial grounds.

The benefits of Scouts are further demonstrated throughout this report.

# Vision and strategic objectives

## Our vision for the future

In our Skills for Life Strategy, we aimed to prepare more young people with skills for life, supported by amazing leaders delivering an inspiring programme. We talked about growing, being more inclusive, being shaped by young people and making a bigger impact in our communities.

Of course, COVID-19 complicates this. In light of the situation, we're reviewing our strategy to make sure it's still relevant.

More information is available at [scouts.org.uk/ourplan](https://scouts.org.uk/ourplan)

# Skills for Life

## Our plan to prepare better futures 2018-2023

### Our vision

By 2023 we will have prepared more young people with skills for life, supported by amazing leaders delivering an inspiring programme.

We will be growing, more inclusive, shaped by young people and making a bigger impact in our communities.

### Our mission

Scouting actively engages and supports young people in their personal development, empowering them to make a positive contribution to society.

### Our values

We act with care, respect, integrity, cooperation, exploring our own and others' beliefs.

### Our goals

By delivering this plan we will achieve the following goals against our four objectives:

#### Growth

- 50,000 more young people
- 10,000 more Section Leaders
- 5,000 more Young Leaders

#### Inclusivity

- Our volunteers reflect the demographics of our society
- In 500 more areas of deprivation

#### Youth Shaped

- 250,000 young people shape their experience at Scouts each year
- Half of our young people achieve top awards

#### Community impact

- 250,000 young people making a positive impact in their local communities each year
- Half of our young people achieve top awards

### Our three pillars of work

To support the movement to achieve these objectives, we will focus on three pillars of work:

#### Programme

A fun, enjoyable, high quality programme consistently delivered and supported by simple (digital) tools.

#### People

More, well trained, better supported and motivated adult volunteers, and more young people from diverse backgrounds.

#### Perception

Scouts is understood, more visible, trusted, respected and widely seen as playing a key role in society today.

# Growth

We know that growth happens when we provide a great programme for young people, when we create new spaces for young people to join, and when we recruit new volunteers to support them.

## Our growth goals

By 2023:

- we'll have 50,000 more young people aged 6–18 in Scouts
- we'll have 10,000 more Section Leaders (including Assistant Section Leaders)
- we'll have 5,000 more Young Leaders

## Progress on growth

This year, overall membership is up 0.3%. This includes growth of over 4,000 young people (0.8%) aged 6 – 18, which means nearly 20,000 more young people have joined in the last five years. Most of this growth is in the Scout and Explorer sections, while the number of Beaver Scouts fell by over 1,000 (-1%). We've had a small reduction of 90 Young Leaders (-0.5%) but we've also had over 1,500 (10%) new Network members this year.

Our waiting lists remain relatively static with over 60,000 young people still waiting to join us, the equivalent of over 3,000 sections. We opened 896 new sections this year, but we also closed 776.

We've seen an increase of nearly 4,000 (4.3%) front line volunteers, Section Leaders, Assistant Leaders and Section Assistant roles, but due to a reduction in manager, governance and supporter roles, our overall volunteer numbers are down 2.2%. We think this is due to changes we've made in recording these numbers.

To help us grow, we've created a suite of new tools on our website for recruiting and retaining new volunteers and young people, and for starting new sections. We've run a successful pilot to test and improve these tools with 40 groups across the country.

## What's next?

Realistically, we know that growth is going to be a struggle over the next year or so, due to COVID-19. We also believe that we need to focus on retention to make sure that groups survive; particularly those that we've opened in areas of deprivation, and those most impacted by COVID-19 (such as groups in communities with more BAME members). However, we'll look at where we can use external funding to undertake targeted growth work and open new sections in different communities across the UK. We're looking at tools we can provide to make it easier for managers to plan for growth, and we're adding more online tools for Groups to use to recruit volunteers.

**‘The people I now call my friends because of Scouts are the most amazing, compassionate, caring people. I feel so lucky to have them in my life.’**

**‘My son has muscular dystrophy, and not once has that been an issue. The leader includes him in everything, sometimes with adaptations, and his fellow Cubs have accepted him as he is.’**

# Inclusivity

Everyone should feel fully included, able to participate, and able to be themselves in Scouts. We'll make equality and inclusion integral to who we are, how we work and what we do, so that Scouts is accessible to all young people and adults from across our wonderfully diverse society.

## Our Inclusivity goals

By 2023:

- we'll have started Scouts in 500 more areas of deprivation, reaching young people who could benefit the most
- our adult volunteers will reflect the demographics of our society

## Progress on inclusivity

We are implementing our equality, diversity and inclusion action plan to create better inclusion support for all members and to make sure we reach people from across the UK's communities.

This year, we overhauled our adult training modules on diversity and inclusion, and supporting young people with additional needs, and delivered an inclusion webinar series for all members.

We also developed tools to support decision-making boards and teams in becoming more diverse and inclusive, and recruited a national Inclusion Volunteer Team to drive forward our action plan.

In the Skills for Life strategy, we set out our ambition to bring opportunities to some of the UK's most disadvantaged communities. In the last year, we've opened 198 sections in the 30% most deprived areas in the UK, reaching more than 3,500 young people.

In addition to this, there are now 116,934 female youth members (6–25), which is an increase of 5,000 since last year. We improved our processes to capture diversity data through the census data this year and we'll continue to do so.

Scouts within the Muslim community continues to grow too, with new sections being opened by staff and volunteer teams. The demand has accelerated with over 80 new leaders being recorded and 35 new sections being opened in the last year. As a result, nearly 6,000 Muslim members have now joined us. We're planning further work – thanks to external funding – to look at a sustainable strategy for growth within this community, to support the hard work of the Muslim Scout Fellowship.

## What's next?

At the moment, we're undertaking work on making sure racial equality runs through Scouts and supporting the principles of the Black Lives Matter movement.

Our priority next year will be to support those made most vulnerable by COVID-19, and we'll secure funding to do this. We'll also develop diverse recruitment tools and strategies for volunteer staff teams, and support the creation of a truly inclusive volunteer journey.

Finally, we'll improve our diversity data and build community mapping tools to help us understand our membership and engage with more diverse communities.

# Youth Shaped

Every young person should be shaping their experience and developing the skills they need to be a great leader. Giving young people opportunities to use their voice is an important part of developing future leaders. We believe that if young people shape Scouts, they'll improve Scouts, and will be more likely to achieve their top awards.

## **Our Youth Shaped goals**

By 2023:

- 250,000 young people will be shaping their Scouts experience each year
- 50% of young people will be achieving the top awards

## **Progress on Youth Shaped**

This year, to make sure that the Scouts programme is youth shaped, we've developed our plans to introduce a YouShape Award. We asked young people, Youth Commissioners and Section Leaders to input their ideas and provide feedback on the proposed award. The consultation is now complete, ready for the next stage.

As well as shaping the programme, the Youth Shaped objective aims to increase the number of young people in leadership positions. Currently, we have 583 inspiring local Youth Commissioners in place – that's a growth of 187 new Youth Commissioners in the past two years.

Our focus continues to be on supporting young people to take up leadership positions and to achieve their top awards. As a part of our focus on this, we now have youth representation on every national programme of work.

## **What's next?**

Based on the consultation, we've created a brand new YouShape Award for Beavers, Cubs, Scouts and Explorers to support young people actively contributing to their Scouts experience. This segmented badge is designed so that the young person chooses a goal to achieve within Scouts and decides how they move through the segments – Plan, Lead and Represent – to achieve that goal. It allows young people to take the lead and contribute their ideas in a meaningful way, encouraging them to validate their own progress.

The award will be supported and promoted locally by almost 600 Youth Commissioners across the UK. It'll help us to achieve our strategic goal of 250,000 young people shaping their Scouts adventure by 2023.

**‘I’ve found that I’m far more capable than I ever thought I was. It’s taken me out of my comfort zone to push myself with new challenges.’**

**‘Scouts has allowed me to pass on my experience to a wide range of young people, who I know have gone on to give back to their communities.’**

# Community Impact

Through social action, Scouts makes a difference not just to the individual but to whole communities. A vital part of a great programme is running quality community impact projects, and these projects take planning and time.

A Million Hands, our campaign to mobilise members in support of a selection of themes chosen by our young people, provides 'off the shelf' resources for leaders, making it easier to deliver the Community Impact Staged Activity Badges. Participating in community impact projects is essential for achieving our top awards.

## **Our Community Impact goals**

By 2023:

- at least 250,000 young people will be making a positive impact in their community each year
- 50% of young people will be achieving the top awards

## **Progress on community impact**

Between 2018/19 and 2019/20, badge sales for the Community Impact Staged Activity Badge rose by 25%.

In the first round of A Million Hands, over 250,000 young people signed up to take part in community impact projects.

We listened to feedback from the movement on the first round of partnerships and overhauled the way in which we create and release resources. To date, we've created 97 exceptionally high quality activities and resources in collaboration with young people and our expert charity partners.

## **What's next?**

To make sure at least 250,000 young people continue to make a positive difference in their communities, we're rolling out a second round of community impact project themes and charity partners for the next phase of A Million Hands. These partners have been selected by young people.

They've chosen to focus on:

- better mental health for all, with Mind, Inspire and SAMH
- supporting refugees and displaced children, with Save the Children
- understanding disability, with the National Autistic Society
- protecting our environment, with WWF
- ending homelessness, with Crisis
- kindness in every community, with the British Red Cross

We're excited to work with each of these partners as we look to build on the last partnerships' successes. Of course, one of our priorities will be supporting our communities during and after the COVID-19 crisis, and being able to do this with our partners will help us be even more effective than we would be alone. Our Community Impact Group have made sure that young people are running campaigns on mental health (#3ForThree) and working with care homes (#CareForCareHomes) in response to the national crisis.

# Three pillars of work

In order to reach our goals, more support's needed. Our three pillars of work – programme, people and perception – is a plan of action to support members and extend our reach so that we impact the lives of more young people across the UK.

Over the past year, a huge amount of work has been put into our three pillars, with incredible success already.

## Programme

**Our aim:** A fun, enjoyable, high quality programme, consistently delivered and supported by simple (digital) tools.

### Progress a year on...

#### Support quality programmes

As we approach the final few sprints of this eighteen-month project, we're pleased to say we've continued to meet our targets. We've also refined and spearheaded new processes for programme design.

As a brief overview, this project's included:

- The creation of an activities database offering co-designed, carefully checked and tested content. This provides volunteers and young people alike with support for every badge and award within the Beaver, Cub and Scout age sections. Currently, the number of activities available is around 800. We expect it to be more than 1,000 by the close of the project.
- A specially curated subsection of this activities database, called The Great Indoors, providing 150+ activities suitable for families to do during the COVID-19 quarantine period.
- A second subsection, called Scouts at Home, for members. This includes activities, resources on meeting online, and a new Staged Activity Badge that's suitable for Scouts and non-Scouts alike. Its requirements cover a balanced mini programme so that participants gain a well-rounded selection of skills, even while they can't meet face-to-face.

- The development of digital functionality so that leaders can drag and drop resources from our activity database into session, termly or two-year plans. Further planned development includes a cloud version of this functionality, allowing leaders to share and collaborate on programme plans across devices, simultaneously.
- The rolling out of readymade two-year programmes, terms and sessions for Beavers and Cubs. This serves to empower new leaders in hitting the ground running with programme planning and delivery. Due to the current COVID-19 situation, we'll likely complete the same readymade programme functions for Scout aged young people.
- The creation of an 'Activity development in Scouts' guide, which details the processes we've established for making sure all content we produce is aligned to the Scouts method and values, and our Theory of Change.
- The integration of corporate partnered content into our activity database, programme planning tool and campaigns.

#### Review the offer for 14–25 year olds

- We launched a project to deliver an innovative NCS programme for 450 15–17 year olds, and a graduate programme for a 130 young people.
- We scheduled approximately £1 million in funding from NCS trust to recruit staff, design and deliver these programmes.
- We designed and delivered a small proof of concept NCS programme in Feb 2020 for 11 Explorer Scouts from across London.

# People

**Our aim:** More well trained, better supported and motivated adult volunteers, and more young people from diverse backgrounds.

## Progress a year on...

### Improve the volunteer journey

- We've carried out months of research with our volunteers across all nations to find out how we can help them do more of what they love, and less of what they don't. Thousands of volunteers gave their view through interviews, focus groups, design labs and surveys.
- We've also looked outside Scouts to understand what other great volunteering activity looks like, what the volunteering trends are, and what we can learn from others.
- From all of this, we've co-designed a new and improved way to volunteer at Scouts, ready to start testing and implementing over the next few years. We've already started creating and testing new materials on recruiting parents as volunteers, with positive results.

### Extend our reach

- We've developed a clear equality, diversity and inclusion strategy, and are now in the process of delivering it. This is being supported by the new Inclusion Volunteer Team, who've been recruited and inducted over the last few months. This team will focus on three areas of work: training and resources, widening participation, and extending our reach. We've also re-launched the core inclusion modules in our training and rolled out new autism training and resources.
- We've opened sections in areas of social deprivation and increased our presence in more communities where we're currently underrepresented. This project also includes our funded work on 'Attracting more young Muslims to Scouts', where we've seen significant growth and high demand.
- We've also seen growth of existing sections and support for volunteer recruitment locally. The Regional

Services team has worked with the Nations' staff teams to share resources, methods, funding and delivery models.

- The Department of Education funded a project to trial a programme for four and five year olds has delivered 21 pilots: 13 of these are Scout-led, 4 partner-led and 4 family led, all in areas of deprivation. We've reached a total of 353 young people and have engaged 88 adult volunteers, with 39 of these volunteers being new to Scouts and 240 young people having no previous relationship with us. The funding's supported us to create 92 activities for members of the pilots. The project's received a six-month extension to work on sustainability planning.
- The Mercers funded trials started in October 2019 – we've set up six pilots in London.
- Our paper on scaling up provision for four and five year olds received strong support at the March Board of Trustees meeting, and we're in a good position to take our recommendations to the July Board of Trustees meeting for a final review. We're continuing to work on extending our reach and piloting more partner and family-led models.
- We've briefed our adult volunteers on our progress to date, engaging with over 1,400 through consultation events, webinars, and workshops, and using emails and social media posts to inform the other 160,000, resulting in 83% of randomly selected volunteers saying they were aware of the pilots.
- The most recent report from CREC (Centre for Research in Early Childhood) states that the programme offered to the children is having a positive impact, particularly in the areas of personal, social and emotional development, and in communication and language. The learning and development of the children is in line with our Theory of Change in that it's due to the high motivation and careful planning of those

involved in running the sessions. CREC has observed that the pilots should be viewed in the wider context of how few groups there are available for younger children, particularly less advantaged children, since austerity and cuts in Sure Start Children's Centres. The pilots are filling a gap in provision for these communities, which is acknowledged and valued locally.

# Perception

**Our aim:** Scouts is understood, more visible, trusted, respected and widely seen as playing a key role in society today.

## Progress a year on...

### Improving our perception

- We continue to drive awareness of Scouts and our skills for life message, increasing our reach, relevance and reputation, and making it easier to attract volunteers into the movement. A nationwide digital advertising campaign over Christmas 2019 was seen across 4,000 screens by over 35 million people in shopping centres and high streets across the country. We saw significant increases in both levels of trust in Scouts and in our relevance.

### Switching to our new brand

- We're supporting our members with the transition to our new brand by May 2021 (this was extended by one year due to the current public health situation) with workshops, events, webinars and a special supplement sent to all Scouting magazine recipients. Over 90% of Counties have made the changes. Our brand won gold in the Transform Awards 2019 and received a special commendation in the Third Sector Awards 2019. We've also developed our tone of voice – a compelling new way to talk to members and non-members alike – and have trained hundreds of volunteers and staff in it.

### Supporting our uniform review

- We've conducted one of the biggest consultations of its kind with our members and the public, presenting the findings from our research (involving 26,000 people) to the Board of Trustees, Team UK (the UK Youth Commissioner and his team), and Devolved Nations. The Board gave their approval to the approach for the next stage of the review.

### Delivering skills campaigns

- We've delivered a number of high profile, multi-channel skills campaigns, focusing on empathy, active listening and resilience. Each focus has helped the public understand the benefits of Scouts, with each creating over 10 million impressions for our hashtag #SkillsForLife. Two of our campaigns were finalists in the Online Influence Awards 2019.

### Scout Ambassadors and Chief Scout

- Our team of Scout Ambassadors and Chief Scout have brilliantly supported our skills campaigns, thanking and inspiring our members, visiting local and national events (including the Windsor Day of Celebration and Achievement), and creating videos to help attract more volunteers. In July 2019, Bear visited over 5,000 Scouts as part of his Bear in the Air day, celebrating his 10th year as Chief Scout.

# Theory of Change

Our Theory of Change shows the positive difference Scouts make in society. We welcome young people and volunteers from all backgrounds, and with us, they learn and share skills, enjoy an engaged and varied programme of activities, honour the Scout values and become active citizens of a connected community. We produce happier, more resilient citizens who work together towards greater social cohesion and an undeniably better world.

Over the last two years, we've conducted research with 13–17 year olds through the Scout Experience Survey. Based on responses to a variety of questions about their daily lives, activities, interests, citizenship and wellbeing, the research compares the experience of young people aged 13–17

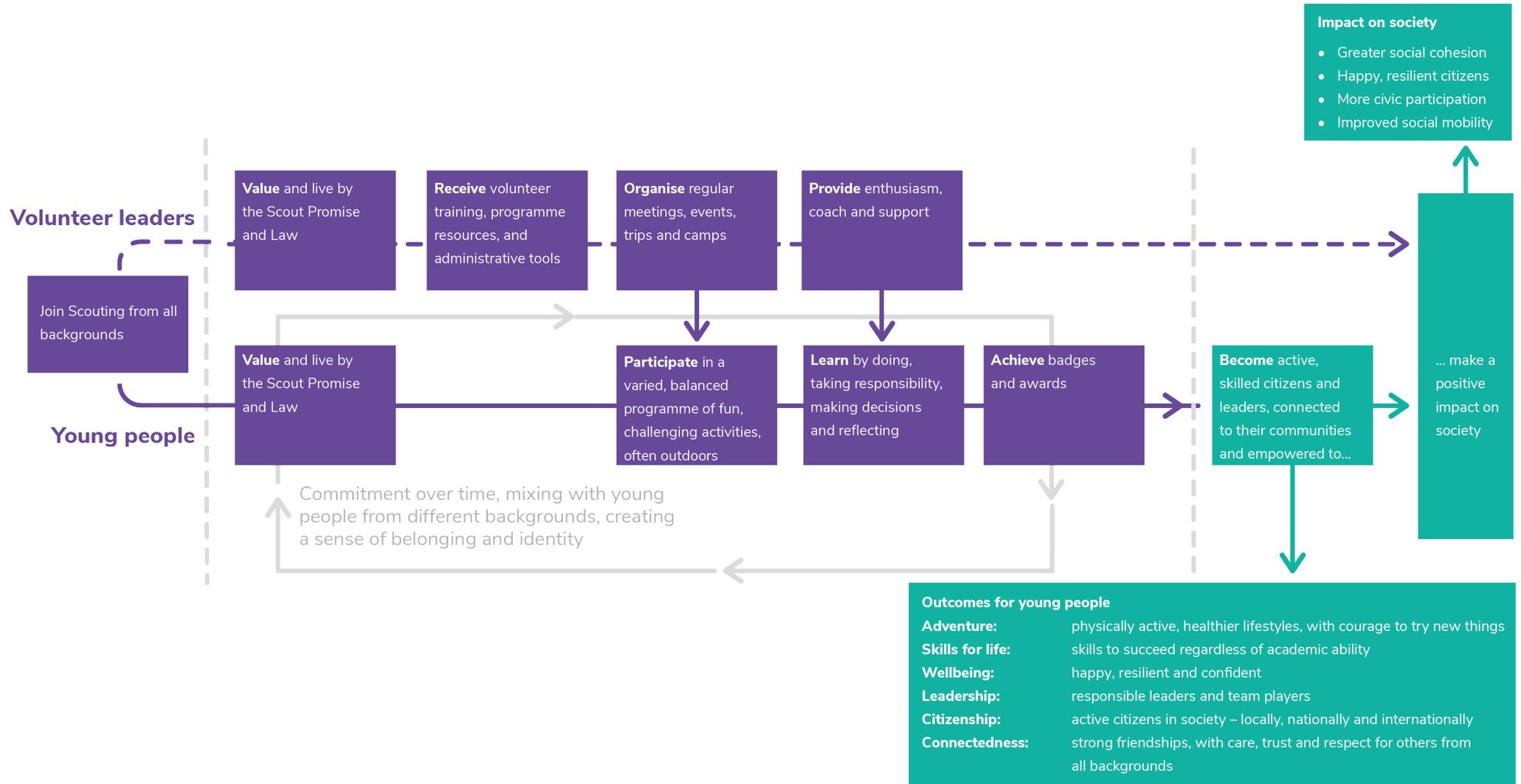
who are not Scouts with those of the same age group who are, in order to gauge the impact that our movement is making.

The results of this research show that Scouts are contributing more to their communities. It shows that compared with young people who aren't part of our movement, Scouts are learning more skills, volunteering more often, and contributing to a kinder, more cohesive society.

The role of volunteers delivering an amazing programme is vital to the impact that Scouts is making.

A chart of the interactive elements of our Theory of Change is shown on the next page.

# Theory of change



# The impact of Scouts on young people

The 2019 Scout Experience survey results identified Scouts have a higher score than those who aren't Scouts in 21 measures across 6 outcomes.

## **Adventure – Scouts are physically active, value the outdoors and have the courage to try new things**

- Scouts report to be more physically active by more than a day per week (1.1) than those not in Scouts.
- When it comes to valuing the outdoors, Scouts score 16.6% higher.
- Scouts are 10.4% more likely to try new things.
- Scouts are 17.9% more likely to have the courage to take risks and tackle challenging activities.

## **Skills for Life – Scouts gain skills to succeed, regardless of academic ability**

- Scouts are problem solvers. They score 8% higher in this area than those not in Scouts.
- Scouts score 18.6% higher on independence.
- Scouts communicate more effectively, scoring 7.8% higher.

## **Wellbeing – Scouts are happier, more resilient and confident**

- Scouts score 6.3% higher on happiness than those not in Scouts.
- Compared to those not in Scouts, Scouts score 5.8% higher on perseverance and grit.

## **Leadership – Scouts are responsible leaders and team players**

- When it comes to being responsible and trustworthy, Scouts score 7.0% higher than those not in Scouts.
- Scouts score an impressive 12.0% higher on leadership.
- Scouts are team players. They scored 6% higher on this outcome.

## **Citizenship – Scouts make good citizens**

- When it comes to giving to others, Scouts score 5.7% higher than those not in Scouts.
- Scouts are over 6.5% more likely to vote in the next general election.
- Scouts volunteer to help others or the environment for more than five hours more per month than those not in Scouts.
- Scouts feel a sense of responsibility to people in their local and international community. They score almost 4.4% higher on these outcomes.
- Scouts score 9.8% higher on having friends in other countries.

## **Connectedness – Scouts make strong friendships and respect differences in people**

- Scouts score 3% higher on meaningful relationships than those not in Scouts.
- Scouts are caring, scoring 6.7% higher in this area than those not in Scouts.
- Scouts score 9.5% higher when it comes to getting along well with people of different races, cultures, and religions.

There were some areas where our findings were inconclusive or suggested negative impacts. This included some (but not all) measures related to wellbeing and connectedness, and one measure of citizenship. We're investigating further to understand the nature of the differences seen.

**We've opened 198 sections  
in the 30% most deprived  
areas in the UK.**

**We've 583 inspiring  
local Youth Commissioners  
– that's 187 more  
than two years ago.**

**We've supported more  
than 230,456 hours  
spent helping communities.**

# Our finances

## Financial statements

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

## Consolidation

These accounts consolidate the results of The Scout Association and its five wholly owned trading subsidiaries:

- Scout Shops Limited (trading as Scout Store)
- Scout Insurance Services Limited (trading as Unity)
- Scout Services Limited
- Scout Insurance (Guernsey) Limited
- World Scout Shop Limited.

With the exception of Scout Insurance (Guernsey) Limited, which makes dividend payments to the Association, all other subsidiary trading companies covenant their annual distributable profits to their parent charity, The Scout Association. More information on these companies is included in note 12 to the financial statements.

## Financial highlights

At the time of presenting this report, it's hard to think about the finances for 2019/20 without considering the realities of the pandemic and the uncertainty of how we manage now and in the future. By 31 March 2020, we were experiencing the impact of lockdown. Face to face Scouts was suspended on 17 March 2020. We quickly provided the Great Indoors, keeping Scouts going, but the financial effect of not being able to run activity centres, the loss of retail trading, and closure of our conference centres was immediate. We've worked with staff and made use of the government job retention scheme to help manage costs, and past careful management of our reserves puts us in a robust position to manage future uncertainties. With that context, here's a look back at last year:

- The World Scout Jamboree (WSJ) was held in America in July 2019. This was hugely successful, with excellent planning

delivering a brilliant event for everyone attending.

- Our total income of £53.5m was boosted by £15.5m from the WSJ. Excluding this event and income from a property sale, we managed to achieve an income just below last years £37.0m on a like-for-like basis.
- There was a small decrease in youth membership (age 6-18) to 459,474 in 2019. However, with the £1 increase in membership subscriptions, income was up 2.5% to £11.6m.
- We were successful in winning a number of grants from Pears Foundation, Mercers, HSBC and the Department for Education, included in restricted funds, to help us further develop Scouts and roll out new initiatives.
- Unity Insurance had a successful year and before COVID-19, Scout Store was set for a record result. Trading income was up 3% at £12.8m, however the contribution from our trading subsidiaries was lower at £5.2m (2019: £6.4m).
- Safeguarding remains a key priority, and we've continued to invest in the safety of our members.
- Capital expenditure was £2.7m, in line with the previous year.
- There was a reduction of £4.1m in general funds to £6.4m, resulting from a £2m payment to the Pension Scheme, we suffered a £1m loss in our investments, and a £1.1m operating loss. General funds remain within the target range of the reserves policy.
- The £2m payment to the Pension Scheme helped reduce the pension deficit liability by £5.5m to £4.8m.
- Overall, there was a net increase in total funds of £0.9m, shown in the Consolidated Statement of Financial Activities (2019: £2.3m decrease).

## Financial results

The Association's financial result reflects the highlights mentioned above, and the economic conditions heavily impacted by COVID-19. The results for the year are shown in the Consolidated Statement of Financial Activities (SOFA) on page 32.

There was an operating deficit of £2.5m for the year compared with the previous year's deficit of £0.5m, of which £1.2m was due to a fall in the market value of investments. The result is comprised of an unrestricted deficit of £2.1m, with a deficit of £0.4m on restricted funds.

There was a significant reduction in the FRS 102 accounting valuation of the pension scheme deficit, with a £3.4m credit for actuarial gains (2019: £2.0m actuarial loss), which led to an overall £0.9m positive net movement in funds (2019: £2.3m reduction).

As noted in the financial highlights, the World Scout Jamboree was held in America in July 2019. The Jamboree was financially successful, with 20% of the £1m surplus returning to us in line with the initial formula, and the remaining 80% equally split between the inclusion fund for world events and the solidarity fund. Both income and expenditure are £15.5m higher this year, reflecting the Jamboree.

**Income**

As shown in the graph below, total income for the year was £53.5m compared with £37.0m in 2019. Excluding the £15.5m WSJ income, there was an increase of £1.0m or 2.7% on a like-for-like basis. This 10-year graph shows the consistency and robustness of our income streams historically, although future prospects, at least in the short term, are now more uncertain.

Our member subscriptions are key to funding all the support provided to members and, particularly with the increasing cost of compliance, safety and safeguarding. The Trustees agreed a £1 increase in fees for 2019/20. The fee is paid by youth members, while adult members, Young Leaders and members of Network pay no fee. There was a slight fall in youth members but with the fee increase, member subscriptions increased by £0.3m or 2.5% to £11.6m.

The support of our donors is important and we greatly appreciate it. This income stream fluctuates – particularly legacies – and after a high level in 2019, unrestricted income reduced by £1.0m to £0.5m. However, restricted donations increased by £0.7m to £2.1m.

Income from charitable activities is generated from our activity centres and sales linked to our charitable purposes. These include camping, training and other activities, and accommodation charges at 65 Queen's Gate, Gilwell Park, and the other National Scout Adventure Centres. It also includes insurance commissions earned by Unity Insurance and insurance premiums written by Scout Insurance (Guernsey) Limited. Excluding the £15.5m WSJ income, there was decrease in charitable income last year of £0.4m (or 4.6%), arising from our insurance activities. Although Unity successfully increased income by £0.3m to £2.4m, Scout Insurance (Guernsey) Limited insurance

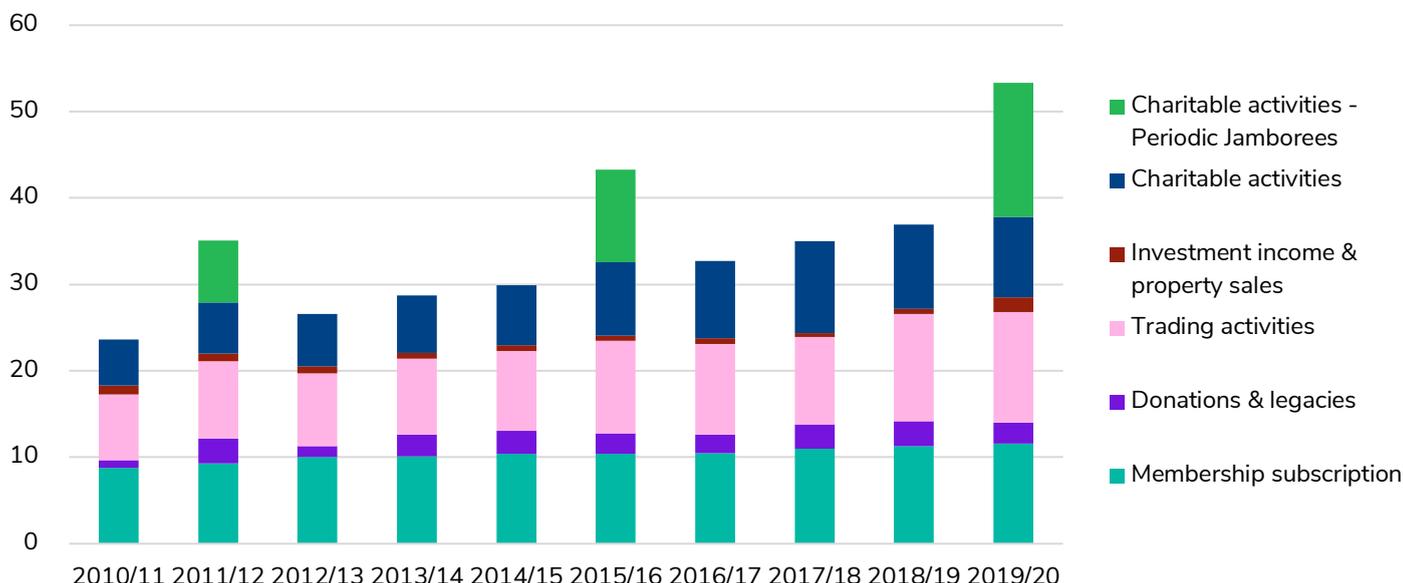
premiums written reduced by £0.7m to £0.8m.

Our trading operations include the retail sales made by Scout Shops Limited and World Scout Shop Limited, sponsorship and promotional income, together with non-Scouts revenues generated by 65 Queen's Gate and the Gilwell Park Conference Centre. This income increased overall by £0.4m or 3.2% to £12.8m. Shops activity was given a boost by the WSJ and increased by £0.6m to £9.9m. We continued to establish strong links with corporate sponsors and brought in £1.0m from these beneficial connections. It was a tough year for our conference centres with reduced bookings and events, and both sites experienced reduced income, down £0.5m to £2.0m.

Despite the difficult market conditions, with investment returns below historic trends, investment income increased by £0.1m to £0.7m.

To meet a planned £2.0m additional deficit payment to the Scout Association Defined Benefit Pension Scheme, the Trustees agreed to sell two properties that were not essential to Scouts activities. One property was sold during the year for £1.5m, realising a £1.0m profit which is shown in the SOFA. A further property is due to be sold in 2020/21.

**Table 1 – Total income 2020 – £53m (2019 – £37m)**



**Table 2 – Our spend on charitable activities in 2020, including £15m on the WSJ – £46m (2019 – £30m)**



**Expenditure**

We aim to spend as much as we can on our charitable objectives, while retaining a safe level of reserves. The cost of raising income and supporting operations for members are kept as low as possible. Total expenditure during the year was £54.8m, up £1.8m on the previous year, allowing for the WSJ.

There were additional trading costs with the higher Shops activity, but we reduced fundraising costs by £0.4m and support costs by £0.1m. Our spend on charitable activities was £46.0m including the WSJ, and allowing for this, up £0.8m compared to last year. This is shown in the graph above under our activity headings and below, we give a description of what we provide and achieve through these activities.

**Youth programme and activities**

Adapting to the changing times has allowed us to reach more young people, supporting them to give new things a go, ask the big questions, and to play their part in society.

The establishment of our digital programme planning tool has brought more than 800 activities and a selection of pre-planned programmes to our volunteers’ fingertips, saving them hours of admin time and helping more young people gain badges and awards.

Offering a lockdown-suitable programme – The Great Indoors – means young people can continue to learn skills and improve their life chances, even during this difficult period.

**Development of Scouts**

In the last year, we opened 198 sections in the 30% most deprived areas in the UK, reaching more than 3,500 young people. In addition to this, we launched a project to trial Scouts for four and five year olds – again, in some of the most disadvantaged areas of the UK – reaching a total of 353 young people and their families. The most recent report from CREC (Centre for Research in Early Childhood) shows the impact of the trial, saying that the programme offered had a positive impact, particularly in the areas of personal, social and emotional development, and in communication and language. This is a new area for Scouts, and something we’re excited to explore further.

**Adult support and training**

We know the value of trained, supported and valued adult volunteers. This year, we completely re-wrote our adult training modules on diversity and inclusion, supporting young people with additional needs, and delivered an inclusion webinar series for all members. To support members with retention and growth, we also created a suite of new tools on our website for recruiting and keeping new volunteers and young people, and for starting new sections. A pilot to test and improve these tools was carried out with 40 groups across the country, with fantastic results.

**Support and service to members**

We spent months carrying out research with our volunteers to find out how we can make volunteering with us an even better experience for them, and a more attractive opportunity for others. We had thousands of responses from across the UK – through interviews, focus

groups, design labs and surveys – and from this, co-designed a new and improved way to volunteer at Scouts, ready to start testing and putting into action over the next few years.

Our four strategic objectives – growth, inclusivity, youth shaped and community impact – are fulfilled by these four activities. As many of the actions and activities that deliver the strategic objectives are led and delivered by volunteers, with proportionately less financial expenditure than those activities delivered by our salaried staff, the Trustees feel that these four headings used to analyse charitable activities provide a more meaningful and appropriate explanation of our income and expenditure (Table 2 refers).

**Charity funds**

The Scout Association’s consolidated funds increased by £0.9m to £39.2m, as at 31 March 2020. The value of endowment funds was £1.1m, restricted funds £4.0m, designated funds £30.3m, the pension reserve £(4.8)m, trading funds £2.2m, and general funds were £6.4m.

All funds are described in more detail in note 18 to the financial statements.

**Reserves policy**

The Trustees annually review the reserves policy, and continue to plan to hold reserves to protect the Association and delivery of its charitable programmes. Reserves provide time to adjust to changing financial circumstances.

The reserves policy establishes an appropriate target range for the level of general 'free' reserves. The range is based on a risk assessment of the probability and likely financial impact on the Association's activities which might be caused by a decline in income, an inability to meet its financial obligations, or an inability to reduce expenditure in the short term. Reserves are also held to support the development of Scouts. The policy seeks to ensure an equitable balance between spending the maximum amount of income raised as soon as reasonably possible after receipt, while maintaining an appropriate level of reserves in order to ensure the uninterrupted operation of the charity. It also provides parameters for future budgeting and strategic plans and contributes towards decision making.

The policy and target range remains to hold between three and six months of unrestricted expenditure of the charity, up to a maximum value of £10m.

The general free reserves exclude the Association's pension reserve for the defined benefit pension deficit. The future cash flows associated with the pension deficit are built into our budgets and no further adjustment to the reserves policy is considered necessary. On this basis, reflected in the balance sheet, unrestricted general fund reserves as at 31 March 2020 were £6.4m, a reduction in the year of £4.1m from £10.5m as at 31 March 2019 (2019: increase of £0.6m). The reduction was due to the £2.0m paid to the pension scheme as part of the agreed deficit recovery plan, £1.0m from the reduction in investment values, and a £1.1m operating deficit.

The general funds of £6.4m represent approximately four months of unrestricted expenditure. This is within our target but towards the low end and, with the uncertain future, will be closely monitored by the Senior Leadership Team and Trustees.

#### **Forward financial forecast**

The Trustees have considered the financial plans for the budget year of 2020/21 and the following two years, looking at cash and reserve projections. This covers a period of at least 12

months from the signing of these financial statements.

The impact of the COVID-19 pandemic creates uncertainty in all aspects of society and to financial stability, but our plans for recovery are built around a variety of options including increased membership fees, the sales of assets and short term borrowing to provide headroom on cash. Our income streams include membership subscriptions, partnership arrangements and realistic assumptions for trading activities. Costs have been cut and controlled in line with income, while protecting critical safeguarding and safety functions.

Since the 31 March 2020 year end, we've arranged a £2m overdraft facility with Barclays Bank, secured on one of the Association's properties. In May 2020, The Scout Association received a one year £1m loan from Scout Insurance (Guernsey) Limited. Scout Shops Limited has arranged a £3m loan under the government Coronavirus Business Interruption Loan Scheme with Barclays over a five year period, secured by The Scout Association.

We hold sufficient reserves to manage resetting our cost base, and we're engaging with the movement to agree a series of recommendations to manage the current uncertainties. The reserves will be replenished over time by a mix of increased membership subscriptions, asset sales and operating cost savings.

There will be future changes and although there are residual risks in the short-term, we have the capacity to manage such exposures, as well as planning, monitoring and managing cash flows accordingly.

We set out the charity's risk management approach, as well as the key risks faced, on page 59. Despite the volatility of social, economic and market conditions, the pension deficit has reduced and a deficit plan agreed with the Pension Scheme trustees is included in our budgeting.

Taking all of the above into account, the Trustees have a reasonable expectation that the charity has adequate resources to continue operating for the foreseeable future. Accordingly, they

believe that the going concern basis remains the appropriate basis on which to prepare the financial statements.

#### **Fixed assets**

Capital investment plans were held back during the second half of the year to offset operating pressures, but there was still significant spend of £2.7m during the year. We invested in infrastructure to support our strategic objectives and to enable efficient working of our members. We protected our properties and ensured safety compliance.

#### **Volunteers**

During the year, over 163,991 adults volunteered their time, energy, skills and commitment to Scouts at Group, District, County, Region or National levels. Their roles ranged from regularly leading section meetings and organising camps, to helping with administration and the training of future leaders, attending meetings at every level. Without this contribution of volunteers, Scouts would be unable to offer such a wide range of challenging and inspiring activities that makes it the largest co-educational youth movement in the UK today.

#### **Subsidiary companies**

The Association's trading subsidiaries are reviewed below. Each company is wholly owned and each – other than Scout Insurance (Guernsey) Limited, which is incorporated in the Bailiwick of Guernsey – is incorporated in England and Wales.

#### **Scout Shops Limited**

Scout Shops Limited, now trading as Scout Store, sells Scouts and ancillary products mainly to members of The Scout Association, both directly and through District Scout Stores and other wholesale outlets. During the year, Scout Store continued to focus on developing its core business and expanding its key customer base (Scouts members) by delivering a high level of service to our members.

Scout Store reported another year of strong profit, despite an economic period which has been affected throughout by uncertainties surrounding Brexit and latterly the COVID-19 crisis. Key orders to wholesalers in excess of

£1m were cancelled in period 12 and the cessation of Scouts on 17 March due to COVID-19 weakened the final performance.

Turnover increased to £9.4m, up 5.4% compared to 2019, due to the WSJ providing additional sales opportunities. The acquisition of the business and assets of Infinity Print & Embroidery 2006 Ltd has allowed a new group clothing service to be launched. Profit for the year was £3.0m, reduced by the factors noted above (2019: £3.5m).

Through the provision of wholesale discounts to Badge Secretaries and District Scout Stores, Scout Store estimates that it provides an additional annual income of some £1m to local Scouting.

#### **World Scout Shop Limited**

Turnover of £0.5m was up £0.2m on the previous year but profits were down to £0.03m. This was one area that saw less benefit from the WSJ, as our merchandise competed against an aggressive host nation range which – coupled with the operational costs of participation – impacted our result.

#### **Scout Insurance Services Limited**

Scout Insurance Services trades under the name of Unity Insurance Services. Its principal activity is that of insurance broker, providing services primarily to The Scout Association, the Scout Movement, and to other charities and not-for-profit organisations, including Girlguiding UK. The Company continued to grow and deliver high quality insurance products and services. The project to implement a new broking system which will enhance the services offered to customers and accelerate growth got underway, and phase 1 of the system is scheduled for delivery later this year.

In the year to March 2020, Unity Insurance Services generated turnover of £2.4m (2019: £2.1m) and a profit before tax of £1.2m (2019: £1.1m) which it covenanted to The Scout Association.

#### **Scout Insurance (Guernsey) Limited**

Scout Insurance (Guernsey) Limited's principal activity is that of insurance underwriter. The company plays an

important role in enabling the Association to meet its insurance needs efficiently and cost effectively, while at the same time limiting the inherent financial risk should the Association receive a material claim against it in an increasingly litigious world. In the year to March 2020, the net profit before taxation declined to £0.2m (2019: £0.3m). During the year, the company declared and paid a dividend of £0.2m (2019: £0.7m) to The Scout Association.

#### **Scout Services Limited**

Scout Services Limited's principal activities are that of commercial property management and the provision of conference facilities. Scout Services Limited produced a net profit of £0.7m (2019: £1.1m) from turnover of £3.8m (2018: £4.0m). The decrease was principally due to lower volumes of business going through the conference centres.

#### **The Scout Association Defined Benefit Pension Scheme**

The most recent full actuarial valuation of The Scout Association Defined Benefit Pension Scheme was carried out as at 31 March 2019. The market value of the assets of the scheme was £38.8m, which represented 84% of the actuarial value of the benefits accrued at that date by members – an improvement from the 78% funding level at the March 2016 valuation. Based on this valuation, the Trustees agreed a funding plan to address the deficit.

The Scout Association contributed £2.6m (2019: £0.6m) to the Scheme, including special contributions of £2.0m.

The Scheme closed to new members in the year ended 31 March 2001, and therefore the obligations are mainly associated with longstanding members of staff and current pensioners. The Trustees regularly monitor the Scheme funding deficit to ensure that general reserves provide adequate cover against the future liability.

In accordance with Charity Commission guidance ('Charity Reserves and Defined Benefit Pension Schemes'), the Trustees have reviewed the cash flow impact on the general reserves of the planned funding of the deficit and these are included in the charity's budget.

The valuation of the Defined Benefit Pension Scheme at 31 March 2020 for the accounting purposes of Financial Reporting Standard 102 (FRS 102), showed a funding deficit of £4.8m (2019: £10.4m). The deficit has reduced primarily due to a reduction in the inflation, salary increase and pension increase assumptions; a change to the mortality assumptions; and the deficit contributions paid by the Association over the period. The above factors were offset to some extent by asset returns being £1.1m worse than assumed.

#### **Investment policy and performance**

The fund assets have been held in the Cazenove Charity Multi-Asset Fund since 2018, which is ethically screened.

The performance objectives are:

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

The investment return for the year was -7.5%, slightly worse than the benchmark of -7.3%.

The Association's current asset investments represent cash holdings which are managed separately from the main investment portfolio, are held in Royal London Asset Management Funds on behalf of the Short Term Investment Service on behalf of the movement. As at 31 March 2020, total deposits by Scout Groups, Districts, Counties and Regions in the Short Term Investment Service were £11.5m (2019: £11.3m).

#### **Remuneration policy**

The Trustees consider that the Board of Trustees and the Senior Leadership Team (the Chief Executive and the Directors) comprise the key management personnel of the charity.

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

Details of Trustees' expenses and related party transactions are disclosed in note 6c to the financial statements.

The remuneration of the senior leadership team is reviewed annually by the People and Culture Committee (a subcommittee of the Board of Trustees), taking into account market conditions, cost of living increases and the financial position of the organisation. The salaries of the Senior Leadership Team are benchmarked in order to ensure that they are commensurate with the size of the roles.

The Senior Leadership Team members are entitled to employer pension contribution rates and other benefits that are available to employees generally. In addition, enhanced medical insurance provision is provided.

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

The remuneration benchmark is the mid-point of the range paid for similar roles. If recruitment proves to be difficult, a market rate supplement is also paid.

# Trustees' responsibilities

Trustees are responsible for preparing the annual report, including 'How we operate' on page 58, and the financial statements (in accordance with the Charities Act 2011 and United Kingdom Generally Accepted Accounting Practice). They're also responsible for making sure the financial statements give a true and fair view of the state of affairs of the group and charity, and of the incoming resources and application of resources of Scouts for the year. In preparing these financial statements, Trustees must:

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

Trustees are responsible for keeping adequate accounting records that show and explain the charity's transactions, disclose with reasonable accuracy at any time the financial position of the charity, and that enable them to make sure that the financial statements comply with any applicable charity laws and, in particular, the Charities Act 2011. Trustees are also responsible for safeguarding the assets of the charity, and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

#### **Our controls include:**

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

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



**Ann Limb**  
Chair, Scouts

On behalf of the Board of Trustees,  
24 July 2020

# Independent Auditor's Report to the Trustees of The Scout Association

## Opinion

We have audited the financial statements of The Scout Association for the year ended 31 March 2020 which comprise consolidated statement of financial activities, consolidated and parent charity balance sheets, consolidated and parent charity statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent charity's affairs as at 31 March 2020 and of the group's incoming resources and application of resources, including its income and expenditure 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 and the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006.

## Basis for opinion

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

have obtained is sufficient and appropriate to provide a basis for our opinion.

## Conclusions relating to going concern

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

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

## Other information

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

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

We have nothing to report in this regard.

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

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

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

### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 29, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### **Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 151 of the Charities Act 2011, and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to

fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

### **Use of our report**

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



### **Crowe U.K. LLP**

Statutory Auditor  
Carrick House  
Lypiatt Road  
Cheltenham  
GL50 2QJ  
Date: 10 August 2020

Crowe U.K. LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

# Consolidated statement of financial activities

For the year ended 31 March 2020

	2020			2019		
	Unrestricted	Restricted and Endowment	Total	Unrestricted	Restricted and Endowment	Total
Notes	£'000	£'000	£'000	£'000	£'000	£'000
<b>Income and endowments from:</b>						
<b>Donations and legacies:</b>						
Membership subscriptions	11,631	-	<b>11,631</b>	11,346	-	11,346
Other donations	5.a 510	2,083	<b>2,593</b>	1,539	1,350	2,889
	12,141	2,083	<b>14,224</b>	12,885	1,350	14,235
<b>Charitable activities:</b>						
Youth programme	5,075	95	<b>5,170</b>	2,103	-	2,103
Development of Scouting	4,875	93	<b>4,968</b>	1,901	-	1,901
Adult support and training	4,875	93	<b>4,968</b>	1,901	-	1,901
Support and services to the members	9,650	-	<b>9,650</b>	3,797	-	3,797
	5.b 24,475	281	<b>24,756</b>	9,702	-	9,702
Other trading activities	5.c 12,806	-	<b>12,806</b>	12,405	-	12,405
Investment income	5.d 592	120	<b>712</b>	512	108	620
Other income, property sale	1,044	-	<b>1,044</b>	-	-	-
<b>Total income</b>	51,058	2,484	<b>53,542</b>	35,504	1,458	36,962
<b>Expenditure on:</b>						
<b>Raising funds:</b>						
Donations and Legacies	328	-	<b>328</b>	739	-	739
Trading activities	6.a 8,540	-	<b>8,540</b>	7,129	-	7,129
	8,868	-	<b>8,868</b>	7,868	-	7,868
<b>Charitable activities:</b>						
Youth programme	11,226	287	<b>11,513</b>	5,456	478	5,934
Development of Scouting	11,410	677	<b>12,087</b>	6,135	552	6,687
Adult support and training	11,460	677	<b>12,137</b>	6,003	540	6,543
Support and services to the members	9,168	1,075	<b>10,243</b>	9,765	723	10,488
	6.b 43,264	2,716	<b>45,980</b>	27,359	2,293	29,652
<b>Total expenditure</b>	52,132	2,716	<b>54,848</b>	35,227	2,293	37,520
Net (losses)/gains on investments	(1,028)	(145)	<b>(1,173)</b>	26	(11)	15
<b>Net (expenditure)/income for the year</b>	(2,102)	(377)	<b>(2,479)</b>	303	(846)	(543)
Transfers between funds	131	(131)	-	(191)	191	-
<b>Other recognised gains/(losses):</b>						
Actuarial gains/(losses) on defined benefit pension scheme	7 3,365	-	<b>3,365</b>	(2,010)	-	(2,010)
Fair value movement	17 (8)	-	<b>(8)</b>	275	-	275
<b>Net movement in funds</b>	8 1,386	(508)	<b>878</b>	(1,623)	(655)	(2,278)
<b>Reconciliation of funds:</b>						
Fund balances brought forward at 31 March 2019	32,669	5,647	<b>38,316</b>	34,292	6,302	40,594
<b>Fund balances carried forward at 31 March 2020</b>	34,055	5,139	<b>39,194</b>	32,669	5,647	38,316

The notes on pages 35 to 56 form part of these financial statements

# Balance sheets

As at 31 March 2020

	Notes	Consolidated		The Association	
		2020 £'000	2019 £'000	2020 £'000	2019 £'000
<b>Fixed assets</b>					
Intangible fixed assets	9	317	235	-	-
Heritage assets	10	3,553	3,553	3,553	3,553
Tangible fixed assets	11	25,482	26,001	25,218	25,758
Investment in subsidiary companies	12	-	-	500	500
Investments	13	14,751	16,576	8,793	9,904
		<b>44,103</b>	<b>46,365</b>	<b>38,064</b>	<b>39,715</b>
<b>Current assets</b>					
Stocks	14	1,727	1,364	279	137
Debtors	15	6,979	20,977	7,547	20,956
Current asset investments	16	11,542	11,335	11,542	11,335
Cash & cash equivalents		4,822	9,084	861	4,726
		<b>25,070</b>	<b>42,760</b>	<b>20,229</b>	<b>37,154</b>
<b>Current liabilities</b>					
Creditors	17	(23,658)	(39,405)	(16,425)	(30,319)
<b>Net current assets</b>		<b>1,412</b>	<b>3,355</b>	<b>3,804</b>	<b>6,835</b>
<b>Total assets less current liabilities</b>		<b>45,515</b>	<b>49,720</b>	<b>41,868</b>	<b>46,550</b>
<b>Creditors - amounts falling due after more than one year</b>	17	<b>(1,489)</b>	<b>(1,049)</b>	<b>-</b>	<b>-</b>
<b>Net assets excluding pension liability</b>		<b>44,026</b>	<b>48,671</b>	<b>41,868</b>	<b>46,550</b>
<b>Pension liability</b>	7	<b>(4,832)</b>	<b>(10,355)</b>	<b>(4,832)</b>	<b>(10,355)</b>
<b>Net assets</b>		<b>39,194</b>	<b>38,316</b>	<b>37,036</b>	<b>36,195</b>
<b>The Association's funds</b>					
Unrestricted funds:					
General funds	18	6,439	10,514	6,439	10,514
Pension reserve	7,18	(4,832)	(10,355)	(4,832)	(10,355)
General funds including pension liability		1,607	159	1,607	159
Designated funds	18	30,290	30,389	30,290	30,389
Non charitable trading funds	12,18	2,158	2,121	-	-
Unrestricted funds including pension reserve		34,055	32,669	31,897	30,548
Restricted funds	18	3,991	4,356	3,991	4,356
Endowment funds	18	1,148	1,291	1,148	1,291
<b>Total funds</b>		<b>39,194</b>	<b>38,316</b>	<b>37,036</b>	<b>36,195</b>

Approved by the Board of Trustees on 24 July 2020 and authorised for release and signed on its behalf by:



Ann Limb  
Chair



Gordon Boyd  
Treasurer

The notes on pages 35 to 56 form part of these financial statements

# Statements of cash flows

For the year ended 31 March 2020

	Consolidated		The Association	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
<b>a. Cash flows from operating activities</b>				
<b>Net cash (outflow)/inflow from operating activities (see below)</b>	<b>(4,477)</b>	2,083	<b>(3,922)</b>	1,308
<b>Cash flows from investing activities:</b>				
Dividends, interest and rents from investments	712	620	971	886
Proceeds from the sale of property	1,462	79	1,462	79
Purchase of fixed assets	(2,659)	(2,764)	(2,376)	(2,498)
Proceeds of the sale of investments	(15,654)	-	-	-
Purchase of investments	16,354	(109)	-	-
<b>Net cash provided/(used) by investing activities</b>	<b>215</b>	(2,174)	<b>57</b>	(1,533)
Change in cash and cash equivalents in the year	(4,262)	(91)	(3,865)	(225)
Cash and cash equivalents at 1 April	9,084	9,175	4,726	4,951
<b>Cash and cash equivalents at 31 March</b>	<b>4,822</b>	9,084	<b>861</b>	4,726
<b>b. Reconciliation of net income/(expenditure) to cash flow from operating activities</b>				
<b>Net expenditure for the reporting period from the Statement of Financial Activities</b>	<b>(2,479)</b>	(543)	<b>(2,516)</b>	(251)
Adjustments for:				
Losses/(gains) on investments	1,173	(15)	1,159	(15)
Dividends, interest and rents from investments	(712)	(620)	(971)	(886)
Funding of pension liabilities	(2,000)	-	(2,000)	-
FRS 102 Pension cost	(158)	(109)	(158)	(109)
(Profit) on sale of fixed assets	(1,044)	(47)	(1,044)	(47)
Fixed asset adjustment	-	114	-	114
Depreciation charges	2,678	3,165	2,498	3,046
(Increase)/decrease in stocks	(363)	(622)	(142)	56
Decrease/(increase) in debtors	13,998	(10,495)	13,409	(10,540)
(Increase)/decrease in current investments	(255)	642	(255)	642
Increase/(decrease) in creditors	(15,315)	10,613	(13,902)	9,298
<b>Net cash (outflow)/inflow from operating activities</b>	<b>(4,477)</b>	2,083	<b>(3,922)</b>	1,308
<b>c. Analysis of cash and cash equivalents</b>				
Cash in hand	4,822	9,084	861	4,726
<b>Total cash and cash equivalents</b>	<b>4,822</b>	9,084	<b>861</b>	4,726

The notes on pages 35 to 56 form part of these financial statements

## 1. Constitution

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

The Scout Association is registered in England, at Gilwell Park, Chingford, London, E4 7QW.

## 2. Basis of preparation

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

### Going concern

Having reviewed financial plans and cash flow forecasts, the Trustees have a reasonable expectation that the charity has adequate resources to continue operating for the foreseeable future. Accordingly, they believe that the going concern basis remains the appropriate basis on which to prepare the financial statements.

## 3. Accounting policies

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

### a. Basis of preparation of consolidated financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland, Charities SORP (FRS102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

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

The financial statements consolidate the financial statements of The Scout Association and its subsidiary companies. The financial statements of all entities are made up to 31 March 2020.

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

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

### b. Recognition of income

#### National membership subscriptions

Membership subscriptions are payable in advance for a year to 31 March. Subscriptions are treated as voluntary income because they are more similar in nature to donations than to payments for goods or services, and are recognised when received.

#### Legacies

Legacies are accounted for when the Association becomes entitled to them, where receipt is probable and where their value can be established with reasonable certainty. Where legacies include non-cash items these are included in income at the lower of probate value and market value at the date of receipt.

### Insurance Income

Insurance underwriting gross written premium comprises the premium due on contracts entered into in a financial year, regardless of whether or not such amounts relate in whole or in part to a different financial year. Reinsurance premium paid is accounted for in the accounting period in which the reinsurance is bought. Unearned premium represents that proportion of written premium estimated to be earned in future financial years. It is calculated on a monthly pro-rata basis. Acquisition costs relating to unearned premiums are deferred on the same basis as the premiums to which they relate.

### Commercial activities

Income from conference centres, sponsorship, National Scout Adventure Centres, and other income is accounted for when the Association is entitled to the income, the amount can be quantified with reasonable accuracy and the probability of receipt of the income is more likely than not.

### Investment income

Dividends are accounted for on a receipts basis. Interest is accounted for on an accruals basis and includes all amounts earned up to the balance sheet date. Associated tax recoveries are included for all amounts shown as income.

### Gifts in kind

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

### c. Allocation of income and costs

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

Income and expenditure from Scout Store Limited, World Scout Shop Limited, Scout Services Limited and from commercial activities carried out at 65 Queen's Gate and the Gilwell Conference Centre are classified under these headings.

**Charitable activities**

This comprises income from the provision of services supporting the objects of the Association through operations including the Information Centre, insurance services, and Scouting magazine as well as the National Activity Centres. A percentage of accommodation and training fees receivable at 65 Queen’s Gate and the Gilwell Conference Centre are also included under this heading, 20% and 80% respectively for the two sites. The remaining income from 65 Queen’s Gate and the Gilwell Conference Centre is included in activities for generating funds.

Charitable activities have been analysed under the following headings:

- Youth programme
- Development of Scouting
- Adult support and training
- Support and services to members

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

Where possible the income and costs relating to a department or cost centre are allocated in full to one of the above

categories, but in practice many departments have an involvement in more than one activity. The other major allocations, which are reviewed annually by the Trustees, are set out below.

	Youth programme	Development of Scouting	Adult support and training	Support and services to members
World and European membership fees				100%
Members records and awards			40%	60%
Membership services	20%	20%	20%	40%
Safeguarding children				100%
Public relations		100%		
Insurance				100%
Scouting magazine	34%	33%	33%	
Short Term Investment Service				100%
Regional Development Service		33%	33%	34%
65 Queen’s Gate	20%			
Gilwell Conference Centre	27%	27%	27%	
Other National Activity Centres	34%	33%	33%	

**Support costs**

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

- Trading – 6%
- Youth programme – 20%
- Development of Scouting – 29%
- Adult support and training – 26%
- Support and services to members – 19%

**Grants payable**

Grants payable are included in the Statement of Financial Activities as expenditure in the period in which the award is made. Grants which have been approved by the Trustees and agreed with other organisations but which are

unpaid at the year end are accrued. Grants where the beneficiary has not been informed or has to meet certain conditions before the grant is released are not accrued.

**Governance costs**

These are the costs associated with the governance arrangements of the charity which relate to compliance with legal and statutory requirements of the charity as opposed to those costs associated with fundraising. They include audit fees and the costs of Trustees’ meetings.

**d. Intangible fixed assets**

IT software is capitalised and written off over the term of the related contract, between two and five years. Goodwill arising on acquisition of an undertaking is the difference between the fair value of the consideration paid and the fair value of the assets and liabilities

acquired. It is capitalised and amortised through the Statement of Financial Activities over the Trustees’ estimate of its useful economic life which can range from 5 to 10 years. Impairment tests on the carrying value are undertaken at the end of the first full year after acquisition and in any other subsequent period if events or changes in circumstances indicate that the carrying value may not be recoverable. The cost of acquiring a brand licence is written off over the term of the related contract.

**e. Heritage fixed assets**

The Association maintains a heritage collection of around 250,000 items. Through an active and innovative programme of collecting, interpreting and engagement, the Heritage Collection helps create connections between members of The Scout Association, both past and present, and the wider community. The Heritage

Collection is managed by the Headquarters' Heritage Service. To ensure its ongoing representation of Scouting's story the Heritage Service continues to collect both historical and contemporary material. New acquisitions are normally made by donation with occasional low cost purchases. New material is acquired in accordance with The Scout Association's Collecting Policy and carried out in line with the Museum Association's Code of Ethics.

In line with the Museum Association Code of Ethics, the valuation of Heritage Collection acquisitions are only recorded where the item is of significant value and in need of insurance.

Heritage assets are carried at fair value. The Association has made reference to the latest available external valuations in forming their assessment of period end fair value. Gains and losses on revaluation are recognised through 'Other recognised gains' in the Statement of Financial Activities.

The Association will occasionally approve the disposal of elements of the Collection, this process is carried out in accordance with the Code of Ethics and industry best practice as dictated by the Arts Council England Accreditation Standard. Disposal will be judged against the Association's Collecting Policy. Disposal will be carried out in line with the Disposal Policy and follow the Disposal Procedure. Disposal of accessioned material only takes place with the approval of the Trustees or their designated representative. Disposal of non-accessioned items takes place with the approval of the Director of Commercial Services.

Expenditure that is in the Trustees' view required to conserve or prevent further deterioration of individual items is recognised as expenditure when it is incurred. The Heritage Service actively seeks external funding to support the delivery of this work.

#### **f. Other fixed assets**

Other fixed assets are stated at cost. Where land and buildings are acquired together it is assumed that the buildings

represent 50% of the initial cost. Investment in systems development in support of the charity's strategy is capitalised as a tangible fixed asset. Depreciation is calculated to write off the cost of assets by equal annual amounts over their expected useful lives. Assets costing less than £200 are not capitalised. No depreciation is provided on freehold land.

Depreciation rates used are:  
*Freehold property* – 50 years, with 10 years for replacement elements

*Leasehold property* – the shorter of the lease period or 50 years

*Furniture fittings and equipment* – 4 to 20 years

*Systems Development* – 5 years

*Motor vehicles* – 5 to 10 years

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

Impairment reviews on fixed assets are carried out each year and any asset with a carrying value materially higher than its recoverable or useful value is written down accordingly.

Fixed assets held for investment purposes are stated at market value on the balance sheet date. Any gains or losses on the disposal or revaluation of investment assets are shown as net gains/(losses) on investments in the Statement of Financial Activities.

#### **g. Investments**

The Scout Association holds investments both in order to generate income for the support of charitable objectives and to provide assets to meet the need of reserves, identified in the reserves policy. Investments are stated at current market value on the balance sheet date unless there's evidence of a different fair value.

Gains or losses arising during the year are disclosed in the statement of financial activities within other recognised gains and losses in the

year, and in the notes to the financial statements.

#### **h. Current asset investments**

The funds deposited by Scout Groups in the Short Term Investment Service are held on short-term deposit with an external investment manager. These short-term deposits are not held by the Scout Association for investment purposes and are included in the balance sheet at fair value as current asset investments. Movements in these funds are shown in the notes to the financial statements.

#### **i. Stocks**

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

#### **j. VAT**

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

#### **k. Leases**

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

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

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

#### **l. Pension costs**

Contributions payable to The Scout Association Pension Scheme are charged to the Statement of Financial Activities so as to spread the cost of

pensions over the working lives of employees in the scheme. The pension charge is calculated on the basis of actuarial advice.

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

The current service cost and net return on the scheme's assets and liabilities for the year is allocated across the resources expended categories in the Statement of Financial Activities. The actuarial gain on the scheme for the year is included in the gains/(losses) section of the Statement of Financial Activities.

Contributions towards personal pension policies, which are defined contribution schemes, are charged to the Statement of Financial Activities as they are incurred.

#### **m. Financial assets**

Financial assets, other than investments and derivatives, are initially measured at transaction price (including transaction costs) and subsequently held at cost, less any impairment.

#### **n. Financial liabilities**

Financial liabilities are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. Financial liabilities, excluding derivatives, are initially measured at transaction price (including transaction costs) and subsequently held at amortised cost.

#### **o. Forward currency contracts**

The Scout Association enters into forward contracts for the purchase of currency in order to manage its exchange rate exposure relating to the World Scout Jamboree and other overseas events. Hedge contracts are measured at fair value at each reporting date.

Where there is a change in exposure at the balance sheet date, through movement in the forward exchange rate

from the contract rate, that change is included in the statement of financial activities as a fair value movement.

#### **p. Judgements in applying accounting policies and key sources of estimation uncertainty**

In preparing these financial statements, the Trustees have made the following judgements:

- The determination of whether leases entered into by The Scout Association either as a lessor or a lessee, are operating or finance leases, depending on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- The determination of whether or not there are indications of impairment of the Scout Association's tangible and intangible assets, including goodwill, taking into consideration the economic viability and expected future financial performance of the asset.
- The determination of appropriate financial and demographic assumptions in valuing the defined benefit pension liability in line with FRS 102 requirements, supported by actuarial advice.

#### **Unrestricted funds**

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

## **4. Nature of funds**

All funds are identified as falling into one of three categories.

#### **Endowment funds**

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

#### **Restricted funds**

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

## 5. Income and endowments

### a. Other donations and legacies

	2020			2019		
	Unrestricted £'000	Restricted and Endowment £'000	Total £'000	Unrestricted £'000	Restricted and Endowment £'000	Total £'000
Legacies	131	221	352	924	-	924
Other donations	379	1,862	2,241	615	1,350	1,965
<b>Total</b>	<b>510</b>	<b>2,083</b>	<b>2,593</b>	<b>1,539</b>	<b>1,350</b>	<b>2,889</b>

### b. Charitable activities

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

	2020			2019		
	Unrestricted £'000	Restricted and Endowment £'000	Total £'000	Unrestricted £'000	Restricted and Endowment £'000	Total £'000
National events	460	-	460	561	-	561
Insurance broking and underwriting	3,192	-	3,192	3,450	-	3,450
Advertising carried by Scouting magazine	80	-	80	91	-	91
National Centres	4,661	281	4,942	5,039	-	5,039
World Jamboree/Roverway	15,452	-	15,452	236	-	236
Other income	630	-	630	325	-	325
<b>Total</b>	<b>24,475</b>	<b>281</b>	<b>24,756</b>	<b>9,702</b>	<b>-</b>	<b>9,702</b>

### c. Other trading activities

	2020			2019		
	Unrestricted £'000	Restricted and Endowment £'000	Total £'000	Unrestricted £'000	Restricted and Endowment £'000	Total £'000
Retail sales	9,870	-	9,870	9,271	-	9,271
Hostel and conference income	1,993	-	1,993	2,496	-	2,496
Sponsorship, promotions and royalties	943	-	943	638	-	638
<b>Total</b>	<b>12,806</b>	<b>-</b>	<b>12,806</b>	<b>12,405</b>	<b>-</b>	<b>12,405</b>

### d. Investment income

	2020			2019		
	Unrestricted £'000	Restricted and Endowment £'000	Total £'000	Unrestricted £'000	Restricted and Endowment £'000	Total £'000
Listed investments	410	18	428	366	20	386
Short Term Investment Service	-	102	102	-	88	88
Other deposit interest	138	-	138	125	-	125
Rental income	44	-	44	21	-	21
<b>Total</b>	<b>592</b>	<b>120</b>	<b>712</b>	<b>512</b>	<b>108</b>	<b>620</b>

## 6. Expenditure

### a. Trading activities

	2020			2019		
	Unrestricted	Restricted and Endowment	Total	Unrestricted	Restricted and Endowment	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Retail operating costs	6,749	-	<b>6,749</b>	5,574	-	5,574
Hostel and conference expenditure	1,441	-	<b>1,441</b>	1,436	-	1,436
Sponsorship, promotions and royalties	350	-	<b>350</b>	119	-	119
<b>Total</b>	<b>8,540</b>	<b>-</b>	<b>8,540</b>	<b>7,129</b>	<b>-</b>	<b>7,129</b>

Hostel, conference and commercial trading expenditure includes support costs of £578,000 (2019: £585,000). The basis for the allocation of support costs is explained in note 6.c.

### b. Costs of charitable activities

	2020			
	Direct £'000	Grant funding £'000	Support costs £'000	Total £'000
Youth programme	9,406	182	1,925	<b>11,513</b>
Development of Scouting	9,112	183	2,792	<b>12,087</b>
Adult support and training	9,452	182	2,503	<b>12,137</b>
Support and services to members	8,232	183	1,828	<b>10,243</b>
<b>Total</b>	<b>36,202</b>	<b>730</b>	<b>9,048</b>	<b>45,980</b>

	2019			
	Direct £'000	Grant funding £'000	Support costs £'000	Total £'000
Youth programme	3,940	44	1,950	5,934
Development of Scouting	3,655	205	2,827	6,687
Adult support and training	3,803	205	2,535	6,543
Support and services to members	8,431	205	1,852	10,488
<b>Total</b>	<b>19,829</b>	<b>659</b>	<b>9,164</b>	<b>29,652</b>

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

Youth programme includes the various educational activities in which members participate. Development activities are those which are focused on growing our movement. Adult support and training includes those activities which assist leaders and other adults involved in Scouts. Support and services to the movement includes those activities, such as insurance and safeguarding of children, which underpin the activities of Scout Groups.

**Analysis of grants to local Scouting**

	2020	2019
	£'000	£'000
Development	71	312
International Fund	26	24
Benevolent Fund	26	12
Admiralty Fund and Trinity House Fund (Sea Scouts)	250	98
Grants from legacies to local Groups	284	67
King George VI Leadership Fund	37	12
Other	36	134
<b>Total</b>	<b>730</b>	<b>659</b>

Grants from restricted and designated funds administered by the Association are paid, in accordance with the terms governing those funds, to a large number of Scout Groups, Districts, Areas and Counties.

**Support costs allocation**

	2020	2019
	£'000	£'000
Property and equipment depreciation	2,667	3,165
Irrecoverable VAT	841	697
Office accommodation and services	763	790
Central management	693	700
Human resources, legal and company secretarial	1,040	1,063
Finance and accounting	802	809
Information technology and business solutions	1,921	1,730
Movement in pension scheme deficit recognised in resources expended	454	455
Governance	445	340
Other	-	-
<b>Total</b>	<b>9,626</b>	<b>9,749</b>
<b>Allocated to:</b>		
Costs of charitable activities	9,048	9,164
Expenditure on trading activities	578	585
<b>Total</b>	<b>9,626</b>	<b>9,749</b>

Support costs comprise that expenditure which facilitates fundraising and charitable activity but which is not directly incurred in the conduct of those activities. The support costs itemised above have been apportioned to fundraising and charitable activities pro rata to the employment costs of staff directly engaged on the relevant activities. The percentage allocations are disclosed in note 3.c.

**c. Expenditure includes:**

	2020	2019
	£'000	£'000
<b>Auditor's remuneration</b>		
Audit fees	63	69
Taxation compliance	5	6
<b>Trustees' expenses</b>	<b>15</b>	<b>16</b>

During the year 20 Trustees (2019: 14 Trustees) were reimbursed expenses, such as travel and subsistence, incurred in their attending meetings and in the carrying out of their duties. The Association provided accommodation for the Chief Scout and for others while they were on Scout business.

## 7. Staff costs

	2020	2019
	£'000	£'000
Wages and salaries	12,278	11,966
Social security costs	1,185	1,012
Defined contribution pension costs	791	585
Other pension costs	47	86
	<b>14,301</b>	<b>13,649</b>
In addition, termination costs in the year	14	105
Termination costs are accrued when agreed		

The average number of employees during the year was:

Activity	Headcount		Full time equivalent	
	2020	2019	2020	2019
The Scout Association	350	310	303	272
Scout Shops Limited/World Scout Shop Limited	58	50	52	46
Unity (Scout Insurance Services Limited)	21	19	21	19
<b>Total</b>	<b>429</b>	<b>379</b>	<b>376</b>	<b>337</b>

Movement in The Scout Association full time equivalent:

Programme of Works	10
NCS funded	7
Pears funded projects	7
Unrestricted	7
<b>Total increase</b>	<b>31</b>

The increase in staff numbers relates to 10 fixed term contract staff for Programme of Works, 7 NCS funded positions and 7 funded by the Pears Foundation to work across various initiatives. Staff numbers for our general funds are up by 7 for positions in safeguarding and compliance.

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

	2020	2019
£60,001 to £70,000	2	3
£70,001 to £80,000	2	1
£80,001 to £90,000	4	4
£90,001 to £100,000	1	-
£100,001 to £110,000	1	1
£110,001 to £120,000	2	2
£120,001 to £130,000	-	1
£130,001 to £140,000	1	-

The Chief Executive Officer, Matt Hyde, is also a Trustee. He received remuneration and benefits for his service as Chief Executive Officer of £131,381 (2019 £127,109).

No other Trustee received remuneration for services to the Association.

The key management personnel of the parent charity and its subsidiaries comprise the Trustees, the Chief Executive Officer, Director of Commercial Services, Director of Communications and Marketing, Chief Operating Officer, Chief Financial Officer, Managing Director of Unity Insurance (SISL) and General Manager of Scout Shops and World Scout Shop. The total employer cost of the key management personnel of the Scout Association and its subsidiaries was £879,542 (2019 £860,119).

## Pension schemes

Pension provision for current staff is mainly provided through a defined contribution arrangement.

The Scout Association Defined Benefit Pension Scheme ("the Scheme") is closed to new staff and has a small number of existing members. The Scheme provides benefits, on retirement, on leaving service or on death, based on final salary and length of service.

The Scheme is subject to the Statutory Funding Objective under the Pensions

Act 2004 and a valuation of the Scheme is carried out at least once every three years. As part of the process, the Association must agree with the trustees of the Scheme the contributions to be paid in order to address any shortfall against the Statutory Funding Objective and the contributions to be paid in respect of the accrual of the future benefits.

The most recent comprehensive actuarial valuation of the Scheme was carried out as at 31 March 2019. The results of that valuation were updated to 31 March 2020 by an independent

qualified actuary, taking account of cash flows in and out of the Scheme and allowing for changes to assumptions over the period.

### FRS102 valuation

These financial statements have been prepared in line with the requirements of FRS 102. The FRS 102 valuation is only in respect of the defined benefit Scheme. The principal FRS 102 actuarial assumptions, determined by financial markets and demographic conditions, are shown below. A later table shows the sensitivity of the liability to these assumptions.

### Principal actuarial assumptions

	31 March 2020		31 March 2019	
		%		%
Discount rate		2.25		2.35
Inflation - RPI		2.55		3.35
Inflation - CPI		1.75		2.35
Salary increases		1.85		2.45
Pension increase (RPI max 5.0%)		2.55		3.30
Pension increase (RPI max 2.5%)		2.05		2.35
Mortality		95% of S3PA tables CMI 2018 projections 1.25% p.a. long-term trend rate for pensioners 1.50% p.a. long-term trend rate for non-pensioners		95% of S2NA tables CMI 2015 projections 1.25% p.a. long-term trend rate for pensioners 1.50% p.a. long-term trend rate for non-pensioners
Retirement cash		Members are assumed to take 20% of their pension as tax-free cash		Members are assumed to take 20% of their pension as tax-free cash

### Balance sheet position

	31 March 2020		31 March 2019	
	%	£'000	%	£'000
UK equities	9%	3,567	11%	4,391
Overseas equities	17%	6,674	18%	7,063
Corporate bonds	28%	10,901	25%	9,553
Liability Driven Investments	21%	7,906	21%	8,116
Cash	1%	209	1%	257
Diversified growth assets	24%	9,389	24%	9,392
Fair value of assets	100%	38,646	100%	38,772
Present value of funded obligations		(43,478)		(49,127)
<b>Net defined benefit liability</b>		<b>(4,832)</b>		<b>(10,355)</b>

**Amounts recognised in the Statement of Financial Activities**

	2020	2019
	£'000	£'000
Current service cost	(88)	(108)
Administration costs	(151)	(201)
Interest on liabilities	(1,127)	(1,217)
Interest on assets	912	995
<b>Cost in total expenditure for the year</b>	<b>(454)</b>	<b>(531)</b>

**Remeasurements over the period**

(Loss)/gain on scheme assets in excess of interest	(1,139)	1,480
Experience gain on liabilities	433	-
Gain from changes to demographic assumptions	2,479	-
Gain/(loss) from changes to financial assumptions	1,592	(3,490)
<b>Actuarial gains/(losses) on defined benefit pension scheme</b>	<b>3,365</b>	<b>(2,010)</b>

**Reconciliation of the fair value of the Pension Scheme assets and liabilities**

	31 March 2020	31 March 2019
	£'000	£'000
Fair value of assets at the start of the year	38,772	37,362
Interest on assets	912	995
Administration costs	(151)	(201)
Contributions by members	17	25
Contributions by TSA	2,612	640
Benefits paid	(2,377)	(1,529)
Actuarial (loss)/gain	(1,139)	1,480
<b>Fair value of assets at the end of the year</b>	<b>38,646</b>	<b>38,772</b>
Actual return on assets	(227)	2,475

	31 March 2020	31 March 2019
	£'000	£'000
Value of liabilities at the start of the year	(49,127)	(45,816)
Interest cost	(1,127)	(1,217)
Current service cost	(88)	(108)
Contributions by members	(17)	(25)
Benefits paid	2,377	1,529
Actuarial gain/(loss)	4,504	(3,490)
<b>Value of liabilities at the end of the year</b>	<b>(43,478)</b>	<b>(49,127)</b>

Notes to the financial statements (continued)

Sensitivity of the value placed on the liabilities

<b>Adjustments to assumptions</b>		<b>Approximate effect on the liabilities</b>
		<b>£'000</b>
Discount rate	Plus 0.10% p.a.	<b>(690)</b>
	Minus 0.10% p.a.	<b>700</b>
Inflation	Plus 0.10% p.a.	<b>315</b>
	Minus 0.10% p.a.	<b>(295)</b>
Salary increase	Plus 0.50% p.a.	<b>155</b>
	Minus 0.50% p.a.	<b>(145)</b>
Mortality	Long-term trend rate 1.25% for all members	<b>(272)</b>
Commutation	Members take 25% of their pension in cash	<b>(953)</b>
<b>Projected SOFA for year to 31 March 2021</b>		<b>£'000</b>
Current service cost		<b>78</b>
Administration costs		<b>151</b>
Interest on liabilities		<b>952</b>
Interest on assets		<b>(848)</b>
<b>Total</b>		<b>333</b>

The estimate above assumes the following:

- Ongoing cash flows to and from the Scheme are broadly unchanged from the current year's figures.
- There have been no events (other than those notified to the Pension Scheme Actuary) that would give rise to a settlement/curtailment/past service cost.

## 8. Net movement in funds

The net movement in funds arises as follows:

	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>
The Scout Association	<b>841</b>	<b>(1,987)</b>
Subsidiaries	<b>37</b>	<b>(291)</b>
<b>Total</b>	<b>878</b>	<b>(2,278)</b>

## 9. Intangible fixed assets

<b>Consolidated</b>	<b>IT software</b>	<b>Brand licences</b>	<b>Goodwill</b>	<b>Total</b>
	£'000	£'000	£'000	£'000
Cost				
At 1 April 2019	268	85	138	491
Transfers	-	-	-	-
Additions	54	-	119	173
Disposals	-	-	(138)	(138)
<b>At 31 March 2020</b>	<b>322</b>	<b>85</b>	<b>119</b>	<b>526</b>
Depreciation				
At 1 April 2019	58	60	138	256
Transfers	-	-	-	-
Charge for the year	62	9	20	91
Eliminated on disposals	-	-	(138)	(138)
<b>At 31 March 2020</b>	<b>120</b>	<b>69</b>	<b>20</b>	<b>209</b>
Net book values				
<b>At 31 March 2020</b>	<b>202</b>	<b>16</b>	<b>99</b>	<b>317</b>
At 31 March 2019	210	25	-	235

### The Association

	<b>Goodwill</b>	<b>Total</b>
	£'000	£'000
Cost		
At 1 April 2019	138	138
Transfers	-	-
Additions	-	-
Disposals	(138)	(138)
<b>At 31 March 2020</b>	<b>-</b>	<b>-</b>
Depreciation		
At 1 April 2019	138	138
Transfers	-	-
Charge for the year	-	-
Eliminated on disposals	(138)	(138)
<b>At 31 March 2020</b>	<b>-</b>	<b>-</b>
Net book values		
<b>At 31 March 2020</b>	<b>-</b>	<b>-</b>
At 31 March 2019	-	-

Goodwill of £138,000 arose on the reversion of the lease of Great Tower Scout Activity Centre on 31 March 2011 and the fully depreciated value has been eliminated as a disposal during the year.

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

Scout Shops Limited have capitalised the costs of creating a new web site. This will be amortised at rates of between 33% and 50% p.a. in line with the related contracts. During the year, the company acquired the business and assets of Infinity Print & Embroidery 2006 Ltd for £165,000, with assets at a fair value of £46,000, leading to goodwill on acquisition of £119,000.

## 10. Heritage fixed assets

### a. Heritage assets

Consolidated and the Association Unrestricted Funds	Scouting heritage, historical and contemporary assets
Cost or valuation	£'000
At 1 April 2019	3,553
Additions	-
Revaluations	-
At 31 March 2020	<b>3,553</b>

In line with the Museum Association Code of Ethics, the valuation of Heritage Collection acquisitions are only recorded where the item is of significant value and in need of insurance.

A valuation is provided for some of the key items in the Association's collection, particularly those relating to the Founder, since the nature of these items permits sufficiently reliable valuation. The initial valuation was prepared by Lyon & Turnbull, members of the Society of Fine Art Auctioneers and Valuers, in 2011. A revaluation report was produced by Pall Mall on 1 April 2016. In the opinion of the Trustees the values are applicable to these assets at 31 March 2020. Any surplus or deficit on revaluation is charged to the net movement in funds on the Consolidated Statement of Financial Activities. Additional valuations will only be carried out for the purpose of lending items to other organisations and insurance.

The Trustees consider that obtaining valuations for the remainder of the Collection would involve disproportionate cost due to the diverse nature of the material held and the lack of comparable market values. Other than the items that have been valued as described above, the Association does not recognise these assets on its Balance Sheet. It is the intention of The Scout Association to preserve these items indefinitely, therefore amortisation is not in our view appropriate.

### b. Five year financial summary of heritage asset transactions

There have been no purchases, donations, disposals or valuations in the last five years.

### c. Further information on heritage assets

The Association maintains a heritage collection of around 250,000 items. Through an active and innovative programme of collecting, interpreting and engagement, the Heritage Collection helps create connections between members of The Scout Association, both past and present, and the wider community. The Heritage Collection is managed by the Headquarters' Heritage Service. To ensure its ongoing representation of Scouting's story the Heritage Service continues to collect both historical and contemporary material. New acquisitions are normally made by donation with occasional low cost purchases. New material is acquired in accordance with The Scout Association's Collecting Policy and carried out in line with the Museum Association's Code of Ethics.

The Heritage Service, supported by a small team of volunteers, is working to catalogue the Collection in line with The Heritage Collections Trust SPECTRUM standard and the national standard for archive cataloguing, this activity is an ongoing priority. Currently approximately 10% of the Collection is catalogued to these standards.

The Association will occasionally approve the disposal of elements of the Collection, this process is carried out in accordance with the Code of Ethics and industry best practice as dictated by the Arts Council England Accreditation Standard. Disposal will be judged against the Association's Collecting Policy. Disposal will be carried out in line with the Disposal Policy and follow the Disposal Procedure. Disposal of

accessioned material only takes place with the approval of the Trustees or their designated representative. Disposal of non-accessioned items takes place with the approval of the Director of Commercial Services. In accordance with best practice the Heritage Service will always try to keep the item in the public domain by gifting it free of charge to other relevant museum collections or archives. If an appropriate museum or archive cannot be found the item may be considered for sale, any proceeds from such a sale would be restricted to the care and preservation of the Collection. Expenditure that is, in the Trustees' view, required to conserve or prevent further deterioration of individual items, including conservation work, is recognised as expenditure when it is incurred. The Heritage Service actively seeks external funding to support the delivery of this work.

A small number of Collection items is displayed within the buildings and grounds of Gilwell Park but most of the Collection is held in storage. Included in the development plans for Gilwell Park is a new facility which would increase public access to the Collection, through a permanent display and a series of temporary exhibitions, as well as providing more appropriate storage for the Collection, ensuring its long term preservation. Currently access to the Collection is provided through the enquiries service, research appointments, the Gilwell Park Heritage Trail, the Scout Heritage website and exhibitions and activities organised with partner organisations. The Heritage Service continues to reach out to new audiences through activities including participation in the national Heritage

Open Days scheme and programmes, including the UK Dementia Friendly Heritage Network.

The Association maintains the heritage collection in a good condition, and no items currently require substantial conservation expenditure. The nature of some of the assets, such as early cine-film, means they will deteriorate over time and should be considered a priority for preservation by digitisation and specialist storage.

## 11. Tangible fixed assets

Consolidated	Furniture, Fittings and Equipment					Motor Vehicles	Total
	Freehold Property	Leasehold Property	Systems Development	Systems Development	Systems Development		
Cost	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At 1 April 2019	28,933	1,074	11,533	7,473	115	49,128	
Transfers	-	-	-	-	-	-	-
Additions	332	94	408	1,652	-	2,486	
Disposals	(503)	-	(3)	-	(15)	(521)	
<b>At 31 March 2020</b>	<b>28,762</b>	<b>1,168</b>	<b>11,938</b>	<b>9,125</b>	<b>100</b>	<b>51,093</b>	
Depreciation							
At 1 April 2019	7,756	1,033	9,339	4,890	109	23,127	
Transfers	-	-	-	-	-	-	-
Charge for the year	762	9	876	935	5	2,587	
Eliminated on disposals	(85)	-	(3)	-	(15)	(103)	
<b>At 31 March 2020</b>	<b>8,433</b>	<b>1,042</b>	<b>10,212</b>	<b>5,825</b>	<b>99</b>	<b>25,611</b>	
Net book values							
<b>At 31 March 2020</b>	<b>20,329</b>	<b>126</b>	<b>1,726</b>	<b>3,300</b>	<b>1</b>	<b>25,482</b>	
At 31 March 2019	21,177	41	2,194	2,583	6	26,001	
The Association	Furniture, Fittings and Equipment					Motor Vehicles	Total
	Freehold Property	Leasehold Property	Systems Development	Systems Development	Systems Development		
Cost	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At 1 April 2019	28,933	1,074	10,051	7,133	97	47,288	
Transfers	-	-	-	-	-	-	-
Additions	332	94	302	1,648	-	2,376	
Disposals	(503)	-	-	-	(15)	(518)	
<b>At 31 March 2020</b>	<b>28,762</b>	<b>1,168</b>	<b>10,353</b>	<b>8,781</b>	<b>82</b>	<b>49,146</b>	
Depreciation							
At 1 April 2019	7,756	1,033	8,050	4,597	94	21,530	
Transfers	-	-	-	-	-	-	-
Charge for the year	762	9	804	921	2	2,498	
Eliminated on disposals	(85)	-	-	-	(15)	(100)	
<b>At 31 March 2020</b>	<b>8,433</b>	<b>1,042</b>	<b>8,854</b>	<b>5,518</b>	<b>81</b>	<b>23,928</b>	
Net book values							
<b>At 31 March 2020</b>	<b>20,329</b>	<b>126</b>	<b>1,499</b>	<b>3,263</b>	<b>1</b>	<b>25,218</b>	
At 31 March 2019	21,177	41	2,001	2,536	3	25,758	

## 12. Fixed asset investments

	2020	2019
	£'000	£'000
<b>Cost of shares</b>		
Balance at 1 April 2019 and 31 March 2020	502	502
<b>Provision for diminution in value</b>		
Balance at 1 April 2019 and 31 March 2020	(2)	(2)
<b>Net investment in subsidiaries</b>	<b>500</b>	<b>500</b>

The Association owns 100 per cent of the following unlisted companies:

	Country of incorporation	Company number	Issued share capital
Scout Shops Limited	England & Wales	1101498	£200,000
Scout Insurance Services Limited	England & Wales	05038294	£100,000
Scout Insurance (Guernsey) Limited	Guernsey	23426	£100,000
Scout Services Limited	England & Wales	1920846	£100
World Scout Shop Limited	England & Wales	07767748	£100,000
Unity Insurance Services Limited (dormant)	England & Wales	06093321	£1

The Boards of Directors of Scout Shops Limited, World Scout Shop Limited, Scout Services Limited and Scout Insurance Services Limited have covenanted their companies' distributable profits to the Association.

The Directors of Scout Insurance (Guernsey) Limited declared an interim dividend of £200,000 for the year ended 31 March 2020 (2019: £700,000) which was paid to the Association in December 2019.

The principle activities of each subsidiary are:

### Scout Shops Limited

Sale and distribution of merchandise

### Scout Insurance Services Limited

Insurance broker

### Scout Insurance (Guernsey) Limited

Insurance company

### Scout Services Limited

Sponsorship and marketing services for The Scout Association and other commercial activities

### World Scout Shop Limited

Sale and distribution of World Scout Organisation branded merchandise

**Investment in Subsidiaries**

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

						2020	2019
	Scout Shops Limited	World Scout Shop Limited	Scout Services Limited	Scout Insurance Services Limited	Scout Insurance (Guernsey) Limited	Total	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Trading income	9,375	546	3,842	2,439	828	17,030	16,811
Cost of sales	(4,425)	(305)	(2,844)	(1,200)	(565)	(9,339)	(8,893)
Gross profit	4,950	241	998	1,239	263	7,691	7,918
Other income	94	47	-	3	69	213	345
Other costs and expenses	(2,025)	(255)	(260)	-	(87)	(2,627)	(2,194)
Surplus before taxation	3,019	33	738	1,242	245	5,277	6,069
Taxation	-	-	-	6	-	6	67
Dividend/donation to the Association	(3,019)	(33)	(738)	(1,242)	(200)	(5,232)	(6,427)
Net surplus	-	-	-	6	45	51	(291)
Net loss on investments	-	-	-	-	(14)	(14)	-
<b>Retained surplus/(deficit)</b>	-	-	-	6	31	37	(291)
<b>Shareholders' funds</b>							
Share capital	200	100	0	100	100	500	500
Reserves	137	-	-	61	1,960	2,158	2,121
<b>Fund balances as at 31 March 2020</b>	<b>337</b>	<b>100</b>	<b>0</b>	<b>161</b>	<b>2,060</b>	<b>2,658</b>	<b>2,621</b>

**13. Fixed asset investments****Listed investments**

	Consolidated		The Association	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Market value at 1 April 2019	16,576	16,452	9,904	9,889
Acquisitions at cost	15,654	109	-	-
Disposals at cost	(16,354)	-	-	-
Net (loss)/gain on revaluation at 31 March	(1,125)	15	(1,111)	15
<b>Market value at 31 March 2020</b>	<b>14,751</b>	<b>16,576</b>	<b>8,793</b>	<b>9,904</b>
<b>Historical cost at 31 March 2020</b>	<b>19,258</b>	<b>16,926</b>	<b>10,010</b>	<b>9,978</b>

All the investments are classified as tier 1 in the fair value hierarchy, being quoted prices in an active market. The investments have a credit rating of at least A. The investments are subject to market risk, with their value changing as market prices change. The investments are held both by the insurance subsidiary for the purposes of insurance activities, and by other entities within the group for the benefit of Scouts.

The Association paid £13,000 investment management fees and commission charges to Cazenove Capital Management during the year (2019: £29,000).

## 14. Stocks

	Consolidated		The Association	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Goods for resale	1,727	1,364	279	137

## 15. Debtors

	Consolidated		The Association	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Trade debtors	2,925	3,984	478	904
Amounts owed by subsidiaries	-	-	3,778	3,950
Prepayments and accrued income	2,327	14,910	2,173	14,601
Other debtors	1,042	1,216	433	634
Debtors within one year	6,294	20,110	6,862	20,089
Other debtors due in more than one year	685	867	685	867
	6,979	20,977	7,547	20,956

Prepayments as at 31 March 2019 include amounts in respect of the World Scout Jamboree, which took place in July 2019.

Other debtors includes secured, interest bearing loans made to Scout Groups. These are repayable as shown below.

	Consolidated and The Association	
	2020	2019
	£'000	£'000
Within one year	133	184
Between 2021 and 2029	685	867
	818	1,051

## 16. Current asset investments

The Association holds short-term deposits with Royal London Asset Management, and a bank current account with Barclays, which back amounts deposited by Scout Groups in the Short Term Investment Service

	Consolidated and The Association	
	2020	2019
	£'000	£'000
Market value at 1 April 2019	11,335	11,977
Net movement in deposits for the year	255	(642)
Change in market value, gain/(loss)	(48)	-
Market value at 31 March 2020	11,542	11,335

## 17. Creditors

	Consolidated		The Association	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
<b>Amounts falling due within one year</b>				
Deposits by Scout Groups in the Short Term				
Investment Service	<b>11,516</b>	11,336	<b>11,516</b>	11,336
Trade creditors	<b>2,859</b>	3,794	<b>920</b>	1,714
Amounts owed to subsidiaries	-	-	<b>53</b>	400
Other creditors	<b>9,283</b>	24,275	<b>3,936</b>	16,869
	<b>23,658</b>	39,405	<b>16,425</b>	30,319
<b>Amounts falling after more than one year</b>				
Insurance technical reserve	<b>1,489</b>	1,049	-	-
	<b>1,489</b>	1,049	-	-

Included in other creditors are provisions relating to ongoing claims. Other creditors at 31 March 2019 includes deferred income in respect of the World Scout Jamboree which took place in July 2019. Other creditors as at 31 March 2019 includes deferred income in respect of the World Jamboree which took place in July 2019.

To hedge the currency risk of the cost of attending overseas Scouts events, the Association enters into forward currency purchase agreements. In March 2020, contracts were agreed for the purchase of Euros to attend the Irish Moot in 2021. As at 31 March 2020, there were contracts for the purchase of €450,000 with a value date of 1 July 2020, and for €250,000 with a value date of 1 March 2021. At 31 March 2020 there was exposure of £10,000, included in other creditors, in respect of these contracts. This is shown as a fair value movement in the statement of financial activities, less the £2,000 reversal of last year's creditor. At 31 March 2019, there was exposure for £2,000 for the purchase of Canadian dollars.

One of the group's subsidiary entities, Scout Insurance (Guernsey) Limited, undertakes insurance activities. Within these financial statements, an insurance technical reserve is recognised for claims incurred but not reported (IBNR) against insurance policies written by that company. The IBNR reserve is included in creditors due after more than one year.

## 18. Fund Balances

### a. Reconciliation of movement in funds

	Balance 1 April 2019 £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains and losses £'000	Balance 31 March 2020 £'000
<b>Group and charity</b>						
<b>Endowment funds</b>						
1914 Endowment Fund	973	-	-	-	(109)	864
All other funds	318	2	-	-	(36)	284
	1,291	2	-	-	(145)	1,148
<b>Restricted funds</b>						
King George VI Leadership Fund	788	37	(37)	-	-	788
International Fund	179	4	(26)	(9)	-	148
Benevolent Fund	159	12	(26)	-	-	145
Cornwell Memorial	189	3	(3)	-	-	189
Gilwell Development	191	64	(186)	-	-	69
Pears Foundation Big Lottery Fund	922	-	(465)	(28)	-	429
NCS Partnership Project	6	290	(170)	(16)	-	110
Mercers Early Years	-	164	(53)	(8)	-	103
Financial Capabilities (HSBC UK)	-	79	-	-	-	79
DfE Diamond Fund	14	67	(3)	(18)	-	60
Local Development Funds	617	1,267	(1,154)	(62)	-	668
All other funds	1,291	495	(593)	10	-	1,203
	4,356	2,482	(2,716)	(131)	-	3,991
<b>Designated funds</b>						
Fixed assets	29,311	-	-	(540)	-	28,771
World Scout events	235	-	-	845	-	1,080
Future growth	103	-	(99)	6	-	10
Gilwell Park buildings	149	-	-	-	-	149
Capital development	591	-	-	(311)	-	280
	30,389	-	(99)	-	-	30,290
<b>Unrestricted funds</b>						
General funds	10,514	33,809	(36,993)	131	(1,022)	6,439
Pension reserve	(10,355)	-	2,158	-	3,365	(4,832)
	159	33,809	(34,835)	131	2,343	1,607
<b>Total charity funds</b>	<b>36,195</b>	<b>36,293</b>	<b>(37,650)</b>	<b>-</b>	<b>2,198</b>	<b>37,036</b>
<b>Group</b>						
<b>Non-charitable trading funds</b>						
Trading subsidiaries	2,121	17,249	(17,198)	-	(14)	2,158
<b>Total group funds</b>	<b>38,316</b>	<b>53,542</b>	<b>(54,848)</b>	<b>-</b>	<b>2,184</b>	<b>39,194</b>

**a. Reconciliation of movement in funds for 2018/19**

	Balance 1 April 2018 £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains and losses £'000	Balance 31 March 2019 £'000
<b>Group and charity</b>						
<b>Endowment funds</b>						
1914 Endowment Fund	980	-	-	-	(7)	973
All other funds	317	1	-	-	-	318
	1,297	1	-	-	(7)	1,291
<b>Restricted funds</b>						
King George VI Leadership Fund	782	20	(12)	-	(2)	788
International Fund	193	11	(24)	-	(1)	179
Benevolent Fund	166	6	(12)	-	(1)	159
Cornwell Memorial	186	6	(3)	-	-	189
Gilwell Development	195	27	(31)	-	-	191
Pears Foundation Big Lottery Fund	1,300	-	(378)	-	-	922
Local Development Funds	869	1,000	(1,398)	146	-	617
All other funds	1,314	387	(435)	45	-	1,311
	5,005	1,457	(2,293)	191	(4)	4,356
<b>Designated funds</b>						
Fixed assets	30,005	-	(41)	(653)	-	29,311
World Scout events	270	-	(35)	-	-	235
Future growth	-	-	-	103	-	103
Gilwell Park buildings	149	-	-	-	-	149
Capital development	-	-	-	591	-	591
	30,424	-	(76)	41	-	30,389
<b>Unrestricted funds</b>						
General funds	9,910	18,348	(17,813)	(232)	301	10,514
Pension reserve	(8,454)	-	109	-	(2,010)	(10,355)
	1,456	18,348	(17,704)	(232)	(1,709)	159
<b>Total charity funds</b>	<b>38,182</b>	<b>19,806</b>	<b>(20,073)</b>	<b>-</b>	<b>(1,720)</b>	<b>36,195</b>
<b>Group</b>						
<b>Non-charitable trading funds</b>						
Trading subsidiaries	2,412	17,156	(17,447)	-	-	2,121
<b>Total group funds</b>	<b>40,594</b>	<b>36,962</b>	<b>(37,520)</b>	<b>-</b>	<b>(1,720)</b>	<b>38,316</b>

**b. Endowment funds - Consolidated and the Association**

Endowment funds include the 1914 Endowment Fund and 6 (2019: 6) other funds administered by the Association. Income from the 1914 Endowment Fund and two others is unrestricted and credited to the General Fund. Income from one fund is restricted and income from the remaining fund is paid to an external Scouting beneficiary.

**c. Restricted funds - Consolidated and the Association**

The main restricted funds are shown in note 18(a), comprising national and local development funds.

Further details of the funds available, and the process of applying to them for grants, are to be found at [scouts.org.uk/grants](https://scouts.org.uk/grants).

**d. Designated funds - Consolidated and the Association**

The fixed asset fund represents the value of the tangible fixed assets, goodwill and licences, and heritage assets. The Gilwell Park buildings' fund separately represents the value of those assets.

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

The Future Growth Fund, administered by the Development Grants Board, is used to finance a variety of projects relating to the medium to long term growth of Scouting.

The Capital Development Fund represents capital projects that have been approved by the Finance Committee to improve the safeguarding and operations of the charity, where the future commitment has not been incurred at the year end.

**e. Analysis of net assets between funds**

<b>31 March 2020</b>	<b>Unrestricted</b>	<b>Restricted</b>	<b>Endowment</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Intangible fixed assets	317	-	-	<b>317</b>
Heritage assets	3,553	-	-	<b>3,553</b>
Tangible fixed assets	25,482	-	-	<b>25,482</b>
Investments	13,603	-	1,148	<b>14,751</b>
Current assets	9,563	15,507	-	<b>25,070</b>
Current liabilities	(12,142)	(11,516)	-	<b>(23,658)</b>
Long term liabilities	(1,489)	-	-	<b>(1,489)</b>
Pension liability	(4,832)	-	-	<b>(4,832)</b>
	<b>34,055</b>	<b>3,991</b>	<b>1,148</b>	<b>39,194</b>
<b>31 March 2019</b>	<b>Unrestricted</b>	<b>Restricted</b>	<b>Endowment</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Intangible fixed assets	235	-	-	235
Heritage assets	3,553	-	-	3,553
Tangible fixed assets	26,001	-	-	26,001
Investments	15,285	-	1,291	16,576
Current assets	27,068	15,692	-	42,760
Current liabilities	(28,069)	(11,336)	-	(39,405)
Long term liabilities	(1,049)	-	-	(1,049)
Pension liability	(10,355)	-	-	(10,355)
	<b>32,669</b>	<b>4,356</b>	<b>1,291</b>	<b>38,316</b>

## 19. Other financial commitments and authorised expenditure

	2020	2019
	£'000	£'000
At 31 March 2020, the Group had the following minimum lease payment obligations under non-cancellable operating leases		
Within one year	195	422
Between one and five years	237	312
<b>Total</b>	<b>432</b>	<b>734</b>

At 31 March 2020, there was capital expenditure authorised but not committed of £280,000 (2019: £591,000) reflected in the designated capital development fund shown in Note 18.

## 20. Events occurring after the reporting period

Since the 31 March 2020 year end, The Scout Association has arranged an overdraft facility with Barclays Bank for £2m, secured on one of the Association's properties.

In May 2020, The Scout Association received a loan of £1m from Scout Insurance (Guernsey) Limited. The loan is unsecured, fixed for a period of 364 days and bears interest at 1.5%.

Scout Shops Limited has arranged a £3m loan under the government Coronavirus Business Interruption Loan Scheme with Barclays Bank, secured by The Scout Association. With a six month repayment holiday, the loan is repaid in quarterly instalments over five years. Interest is charged at 2.3% above a floating base rate.

## 21. Contingent liability

The Scout Association offers unique experiences to 6 to 25 year olds in order to encourage them to strive to realise their full potential. Putting young people first is a key objective that underpins everything we do. It has always been the policy of the Scout Association to make sure that young people are protected from harm; this has been at the forefront of developing both our safeguarding education programme and our processes and procedures. However, the nature of this work could give rise to potential claims against the Scout Association. Provisions for current claims are included within Other creditors.

## 22. Related party transactions

During the year, 20 Trustees (2019: 14 Trustees) were reimbursed expenses, such as travel and subsistence, incurred in their attending meetings and in the carrying out of their duties. Note 6 refers to trustee remuneration.

Transactions with the defined benefit pension scheme comprised agreed ongoing deficit and administration payments of £550,000 plus a one-off £2,000,000 payment (2019: £550,000) in accordance with the agreed deficit reduction plan. There were also normal contributions in respect of current employees of £202,000 (2019: £250,000).

Related party transactions with subsidiaries:

Entity	Sales made by TSA to related party £'000	Management charges to related party £'000	Purchases from related party £'000	Amounts due from related party at 31 March 2020 £'000	Amounts due to related party at 31 March 2020 £'000
Scout Shops Limited	-	70	192	2,136	52
World Scout Shop Limited	-	-	-	33	-
Scout Services Limited	262	250	329	288	-
Scout Insurance Services Limited	-	75	-	1,307	1

# Our members

Census results for the year ending 31 January 2020

	Male	Female	Self-identify	Prefer not to say	Total	Notes
<b>Youth membership</b>						
Beaver Scouts	100,997	25,633	8	392	127,030	
Cub Scouts	122,714	34,085	19	354	157,172	
Scouts	96,955	36,089	34	395	133,473	
Explorer Scouts	30,489	15,195	61	162	45,907	
Network Members	10,409	5,892	8	192	16,501	1
	361,564	116,894	130	1,495	480,083	
<b>Adult membership (listing the main role category for each adult volunteer)</b>						
Section leadership team members	44,835	38,777	33	49	83,694	
Plus Young Leaders	11,788	6,673	28	34	18,523	2
Manager roles	4,570	2,228	0	7	6,805	3
Governance roles	16,159	18,647	1	46	34,853	4
Support roles	18,314	13,027	4	65	31,410	5
	83,878	72,679	38	167	156,762	
<b>Total membership</b>	<b>445,442</b>	<b>189,573</b>	<b>168</b>	<b>1,662</b>	<b>636,845</b>	

## Our operation comprises

Beaver Scout Colonies	7,727
Cub Scout Packs	8,129
Scout Troops	7,229
Explorer Scout Units, including Young Leader Units	2,958
Scout Networks	564
Scout Active Support Units	1,477
Groups	7,220
Districts	638
Counties, Regions (Scottish), Areas, Islands	88

## Notes

1. Of the 16,501 Network members, 11,414 also have a another 'adult' role (in a Section or a Governance or a Support role) So the total number of persons over 18 with a volunteer role is  $156,762 + 11,414 = 168,176$ .
2. Young Leaders (aged 14-18) are included in the Explorer Scout numbers above. However, they are also members of their Section Leadership Team and so the total membership of Section Leadership Teams is  $83,694 + 18,523 = 102,217$
3. Manager roles have the responsibility and authority to ensure effective operation of their charity (the Scout Group, the Scout District, etc.) so that the charitable objectives are met. They are Group Scout Leaders, District and County Commissioners and others.
4. Governance roles form the membership of each charity's Board of Trustees or Executive Committee, together with any sub-committees. Each Board of Trustees is responsible for ensuring the strategic direction of the charity is achieved. The 34,853 Governance roles do not include the volunteers who have an Ex Officio Trustee role (for example Lead Managers, Youth Commissioners and others).
5. Support roles are vital roles to support the line managers in the effective operation of Scouting, and particularly contributing to enabling the effective operation of each Colony, Pack, Troop, Unit and Network.

# How we operate

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

This report and accounts cover the activities directly controlled by the Association – charity numbers 306101 (England and Wales) and SCO38437 (Scotland). This includes its five wholly owned subsidiary companies – Scout Shops Limited, Scout Insurance Services Limited, Scout Insurance (Guernsey) Limited, Scout Services Limited and World Scout Shop Limited (see note 12 to the financial statements for further information on these Companies).

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

## The Board of Trustees

The management of the Association's business is vested in the Board of Trustees. The Board has 20 members:

- twelve members nominated and elected by the Council of The Scout Association at the AGM: nine elected members and three elected youth members
- five members appointed by the Council at the AGM on the recommendation of the Board: the Chair of the Board, the Treasurer and up to three others
- three Ex-Officio Members, the Chief Executive and UK Chief Commissioner, and the UK Youth Commissioner.

We provide an induction for all new Trustees and all Trustees take part in further training and development opportunities throughout the year.

These include a training and development session before each Board meeting which focuses on one or more areas material to the Association's business.

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

- Programmes of Work update
- safeguarding and safety
- the Board's responsibilities as an employer.

The Board's responsibility includes policy making and oversight of risk management. It delegates the day to day management of the Association to the Chief Executive and UK Chief Commissioner, who work in partnership with the UK Chief Commissioner's team, the UK Youth Commissioner and his team (Team UK), and the Senior Leadership Team. The Board also delegates certain functions to the seven Committees which report to it (Operations; Finance; People and Culture; Nominations and Governance; Safeguarding; Safety and Risk). The Board appoints Trustees to serve on these Committees annually, with the Committee Chair having a three-year term, subject to performance and their continuation as a Trustee. The Board met four times during 2019/20.

## Policies and rules

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

Our key policies include:

- anti-bullying policy
- development policy
- equal opportunities policy
- privacy and data protection policy
- religious policy
- safeguarding policy
- safety policy
- vetting policy

## Risk management

A comprehensive risk management process is operated by The Scout Association and its subsidiaries in order to make sure that appropriate steps are taken to manage and mitigate governance, external, operational (including safety and safeguarding), legal/ regulatory and financial risks. This is overseen and monitored by the Risk Committee on behalf of the Board.

The process involves the identification and grouping of the risks we face, evaluating them in terms of their potential impact and likelihood to occur, considering the Association's risk appetite and identifying means whereby the risks can be mitigated and managed. Responsibility for risk management is assigned to members of the Senior Leadership Team and Chairs of the Board's reporting committees, as well as the Boards of its subsidiaries.

The undertaking of Scouts activities requires risk identification and its reasonable mitigation, to ensure the achievement of our charitable objectives.

The Board reviews its major risks throughout the year. The safety and safeguarding of young people involved in Scouts are our highest priorities.

Other major risks include:

- reputational damage stemming from external factors
- a decline in youth membership
- insufficient number of adult volunteers
- information security breach
- failure to deliver on digital projects
- pension scheme deficit liabilities increasing faster than the agreed recovery plan and investment performance
- financial.

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

During the year, the risk framework has been used regularly to enable trustees and managers to respond to risk in a structured and robust fashion. The register was revised and approved by the Board, with more detailed work now underway to make sure mitigants are

robust. This work will continue into 2020/21, including taking into account the impacts of the COVID-19 pandemic on the association's risk and control environment.

In support of other charities in the Association, the agreed risk management framework continues to evolve. Work continues to support local Executive Committees to deliver their risk management responsibilities based on guidance from the Charity Commission.

## Safeguarding

Safeguarding's a golden thread throughout Scouts, in that keeping young people in our care safe from harm is our number one priority.

We firmly believe an open and transparent culture of challenge is how we protect our young people. Our Yellow Card Code of Practice for adults in Scouts is embedded in everything we do. A continued priority is making sure everyone knows about this, including young people and parents, so they're clear about the expectations and behaviours of our volunteers and what to do if this code isn't followed.

Scouts has a centralised national Safeguarding team that deals with all safeguarding, welfare and suitability referrals covering adults and young people. A key part of the team's work is liaising closely with all statutory agencies as part of our safeguarding processes.

The Safeguarding team comprises of professionals who've previously been involved in safeguarding practice. This includes social workers, ex-child protection police officers, probation officers, early years practitioners and education professionals.

We strive to continually improve the service, and recent enhancements include: a further development of the duty process to make sure referrals are responded to in a timely manner, and bringing the organisation's vetting processes fully into the Safeguarding team so to make sure our safer recruitment procedures are robust.

We continue to work with the Disclosure and Barring Service, Disclosure Scotland, and AccessNI as part of our safer recruitment processes.

Our safeguarding training and support material are continually refreshed to make sure they're current, and significant work's been undertaken to review the mandatory training our volunteers are required to complete in safeguarding and safety, bringing this to a rolling three years from five. As part of the review, we're looking at how we validate training to make sure it remains accessible to all.

The Board of Trustees receives a quarterly report on safeguarding. The organisation has a strong Safeguarding Committee that's chaired by a Trustee with extensive experience in safeguarding. Included in the composition are external safeguarding experts.

The Safeguarding Committee is in receipt of regular performance data and makes sure this is used effectively to improve practice, make appropriate changes to training, and to make sure lessons learnt are effectively implemented.

We continue to engage with the wider sector, sharing best practice, and have presented at national conferences on our safeguarding arrangements and governance as examples of best practice. We also work in partnership with government bodies so that we remain at the forefront of safeguarding practice.

## Safety

As with safeguarding, safety's a golden thread throughout the organisation with the priority of keeping young people in our care safe from harm being our number one priority.

In order to achieve this, we have a range of measures in place. These include:

- As part of the organisation's suite of key policies, our Safety Policy clearly outlines the commitment to safety expected from all of those in Scouts, making sure they play their part in keeping Scouts safe. The Safety Policy is reviewed annually and is informed by wider sector best practice.

- The organisation has a Safety Committee, which reports directly to the Board of Trustees, and those responsibility is to provide leadership and oversight of safety policies, procedures and rules that are provided to our volunteers. It's chaired by an external appointee with significant professional experience of health and safety management, who is also a Trustee. The membership of the Safety Committee includes a range of individuals with extensive experience in health and safety across a number of sectors.
- The Board of Trustees receives an update on safety matters (including incident statistics, training and compliance reports) at each of its quarterly meetings. Annually, it receives a full report of the activities of the Safety Committee and a detailed overview of trends and statistics.
- We recognise the importance of learning from experience and making sure that we have robust responses when incidents occur. This approach is embedded in our culture and systems through the movement. The Safety Committee has processes and procedures in place to gather data about incidents and consider that data carefully to make improvements.

This year, we've focussed on a review of our safety training, including a review of our information and factsheets for volunteers to make sure they can be easily understood and applied. We also have a rolling programme focussing on training compliance to make sure that all volunteers have the right training at the right time.

### **Fundraising: our approach**

Section 162A of the Charities Act 2011 requires charities to make a statement regarding fundraising activities. The day-to-day management of all income generation's delegated to the Senior Leadership Team, which is accountable to the Board of Trustees. We take the protection of our supporters and donors' personal data very seriously: we never use personal data in any way that they don't wish us to; we always provide them with the opportunity to change their minds if they no longer want

to receive communications; we never share or sell their data; and we don't contact anyone, if we know they don't want us to.

Although we don't receive widespread fundraising from the general public, we do enter into Commercial Participator Agreements with commercial partners who sponsor a variety of our programmes, and this activity is fundraising for the purpose of section 162A of the Charities Act 2011. We also receive legacies, grant funding and donations, which are presented in our accounts as 'voluntary income'. We make sure that no one's ever pressured to leave us a legacy or donate any funds.

The charity, nor any person acting on its behalf, has been subject to any undertaking to be bound by any voluntary scheme for regulating fundraising. We're a member of the Institute of Fundraising regulated by the Fundraising Regulator, and comply with the standards in the Fundraising Regulator's Code of Fundraising Practice, as well as all other relevant legislation codes of practice and guidance. All staff involved in fundraising are made aware of, and the need to comply with, the requirements of relevant fundraising legislation and codes of practice.

We're not aware of any failure to comply with the Fundraising Regulator's Code of Fundraising Practice in relation to our fundraising activities, either by us, our staff, or our Commercial Participators.

We monitor fundraising activities undertaken by our Commercial Participators. All contracts with Commercial Participators contain a provision for monitoring by us. This is usually undertaken by way of regular meetings between the parties and feedback on the progress of any fundraising activity, and an obligation to provide access to additional information and assistance as may be necessary to help us to demonstrate compliance with our duty to monitor. Where Commercial Participators are sponsors, but not undertaking any direct public fundraising, the requirement for access to additional information isn't always deemed necessary.

We've received no complaints on our fundraising activity.

All our Commercial Participator Agreements include an obligation to make sure that they act at all times to protect vulnerable people from any intrusion to their privacy, and don't make any unreasonable approaches to, or put undue pressure on, any vulnerable people to give money to the charity. This is included even if they're not undertaking any direct public fundraising.

# Governance structure and Board membership – 1 April 2019 to 31 March 2020

## Founder

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

## Patron

Her Majesty The Queen

## President

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

## Vice Presidents

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

Lord Baden-Powell  
(deceased Dec 2019)

John Beresford CBE

Wayne Bulpitt CBE

Peter Duncan

George Purdy CBE

## Chief Scout

Lt Col (Hon) Bear Grylls RM OBE

## The Board of Trustees

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

- 1 = Finance Committee Member
- 2 = Operations Committee Member
- 3 = Nominations and Governance Committee Member
- 4 = People and Culture Committee Member
- 5 = Risk Committee Member
- 6 = Safeguarding Committee Member
- 7 = Safety Committee Member

## Trustees (voting)

Gordon Boyd (75%) 1, 4  
Treasurer

David Branagh (100%) 1, 5

Jack Bullon (100%) 1, 3, 7  
(until September 2019)

Frances Craven (100%) 6  
(until September 2019)

Gareth Davies (100%) 1  
(until September 2019)

Craig Dewar-Willox (100%) 6  
(from September 2019)

Nicola Gamlen (100%) 1, 3

Graham Haddock (100%) 3  
(from September 2019)

Sue Harris (100%) 2, 5, 6

Stuart Howells (100%) 3, 4, 5  
Vice Chair of the Board  
(until September 2019)

Gareth Jones (100%) 2, 3,5

John Kennedy (100%) 1, 3  
(until September 2019)

Dr Ann Limb CBE DL, (100%) 3  
Chair of the Board

Matt Mills (75%) 2, 3, 5  
Vice Chair of the Board (from  
September 2019)

Kieron Moir (100%) 2

Caroline Pearce (100%) 4  
(from September 2019)

Ashley Russell (100%) 3

Lexie Sims (50%) 4

David Sandall (100%) 6  
(from September 2019)  
Jane Simpson (75%) 7

Rhiannon Wells (75%) 2  
(from September 2019)

Michael Wood-Williams (100%) 1, 5  
(from September 2019)

Ollie Wood (100%) 2, 3  
UK Youth Commissioner  
Tim Kidd OBE (100%) 2, 3  
UK Chief Commissioner

Matt Hyde OBE (100%) 3  
Chief Executive

## Right of attendance (non-voting)

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

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

David Hamilton  
Director of Communications  
and Marketing

Mark Hislop  
Director of Commercial Services

Ross Maloney  
Chief Operating Officer 2

Yvonne Smithers  
Chief Financial Officer 1

Margaret Giles  
Company Secretary 5

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

## Our advisers

**Auditors:****From January 2020**

Crowe U.K. LLP  
Carrick House  
Lypiatt Road  
Cheltenham  
GL50 2QJ UK

**Bankers:**

Barclays Bank plc  
1 Churchill Place  
London  
E14 5HP

**Investment managers:**

Cazenove Capital Management  
London Wall Place  
London  
EC2Y 5AU

**Pension advisers:**

Barnett Waddingham LLP (until early  
2020)  
Port of Liverpool Building, Pier Head  
Liverpool L3 1BW

**ENTRUST****From January 2020**

Ship Canal House  
98 King Street  
Manchester  
M2 4WU

**Solicitors:**

Bates Wells LLP  
10 Queen Street Place  
London  
EC4R 1BE

Kennedys  
25 Fenchurch Avenue  
London  
EC3M 5AD

# Our thanks

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

We'd like to thank our Gilwell Fellows and supporters of Gilwell Park, UK Fellows, 1st Gilwell Park and Campfire Circle supporters, along with everybody that generously gives and raises money on our behalf throughout the year.

## Fundraising

With thanks to our valued partners

British Army  
Cross Country  
Flip Out  
Fox Pictures – The Call of the Wild  
GoFund Me  
Go Outdoors  
Gravity  
HSBC  
Institute of Electrical Engineering and Technology  
Jaffa  
LittleBird  
Macmillan Publishing  
Manchester United Foundation  
Micro:bit  
Nominet  
Pets at Home  
Plusnet  
Pokemon  
Raspberry Pi  
Rolls Royce  
Royal Airforce  
Royal Navy  
Salvation Army  
Swimming Teachers Association (STA)  
UK Power Networks  
UK Space Agency  
Victorinox  
Warhammer  
WRAP

## Trusts and Foundations

Appreciation goes to all our valued funders:  
The Alpkit Foundation  
Aziz Foundation  
The Blagrave Trust  
National Lottery Community Fund  
Department for Digital, Culture, Media and Sport  
Department of Education  
Department for the Environment and Rural Affairs  
Dudley and Geoffrey Cox Charitable Trust  
Duke of Edinburgh Award  
The Eric Frank Trust  
Four Acre Trust  
Islamic Relief UK  
John Lyon's Charity  
The Mercers' Company Charity  
Masonic Charitable Foundation  
NCS Trust  
Pears Foundation  
Penny Appeal  
Privy Purse Charitable Trust  
The Royal Institute of Chartered Surveyors  
The Tanner Trust  
Trinity House  
The TCC Foundation  
The Worshipful Company of Shipwrights  
Youth United Foundation  
#iWill Fund

## Community Impact – 'A Million Hands' partners

The British Red Cross  
Crisis  
Inspire  
Mind  
National Autistic Society  
Save the Children  
Scottish Association of Mental Health  
The Simon Community NI  
WWF

## Other charity partners

Action for Children  
British Youth Council  
Generation Change  
Girlguiding UK  
National Citizen Service  
National Council for Voluntary Organisations (NCVO)  
Step Up to Serve

## Scout Ambassadors

Steve Backshall MBE  
Julia Bradbury  
Warwick Davis  
Chris Evans  
Dwayne Fields  
Megan Hine  
Helen Glover MBE  
Tim Peake CMG  
Anita Rani  
Ellie Simmonds OBE  
Ed Stafford

## Scout Adventurers

Darren Clarkson-King  
Sean Conway  
Karen Darke MBE  
Joe Doherty  
Alastair Humphreys  
Laura Jones  
Rhys Jones  
Poldy van Lynden  
Robert McArthur  
Phoebe Smith  
Mark Wood

**INVESTORS IN PEOPLE®**  
**We invest in people** Gold

This year, we retained our Investors in People accreditation and achieved the prestigious Gold standard. The assessor highlighted that people really live by the organisation's values and understand (and achieve) our strategy. Our accreditation lasts for three years: we're working on how we set objectives and nurture ideas as we aim for Platinum, the highest level.



**The Scout Association**

**Charity numbers:**

306101 (England and Wales)

SCO38437 (Scotland)

**Registered address:**

Gilwell Park

Chingford

London E4 7QW

**Contact us:** [info.centre@scouts.org.uk](mailto:info.centre@scouts.org.uk)