

The Guide Dogs for the Blind Association

Report and Financial Statements 2017



Guide Dogs is a company limited by guarantee registered in England and Wales (number 00291646) and a charity registered in England and Wales (number 209617) and Scotland (number SC038979).

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Introduction

Changing lives since 1931

We are Guide Dogs, and we exist to provide life-changing services for the 360,000 people who are registered blind or partially sighted, or who are severely visually impaired.

We've been on this journey since our first guide dog partnerships were formed in 1931. In recent years, we have expanded our services beyond our dogs to help thousands of people with different needs lead confident, independent and fulfilling lives.

But we know we must do more to help the increasing number of people living with sight loss.

The rise in the UK's elderly population continues to impact social care. Local authority funding shortages leave the third sector under great pressure to plug gaps. Sight loss is devastating, yet 70% of adults receive no support within the first 12 months of diagnosis. Childhood sight loss is also on the increase in the UK. Some 80% of a child's learning takes place using vision; every day they go without support can affect their development.

Sight loss often leads to depression, loneliness and financial insecurity. Most people who lose their sight also lose confidence that prevents them from participating in everyday activities, and 70% of those of working age are unemployed.

We want to create a world where sight loss is not a barrier in life and shape a society that is inclusive. We have spent the last year working hard to improve our services to meet the many different needs our customers face. This annual report captures some of this amazing work and the impact it makes on people's lives.

Message from the Chairman and Chief Executive

Guide Dogs is a well-known and much-loved charity, but the breadth of what we do and the impact we make is not fully understood by everyone. We are determined to help shape a society that is inclusive for children and adults with sight loss, through the services we provide and the influence we bring.

The dedication, passion and knowledge demonstrated day in, day out by our staff, volunteers and partners, is clear. It means that together, we can build Guide Dogs into a charity that helps society become more inclusive, so that the increasing number of people living with sight loss can access support when and where they need it, and live their lives to the full.

Reflections on our work and achievements in 2017

We set out to improve our support for adults, children and young people, demonstrate the impact of our work through calculating the social return on investment of our services and work collaboratively with partner organisations who like us, want to make life better for people living with sight loss. We continued to break down social barriers by campaigning for the rights of people with sight loss and build our profile through our media relationships. We performed well in these areas.

More support for adults, children and young people

Four teams began using 'Standardised Training for Excellent Partnerships' – a training technique that will over time reduce the length of time it takes to train a guide dog. Plans are in place to train all staff in these techniques.

In 2017 we supported more than 5,000 guide dog owners, 3,050 My Guide partnerships and helped 2,000 people with orientation and mobility. We supported more than 2,350 children and their families, and distributed over 4,400 CustomEyes large print books. In addition, over 190,000 people accessed advice online or by telephone, meaning that in total, we helped more than 200,000 people.

Developing technology

Our partnership with Microsoft continued to grow with more successful pilots of the soundscape technology – an exploration app that makes it easier for people with sight loss to make safe, enjoyable journeys around our towns and cities. The technology was released in 2018.

As Executive Network Members of the Institute of Collaborative Working, and having successfully collaborated with Virgin Trains East Coast and Pointr Labs amongst others on the Microsoft Soundscape project, we are increasingly seen as a knowledgeable, collaborative charity, able to provide expertise to different sectors such as transport, retail and government to ensure the needs of people with sight loss are considered when developing products and services.

Social return on investment – proving the value of our services

In 2016 we began a programme of work to calculate the social value of our sighted guiding service and in 2017, we continued this work to calculate the social return on investment (SROI) of the guide dog service. This enabled us to attach a monetary value to the life-changing impacts (such as an increased sense of wellbeing, or greater independence) of the guide dog service - on the guide dog owner and their family and friends. The insights gathered from this piece of work will be invaluable for our future planning.

Breaking down social barriers

We successfully influenced and campaigned for the rights of people with sight loss, which will lead to new buses being fitted with audio visual announcements.

Raising funds and controlling operating expenditure

We rely on donations from the public to keep our life-changing services running. In a challenging fundraising environment, our traditional areas of fundraising (legacy and Sponsor a Puppy income) remained strong. Our total income in 2017 was £108.7 million (£1.7 million above 2016).

We continued to work hard to become more efficient and ensure that every pound donated is utilised in the most cost-conscious manner. We stopped activity that is not adding value for our customers and made good progress in containing costs in a number of areas.

We began work to ensure we are compliant with the new General Data Protection Regulations (GDPR) which came into force on 25 May 2018. The new laws require far greater transparency around storing, accessing and using personal data. This is likely to impact the number of supporters we can contact in the future. As such, we will focus on developing new fundraising products that broaden our appeal and attract new audiences.

Our staff and volunteers

We can only deliver our life-changing services because of our staff and volunteers. We have more than 1,500 passionate members of staff who all play their part in helping people with sight loss. We have a loyal community of 16,000 volunteers who bring skills and experience and who carry out many different roles. We thank all of you.

Looking ahead

We know we already provide life-changing services to thousands of visually impaired people; we know too there are thousands more who could benefit from our support. We have much to do to make this happen. We need to be a charity led by the needs of people who are visually impaired and their loved ones. We need to listen and deliver services tailored to the individual.

Message from the Chairman and Chief Executive

This means growing our current services, developing new services, and of course, making the best use of all our dogs.

We need to embrace new technologies and work in more partnerships with commercial organisations, public bodies and the third sector to develop innovative services that help make life better for people with sight loss.

We will continue our policy and campaigning work to help people with sight loss take a full and active role in everyday life; where they can get around safely and confidently; where streets, public places, services and buildings are designed with the needs of everyone in mind.

We look to a better future for people living with sight loss – built on one big vision – a world where sight loss is no barrier to the life you want to lead.



James Hambro
Chairman



Tom Wright CBE
Chief Executive

2017 in numbers

5,075 guide dogs and assistance dogs supported.

8,000 visits made to guide dog partnerships.

1,300 people assessed for the guide dog service.

4,500 - the number of times we provided orientation and mobility support.

3,050 people supported with a My Guide.

2,350 children and young people supported.

4,400 CustomEyes large print books distributed to children and young people.

190,000 people accessed advice online or by telephone.

60,000 people campaigned to help us end discrimination against people with sight loss.

1.4 million new visitors to our website.

159,000 Facebook likes.

33,910 dogs trained since 1934 - the most dogs trained by an organisation.

Making life better for those who need us

We provide life-changing services for people living with sight loss. We are best known for partnering people with guide dogs, but our services are broader than our public face and include sighted guiding (My Guide), Orientation and Mobility, and Children and Young People's services.

Our amazing guide dogs

Our guide dogs are a unique way for people with sight loss to move around safely and confidently, to get out of their homes, take part in social activities and feel part of life.

We are the largest breeder and trainer of working dogs in the world. In 2017 we featured in the Guinness World Records book 'Amazing Animals' for holding the record for the most guide dogs trained by an organisation since its inception – 33,910 by the end of 2017.

In 2017, we matched 728 people with a guide dog, continued to improve training techniques and made efficiencies so that more people can benefit from one of our dogs in the future.

Greater efficiency

Four teams adopted a new way to train our dogs – the Standardised Training for Excellent Partnerships (STEP) model. This is a scientifically proven approach that focuses on positive reinforcement. It accelerates the learning process and provides the dog with a positive whole-life experience.

It takes an average of 28 weeks to train a dog (until it is ready to be matched with a person with sight loss). Under the STEP model, we anticipate a dog can be trained in 16 to 18 weeks.

We introduced the Dogs at Risk process to track training progress. By introducing a consistent standard throughout the UK, we were able to highlight any dogs with specific training issues which enabled us to make decisions to withdraw a dog from training more quickly and more efficiently.

Continually improving support

Providing ongoing support to newly qualified partnerships is a crucial part of our service. In 2017, we began piloting our Creating New Partnerships programme, designed to improve the help we offer once someone has been matched with a guide dog. It includes two weeks of core training skills in a group setting; a three-week development training stage to build competency and confidence; and a check-in after six months in a group setting to share experiences with peers. The initial results have been very encouraging.

We made progress in many areas throughout the year but nonetheless 2017 was challenging as we matched fewer people with a guide dog than planned. There were a number of reasons for this: the number of dogs withdrawn from the programme, through not meeting the required standard, was higher than expected; the impact of training our staff with the new STEP model; and the complexities of matching the right dog with the right person.

Section 1 Supporting adults

At the same time, demand for guide dogs increased from around 800 a year in 2014 to over 900 new customers being added to the waiting list in 2017. Waiting lists differ in different parts of the country and in some areas, some people have to wait longer than we would like for a new or replacement guide dog.

Creating social value

We began work to calculate the social return on investment of the guide dog service. The insights gathered from this piece of work will help us to further improve the efficiency of the service in the future.

2017 at a glance

- **1,486** puppies bred (1,375 in 2016).
- Over **1,300** people assessed with sight loss for the guide dog service.
- **728** people matched with a guide dog (828 in 2016).
- Over **5,000** guide dog partnerships supported. Over **8,000** visits made to guide dog owners throughout the year.

Case study - Steve's story

Steve was going on a blind date. Literally. He was blind. And was on a date. Apart from not being able to see his date, he enjoyed it. But as you'll see, the fact that he was there at all was a sort of miracle.

Everything was going okay. Right up to the sudden blindness.

Steve was an assistant manager in a local supermarket. Then one night the lights went out. Steve had been diagnosed with glaucoma years before. He had 95% vision but he needed a preventative procedure to stop his vision getting worse. Nothing too serious. He'd have surgery on the Tuesday and then be back at work on Thursday. What could go wrong? Well, in Steve's case, everything.

Everyone gets headaches, right?

It was midnight and something wasn't right. Steve had woken up with a headache. It was bad enough to get him out of bed and search for painkillers. But typically unflappable he just took the pills and went back to sleep. Surely he'd feel better in the morning.

Darkness. Then panic. Then dread.

He knew it was morning so it should've been light. But it was totally black. He panicked then calmed himself. Obviously it was something to do with the operation. A temporary problem. A side-effect. He went straight to hospital with his wife. The news was bad. It hadn't been a normal headache. He'd bled into his eyeballs, irreparably damaging his optic nerves. Steve was blind and he'd never see again.

Sight loss is not the worst thing about blindness. It's just the first thing.

It would be nice to think that, in an awful situation like this, a well-oiled support system would swing into action. But no. Nothing. He was sent home. Not alone, thank God. But to the care of a wife and family who were as traumatised and bewildered as he was.

'Sorry to have to let you go, but try to see it from our side, Steve.'

Steve's employers were very apologetic. But, as they made clear, you needed your sight to do the job and there was no question of him staying at the supermarket. At just 35 he was unemployed and at that stage felt there was no prospect of ever working again.

'Are you sure blindness stops you from looking for work?'

Incredibly, the benefits office had trouble recognising Steve's blindness as a disability. It took them over a year to appreciate the enormity of his situation and start giving him some financial support. Totally reliant on his family to keep a roof over his head, humiliation was added to his shock and anger. He withdrew deeper into his shell.

Who would you take it out on?

All marriages have their ups and downs. But his wife bore the brunt of an unbelievably stressful situation. Eventually, the pressure and the arguments got too much and they split up. Now Steve wasn't just in the dark; he was on his own.

No job. No wife. No end to the nightmare in sight.

Steve's family were affected too. His mother felt somehow responsible for Steve's condition: 'After all, I'd given birth to Steven. I thought it was my fault.' Though his family lived next door, Steve's emotional state got so bad that his brother, Glynn, was scared to go around and see him. Steve had harboured suicidal thoughts for a while. Unable to go out, he'd lost the close circle of friends he'd had since childhood. He spent long hours alone in his room. One night, he got hold of a bottle of painkillers and sat thinking. This was no kind of life.

"I kept a lot of things hidden and depression was the major thing, and I think frustration because I still wanted to live life as I did before, but couldn't."

Finding new life from near death.

Something stopped Steve going through with it. In his own words: 'There had to be another conclusion.' The following morning he decided to seek help. After two years of failing to cope on his own he finally got a social worker. He started using a white cane. It wasn't particularly successful but it was a start. Then one day his social worker asked Steve whether he'd ever considered a guide dog.

Section 1 Supporting adults

Introducing a guide dog called May.

The effect on Steve's life was pretty much instant. With May by his side he felt freer than he had for years. He could go out by himself. His family soon got used to his new-found independence and stopped following him at a distance, just in case something went awry. His confidence rose. Life was finally getting better. But there was one thing missing.

Love really is blind.

Dating after a divorce is hard enough. And it doesn't get any easier when you're blind. Steve had been on his own for a while when his sister-in-law suggested he try internet dating. One candidate, Nikki, piqued his interest. Their first date lasted seven hours and they've been together ever since. Obviously besotted, Nikki says: 'I love Steve to bits. He inspires me every single day.'

Being independent again.

Steve's Dad is fond of saying how nothing stops his son now. And it's true. Whether it's tandem riding or driving a sports car around a race track, Steve is living life with the handbrake off. He has a new guide dog, Flynn as May is now enjoying her well-earned retirement. But it's Glynn who sums it up best: 'Guide Dogs has given me my big brother back!'

And then there were Guide Dogs that came round and said, 'we've got a guide dog for you.' As soon as it came round, it changed his life completely, straight away. They were amazing. Steve's brother, Glynn.

Orientation and Mobility

Our Orientation and Mobility specialists train people and develop skills that help those living with sight loss to move safely and efficiently wherever they are. Our specialists meet everyone individually and conduct assessments to help determine which services will provide them with the support they need.

During the year we developed personalised training and individual action plans to build confidence and independence, so people can achieve what they want in life. We met individuals in their home to understand their ambitions, assessed their situation and, with family and friends, and partner organisations too, developed a plan to help them meet their goals.

2017 at a glance

- **2,000** people supported.
- **1,500** mobility assessments (1,200 in 2016).
- Co-produced more than **790** individual training programmes.

Section 1 Supporting adults

- **4,500** – the number of times we provided help for individuals, friends and family, including long cane training, independent living advice, and carers' training.
- **98%** customer satisfaction against a benchmark of 95% in our newly introduced quality survey

"Before my training I didn't want to go out. I felt a prisoner in my own home and had no confidence. I had lost interest in a lot of things. My confidence is now returning, and I love going out as much as possible; walking or taking the bus to the shops on my own."

My Guide - sighted guiding

We train volunteers to become sighted guides, then match them in their local area to people with sight loss, so they can help individuals take part in their community.

The service is tailored to individuals' needs. This might mean matching someone with sight loss with a sighted guide for a short period, so that they can learn a specific route; others may want a guide on a regular basis; and others prefer to have their family and friends trained as their guide.

We rely on volunteers to provide the sighted guiding service. In 2017 we developed our volunteering stewardship programme to ensure volunteers are well supported. In some parts of the country we found that we did not have enough volunteers to meet demand at a given time, resulting in increased waiting times. We therefore focused on developing our lead volunteers whose goal was to promote My Guide in their local area. This resulted in us matching 61% of applicants in less than nine weeks, a 20% improvement on 2016.

Customer feedback is essential if we are to improve the service further. We were pleased to have 30% more people completing our quality questionnaire than on 2016.

"It's hard to put into words what Guide Dogs has done for me. They have literally saved my life. There was no point in me living until My Guide came along." My Guide user

Measuring our impact

In 2016, we calculated the social return on investment (SROI) of the My Guide service which enabled us to attach a monetary value to attributes such as confidence and wellbeing. We found that a positive return is generated for every £1 invested in the service. We continued this work in 2017 and

Section 1 Supporting adults

conducted a survey amongst users of the service and volunteer guides to ask them how the service had changed their lives:

The positive impact of My Guide

People who used the service:

- **75%** said they were now able to get out of their homes and participate in their local community.
- A **third** said they felt more confident and noted an improvement to their mental wellbeing.
- **15%** said they gained new friendships.
- **13%** indicated they had experienced improvements in their physical health.

Volunteers:

- **40%** indicated they derived enjoyment from the role as a My Guide.
- **35%** said they felt proud to be involved with My Guide and were grateful for the opportunity to serve and be of help.

Working in partnership

Working with other organisations in the commercial and third sector is a key part of our strategy to enable more people with sight loss to participate fully in society. In 2017 we worked with a number of partner organisations including Enable Scotland, Royal Voluntary Service and Camsight. We provided practical advice about how they could improve the support they give to their visually impaired customers. In 2018 we will focus on strengthening existing relationships and developing new collaborations.

"I get great satisfaction and find it very rewarding when you have been told what a difference you have made to a person's life. My Guide volunteer

2017 at a glance

- **250** people supported per month (200 in 2016), a 25% increase.
- **2,652** people trained to support someone in their community (3,200 in 2016).
- **545** friends and family members trained to help them support their loved ones (450 in 2016).
- **20** partner organisations worked with to help us reach more people with sight loss (30 in 2016).

£54.5 million spent on providing adult services.

Case study

Hertfordshire resident Siobhan was born with a serious eye condition which left her with extremely limited vision in one eye only. Now 33, she has been totally blind since 1999. While waiting to be matched with a new guide dog, sighted guide Helen has helped her to get out and about and take part in life again.

Section 1 Supporting adults

Siobhan was first partnered with a guide dog in 2003 and when her second guide dog Mac retired in October 2017, she began to feel isolated and unable to leave her home alone. Guide Dogs suggested that she use our sighted guiding service My Guide while she waits to be matched with a new guide dog.

Siobhan was partnered with local volunteer Helen who accompanies her to town to help with tasks including clothes and makeup shopping – something she would be unable to do without a sighted guide.

Siobhan says: "No words I could use would ever come close to describing how grateful I am to my sighted guide Helen, for helping to reduce the isolation I am experiencing while waiting for a new guide dog.

The moment Mac left my house, I felt like an animal in captivity - but the My Guide service means I can get out and live my life." She added: "It's a real partnership. I would recommend the life-changing My Guide service to anyone who cannot leave their home alone - or who may have difficulty with everyday mobility."

Siobhan and Helen have built up a fantastic relationship and both have gained a great deal from their time together. Helen adds: "I now have a real awareness of the problems encountered by visually impaired people in everyday life. I can appreciate how important even a small amount of support can be for someone living with sight loss."

Section 2 Supporting Children and young people

Improving children's lives

Children use vision to learn and develop. Without it their development is seriously affected, and life is harder emotionally and practically for all concerned. Childhood sight loss is on the increase and more than 30,000 children and young people are severely sight impaired and need support.

We have six services that help:

1. Movement Matters – helping children develop the skills to become independent.
2. Family Support – emotional and practical support for the whole family.
3. Education Support – ensuring children receive the education that suits their needs.
4. Access Technology – helping children access life-changing technology.
5. Recreational Activities – building confidence and self-esteem.
6. CustomEyes – large print books custom made to each child's eye condition.

Movement Matters

Our Habilitation Specialists work with other organisations and local authorities to ensure children with sight loss develop movement, orientation and independence skills. In 2017 we helped children and young people 2,232 times against a plan of 2,103. This included running guidance workshops for parents, training and mentoring professionals, and running awareness training sessions for sighted friends and peers.

Family Support

We explain terminology, provide support at diagnosis, give independent advice on benefits, and provide contact with other agencies and groups. We provided family support 223 times, 237 less than planned. This was mainly due to low awareness of our service resulting in fewer referrals. We increased our marketing activity including talking directly to key hospital professionals and specific eye condition organisations. These activities were successful and by the end of the year, we had seen an increase in referrals.

Education Support

Our specialist Education Support Officers provide independent advice to help families make informed decisions about their child's education. They provide advice on statutory rights, explain the sometimes complex terminology, and help families through the assessment process. We provided support to families 307 times, 97 more than planned. We achieved this through one-to-one support at our recreation events, information days and early years workshops; getting our Special Educational Needs (SEN) telephone service operational.

Section 2 Supporting Children and young people

Access Technology

We provide advice and work with other organisations to ensure children and young people receive unbiased, relevant information on the correct assistive or adaptive technology. This includes a grants programme to help access the latest technology and sensory equipment. We processed 222 requests for support and presented 76 grant applications. We streamlined our application process to include a digital application form and increased the range of items which may be applied for.

Recreational activities

We subsidise trips and activities such as visits to sensory playgrounds, audio described pantomimes and the zoo, for all the family to build confidence and self-esteem. 282 children and young people attended a recreational event, accompanied by 994 family members. At our family weekend for parents who are in the early stages of their child's diagnosis, we offered individual workshops for mums and dads.

"Fantastic day! Great to meet new parents and children. We met a young boy today who has the same diagnosis as our son. It was so comforting and reassuring to hear how well he is doing." Parent.

CustomEyes

We have more than 4,000 books, produced in the font, size and paper colour to suit a child's specific eye condition, covering the latest fiction and factual bestsellers as well as educational textbooks.

We added two new multi-function printers and more powerful computers that have helped us become more efficient. We also added two new publishers, 180 new titles to our catalogue, received 571 orders and produced 4,413 titles.

Other successes and improvements

In 2017 we defined a new process for handling children and young people's enquiries in England that puts individuals' needs at the heart of what we do. Families receive immediate basic support over the telephone before being routed into our other frontline services.

2017 at a glance

- **Movement Matters:** we supported children and young people 2,232 times (2,148 in 2016).
- **Family Support:** we provided support 223 times to children and young people and their families (380 in 2016).
- **Education Support:** we provided support 307 times to help families with their child's educational needs (246 in 2016).
- **Access Technology:** we processed 222 requests helping children and young people get the technology assistance they need.

Section 2 Supporting Children and young people

- **Recreational activities:** 282 children and young people attended a recreational event (252 in 2016).
- **CustomEyes®:** We distributed 4,413 large print books (4,216 in 2016).

£4.1 million spent on children and young people's services.

Case study - Nell's story

On the night Nell was born mum Rachel whispered a promise to her new-born baby girl. Rachel had just been given the devastating news that Nell was blind. She had been prepared for the possibility Nell could be born with glaucoma, like her dad Paul, but it came as a hammer blow when doctors confirmed the worst.

Nobody knew exactly how much vision Nell had, so as all the questions for her daughter's future raced through her mind, Rachel made her a promise.

"It was just me and her, and I promised Nell that she would be able to do whatever she wanted to do."

Nell's diagnosis was hard enough to deal with, but even more heart-breaking for Rachel and Paul was the fact that she was also in constant pain. It wasn't for another six months and numerous operations later that they began to see a smiling, laughing, happy little girl, free from agony.

But Nell had lost sight completely in one eye and had little vision in the other. No one knew the challenges that lay ahead for Nell more than Paul, who lost his sight to glaucoma in his teens.

Consultants said the complexities of Nell's eye condition made her one in six billion. While she had some vision in one eye, they had no idea how it would respond to each operation and how stable her eyesight would be as she grew up.

When Nell was one and a half, she met Branwen for the first time, after being introduced by a local teacher for children with sight loss. Branwen, a Guide Dogs mobility expert, was the first specialist support the family had received.

"Branwen was like a breath of fresh air" says Rachel, "just so positive about what Nell could do. She gave us all a huge boost."

Nell was showing the aptitude to begin learning how to use a cane, and she was keen to have one 'just like Daddy's' so the work started in earnest.

Section 2 Supporting Children and young people

Nell and Branwen began by learning routes close to home; to Garth their neighbour's house, to the post box at the end of the road, then to the bus stop so Nell could meet her beloved big brother Isaac when he comes home from school, and her favourite of all, to the park.

Branwen watches Nell carefully on her routes and observes her development through play. When Nell starts nursery school, Branwen will be there to help her acclimatise and learn her way around.

"Nell is an amazing little girl", says Branwen, "and the whole family are fantastic. We are able to provide training as she grows which will help her become as independent as possible. Nell is quite young to be using a cane, but she was showing all the right skills so I thought why not give it a go, and she's getting pretty good now."

Because of Nell's growing confidence, she can do so many things that toddlers her age love, like going for a run-around on the beach, going swimming, and to local play groups with other young children. None of this would be possible without the vital support that Branwen has provided.

"Guide Dogs has been an amazing support to us and Nell. We got her the help she needed early and she's already incredibly independent as a result. She's a bottle of pop and nothing stops her!" said Rachel.

She now wears glasses which help make the most of her vision. Rachel gets emotional when she remembers the first time Nell was able to see Po the Tellytubby on TV and went straight up to him, pointing at the screen.

Nell may even go on to become a guide dog owner in the future, and if she does, the vital skills, confidence and independence she is learning with Branwen in her first routes out of the house will have been the starting point for another amazing partnership in her life.

Continually innovating

We carry out research and work collaboratively with others to improve our current services and develop new ones.

Partnerships and technology

Embracing new technologies will help us reach thousands more people who need our support. We continued to work with Microsoft to develop Soundscape – an exploration app that empowers people to explore the world around them through a 3D audio experience.

In this unique project, three of our local teams took part in pilot trials, the results of which helped influence the design of the technology. We also collaborated with Lighthouse for the Blind in the US to expand the global potential of this product. The app was released in 2018.

“Obstacle avoidance is not the problem – we have a dog and a cane for that. The gap is knowing where things are and being able to decide what's of interest.” Erin Lauridsen Access Technology Director, Lighthouse for the Blind

The programme enabled us to partner with other organisations to explore how technology can enhance the customer experience. We started working with Revo, an organisation that supports the retail property sector, to ensure their members place people with sight loss and disability at the heart of their developments.

Our knowledge and expertise mean we are well placed to help other organisations put the needs of people with sight loss at the top of their agenda.

What is the Microsoft Soundscape app?

- A technology app that enables people to explore the world around them through a 3D audio experience.
- The soundscape app enriches your perception of surroundings, helping you get to where you want to go.
- The technology enables you to set audio beacons at familiar destinations and use 3D audio cues as you make your way to it.

“If a friend said to me, meet me at a café, I'd feel more confident that I'd find it. Microsoft Soundscape is really good. Shona, guide dog owner

Inclusivity

We continue to help UK towns and cities pioneer the development of Smart Cities, where advances in infrastructure, digital technologies and open data are helping to improve life for people with sight loss.

Section 3 Research and development

Our aim is to help organisations develop policies for the future that take into account the needs of people with sight loss. In doing so, they will be better placed to benefit from the spending power of the disability sector, estimated at £249 billion in the UK.

Canine research

Guide dogs need to be confident animals. Introducing puppies to certain social situations builds their confidence. We therefore created a training programme tailored to the different stages of puppy development that is scientifically proven to have a long-term, positive impact on dog behaviour. We also created an app to share our findings with other working dog organisations, animal shelters and pet dog breeders to improve dog behaviour generally.

£0.3 million spent on research and development.

Influencing change

We campaign to break down barriers and end discrimination against People living with sight loss. With the invaluable support of around 60,000 campaigners, we had success in our three priority campaigns.

Talking Buses to make audio visual announcements compulsory on buses. Following a long-running campaign, the Government amended the Bus Services Act to introduce a requirement for bus operators to provide audio and visual announcements on buses.

The Department for Transport estimates that people with reduced mobility make ten times as many journeys by bus as by rail, so this requirement will represent a huge advance in accessibility for people who need the information most and give passengers with sight loss the confidence to travel independently and safely.

We are working closely with the Department for Transport as they consult in 2018 on the regulations and guidance that will specify details of the requirement and the timetable for introduction.

"If all buses in the country could be 'Talking Buses' I would feel far less worried and stressed, and would actually have the freedom to travel wherever I wanted to. Visually-impaired bus traveller

Access All Areas to prevent people with assistance dogs being refused access to services, places and vehicles.

More than 500 campaigners took to the streets in September 2017 and spoke to local high street businesses to remind them of the rights of assistance dog owners and to display an 'assistance dogs welcome' sticker. The Government's draft Accessibility Action Plan has also supported our call for Disability Equality Training for all taxi and private hire drivers.

Streets Ahead to halt changes to our towns and cities (such as removing kerbs) that make it hard (or impossible) for people with sight loss to know where they are and walk safely.

An influential Select Committee of MPs published a report reflecting our concerns, recommending the 'Government requires local authorities to call a halt to the use of shared space schemes, pending clear national guidance that explicitly addresses the needs of disabled people'. In Scotland, the Government has agreed to legislate to tackle irresponsible parking.

Section 4 Advocacy and awareness

Engaging society

Through our partnerships with the media, we work hard to help the general public understand more about sight loss and to support Guide Dogs.

We focused on generating high-profile coverage through our continued relationship with CBBC's Blue Peter and ITV This Morning; engaging with a new generation of supporters by communicating via social media; maximising coverage during Guide Dogs Week; and protecting our reputation.

Our two-year relationship with ITV This Morning came to an end as guide dog puppy Luna left the show to start her formal guide dog training. We are delighted that ITV This Morning has agreed to be our media partner for the Guide Dogs Annual Awards in 2018. CBBC's Blue Peter continued to follow the progress of guide dog Iggy and her owner Callum.

We also worked with the Bank of England on the release of the new polymer tactile £10 note, generating significant national media coverage. We dealt with 106 media issues and scored well above average in trust ratings compared to other top UK charities in the annual Harris Hill Charity Brand Index.

"Our job is to spread the word about our lifechanging work. The more the public understands what we do, the more people with sight loss we can reach. Sonya Roberts, Deputy Head of Communications and Campaigns, Guide Dogs.

£3.3 million spent on advocacy and awareness.

2017 at a glance

- **13,471** media cuttings about or mentioning Guide Dogs (8,977 in 2016).
- **1.4** million new visitors to our website.
(1.5 million in 2016).
- **112,000** Twitter followers (97,000 in 2016).
- **159,000** Facebook likes (140,000 in 2016).

Our Volunteers - transforming lives through time

We have over 16,000 volunteers giving around 19.5 million hours of their time. From becoming My Guides, looking after our dogs, providing transport services, raising funds and so much more, their commitment, skill and energy help us transform the lives of so many with sight loss.

Improving the volunteer experience

We were delighted to be awarded the Investing in Volunteers quality standard in recognition of our ongoing commitment to volunteering.

We introduced our Volunteer Views survey to understand the volunteering experience better. This helped us identify ways to improve the programme and ensure every volunteer gets the same welcome, information and support throughout the country.

We continued to improve the volunteer recruitment process to make sure that the role is right for the applicant, and to help them make a difference in the quickest and safest way possible.

Our children and young people development group continued to meet quarterly to progress the way we provide children and young people services through volunteering. This is an opportunity to discuss emerging issues, share best practice and develop any recommendations.

Safeguarding policies

We are committed to ensuring the safety of all our beneficiaries and we have clear safeguarding policies and procedures in place specific to the nature of the volunteering activity.

Guide Dogs' volunteer recruitment process continuously improves to ensure a leaner, more robust process which includes: assessing someone's suitability to volunteer; verifying that volunteers have suitable references and relevant Criminal Disclosure checks in place; ensuring volunteers undergo standardised safeguarding training for their specific role; and ensuring they are equipped with the knowledge and skills necessary regarding reporting any safeguarding concerns.

"It feels such a privilege to support someone to regain their confidence to go out and about again." Guide Dogs volunteer

What our volunteers do

More than **8,000** volunteers support our guide dog training programme – looking after our breeding stock, puppies, dogs in training and working dogs who need a temporary home.

Section 5 Volunteering

Around **6,000** volunteers regularly raise money for Guide Dogs through events, collections and activities in their local community.

In 2017, more than **3,050** people were able to get out and about thanks to the support of a My Guide volunteer.

Around **300** volunteer drivers provided transport for our service users, dogs and equipment.

Over **1,400** Volunteer Speakers gave talks at schools and community events.

Lindsay was working full time and therefore believed that she would never be able to become a dog owner.

"Boarding ticked all the boxes for me – having a dog at home, helping a worthy organisation, and developing a greater understanding and appreciation of what Guide Dogs' trainers and dog care staff do.

We've boarded 46 dogs since May 2008. They've been a real mixture of breeds and different characters. They have all been between 14 and 18 months of age, and have been with us between one week and four months.

When you hear stories from guide dog owners, you can't help but feel part of something really important. The messy carpet, occasionally chewed glasses and DVDs all become pretty insignificant!

I was lucky enough to meet the owner of the first dog we ever boarded. To see them together was amazing and to hear how well suited they were and how much the owner loved him was priceless!

I have gone through some tough times in the last couple of years and to have a reason to get out of bed and get out of the house has made such a difference to me."

Generosity that counts

We rely on donations to be able to keep our life-changing services running, and we are grateful to everyone who has given to us. We never take public generosity for granted and so it's vitally important that our donors know we raise money in a considerate and responsible way.

Public donations

The current political and economic uncertainty and changes in fundraising legislation made fundraising in 2017 a challenge. Yet public donations are essential: in 2017 less than 1% of our income came from government funding.

We use a variety of marketing techniques to encourage existing donors to continue to support us and attract new audiences. In 2017 we focused on direct marketing campaigns and TV and online advertising. We have in-house telefundraising teams, face-to-face teams, and we work with professional fundraising agencies.

We asked people to leave a legacy in their will; Sponsor a Puppy; make a regular or one-off donation; take part in a raffle or lottery; take part in a challenge event.

Community and events fundraising

The support we receive from our local communities continued to grow. At the end of the year we had 437 volunteer supporter groups who organised 5,665 fundraising activities.

Our Guide Dogs Week and Fundraise for Us activities recruited over 4,000 supporters; nearly 800 local companies or social clubs raised enough funds to name their own puppy, and over 6,700 event participants completed a personal challenge.

Professional fundraising agencies

In 2017 our partner agencies were Ethicall, Angel, Charity Link, HOME and APPCO, each of whom are members of, or accredited to, a number of different schemes such as the Institute of Fundraising, Direct Marketing Association (DMA), and the Telephone Preference Service (TPS) Assured.

As well as training all third party fundraisers on the fundraising Code of Practice, we closely monitored their work throughout 2017 with 907 mystery shopping visits and by listening to over 6,300 phone calls.

We worked with Hands on Payroll Giving, Payroll Giving in Action and StC Payroll Giving – independent Professional Fundraising Organisations – to help us recruit new donors.

Section 6 Fundraising

We also worked with Payroll Giving Agencies – CAF, Charities Trust and Charitable Giving, who are regulated by HMRC, receive donations and transfer donations from employers to charities. We also worked with commercial participators, each of whom operated under a commercial participator agreement.

2017 at a glance

- **£93.2** million raised in total (target £93.5 million).
- **£50 million** raised through television, digital and print advertising; Sponsor a Puppy; selling raffle tickets; playing the lottery; making cash donations;
- **£43.7** million generated through 1,554 people remembering us through their wills.
- **437** supporter groups organised 5,665 fundraising activities.

Our ambitions for the future

Our ambition is a future where every person with sight loss has the support they need to live life with confidence. Our plan is to help more people with sight loss to achieve their goals.

Providing more services

We will make a step-change in the services we provide as well as how we deliver them: embracing new technologies, digitising some of the ways we provide services, tailoring services to the individual's needs and collaborating with others will help us reach thousands more people living with sight loss than we do today. And, our wonderful dogs will remain at the heart of our organisation. We will make the best use of each and every dog by expanding the type of canine support we offer.

1. Canine assisted services

We are proud of the heritage in our world-class guide dog service, built on more than 80 years of experience and research. We are committed to increasing the number of guide dog partnerships and ensuring as many people as possible can benefit from this unique service.

Our full-service **guide dogs** will continue to provide people with serious sight loss the means to get out and about safely and confidently. As we move forward, we want more people to benefit from a partnership with a dog and we will expand our services to include **assistance dogs** which will be trained to do a more limited number of tasks than a full-service guide dog, providing people with sight loss with companionship and the confidence to make the most of their remaining vision.

We will also provide **support dogs** to children and adults with vision impairment. Support dogs provide affection and companionship but are not trained to perform any specific tasks, as required by assistance dogs.

2. In-person services

Through our 25 UK-based community teams, we will provide the following services:

- **Life planning** – we will develop a life plan tailored to the individuals' specific needs and help them understand what services they will need now and in the future.
- **Functional vision** – our functional vision service will help people with sight loss, and their families make the most of remaining vision to increase confidence and wellbeing.

Section 7 Planning for the future

- **Practical skills** – our peer supported group training for adults will support people to understand what services could best assist them as well as introducing basic mobility skills, equipment and technology.
- **Family experience events** – will enable children with a vision impairment and their families to meet, share experiences and have fun in a relaxed environment, while accessing expert advice from our children's specialists.
- **My Guide and My Active Guide** – our volunteer-led sighted guiding service introduces a trained volunteer to a person with sight loss to help them do the things they most need and enjoy, such as a walk in the park, attending a class, or a visit to a shop.
- **Stepping Out and Movement Matters** – our self-guiding services ensure that children and adults have the mobility and orientation skills that will last for life, giving them the confidence they need to navigate the world around them.

3. Online and telephone service

Through our online and telephone service, and where appropriate in partnership with other sight loss organisations, we will aim to make it easier for people to access the advice and support they need:

- **Basic information** – our online information service will be interactive and answer questions in real time, with online assessment tools, chatbots and 'how to' guides.
- **Simplifying technology** - we will help people access information and support on the most appropriate technology for their needs.
- **Advice** – we will provide access to professionals that can provide expert advice to people with sight loss and their loved ones.
- **Support networks** – our listening service will help adults with sight loss, parents and family members connect with others in the sight loss community, enabling them to share experiences, skills and advice.

4. Influencing and campaigning

We will continue our effective influencing agenda, working with commercial organisations and public bodies to help shape an inclusive society.

Our policy and campaigning work will continue to strive towards a world where people with sight loss can take a full and active role in everyday life and where streets, public spaces, services and buildings are designed with the needs of everyone.

Growing our fundraising

Section 7 Planning for the future

We can only provide these life-changing services if we have the necessary funds. We will continue to grow our income through our legacy and Sponsor a Puppy programmes. We will also devise new fundraising products that reflect our different services and broaden our appeal, particularly to attract a younger audience.

Financial performance

In 2017 net income totalled £2.1 million (2016: £4.8 million). Net Movement in funds was £7.1 million (2016: (£3.3 million)).

Our income growth plans continue to improve, and along with close control over our expenditure, it means that we have delivered a sound set of financial results for 2017. Our financial reserves policy ensures that we will be able to continue providing our services into the future.

Income

Income totalled £108.7 million in 2017, up £1.7 million on 2016. The major elements of our income are as follows:

- Donor-based income includes all types of income that are made on a voluntary basis. It comprises our Sponsor a Puppy product; cash appeals; community fundraising and events. Income was £43.8 million, up by £3.1 million (8%) on 2016, reflecting our continuing investment in generating this form of income.
- Legacy income in 2017 totalled £43.7 million, £4.2 million (9%) lower than in 2016 mainly as a result of a significantly high legacy donation in 2016.
- Income from High Value Partnerships (including corporate and trust income) increased by £0.2 million to £2.2 million.

Income breakdown	£
Community fundraising	8.4 million
Raffles, draws and lotteries	5.7 million
High Value Partnerships	2.2 million
Sale of property	1.5 million
Other	2.3 million
Income from charitable activities	1.1 million
Donor based fundraising	43.8 million
Legacies	43.7 million
Total income	108.7 million

Expenditure

Expenditure in 2017 totalled £106.7 million (2016: £101.7 million). Further information is shown in note 2 to the Financial Statements.

Expenditure includes:

- **Costs of raising funds.** The additional investment in fundraising brought the total to £44.5 million (2016: £39.9 million). Over the last few years we have been successfully investing in signing up new regular giving donors. The cost

Section 8 Financial Performance

of doing this in any year is relatively high but the pay back-over the long term makes this an efficient method of raising funds.

- **Costs of providing guide dogs.**

£49.7 million (2016: restated £49.3 million) relates to the guide dog service which includes breeding, puppy walking, training, ongoing partnership support and support of retired and rehomed dogs.

- **Costs of providing other adult services.**

£4.8 million was spent on other adult services (2016: £4.7 million). The direct costs of the My Guide service were £1.5 million (2016: £2.1 million) and the direct costs of the orientation and mobility service was £2.2 million (2016: £2.9 million). Allocated support costs were £1.1 million (2016: £0.7 million).

- **Costs of providing children and young people's services.**

Until the end of 2016 our children's services were provided through Blind Children UK. In 2017 this work was undertaken directly by Guide Dogs. Of the £4.1 million total expenditure (2016: £4.1 million), £3.2 million (2016: £2.4 million) relates to the Movement Matters service, £0.6 million (2016: £0.6 million) to family and educational support services, and the balance to CustomEyes large print books and access technology advice and grants.

- **Research and development costs.**

In 2017, these totalled £0.3 million (2016: £0.6 million).

- **Advocacy and awareness costs.**

In 2017 these totalled £3.3 million, £0.2 million less than 2016. The majority of these costs relate to awareness-raising; the cost of our very successful campaigning amounts to only 16% of £3.3 million total (2016: 17% of restated £3.1 million total).

Expenditure breakdown	£
Providing guide dogs	49.7 million
Providing other adult services	4.8 million
Providing children and young people's services	4.1 million
Research and development	0.3 million
Advocacy and awareness	3.3 million
Fundraising	44.5 million
Total expenditure	106.7 million

Net gains on investment assets

Our investment portfolio generated net capital gains of £0.1 million in 2017 (£0.5 million loss in 2016).

Net income/expenditure in the year

Net income totalled £2.1 million (2016: £4.8 million). We are pleased to have achieved a net income gain as this demonstrates strong commercial

Section 8 Financial Performance

management of Guide Dogs' accounts and a sound financial strategy of growing fundraising at the same time as driving efficiencies in our cost base.

Other recognised gains and losses

Other actuarial gains and losses arose from the defined benefit pension scheme. Net actuarial gains of £5.0 million (2016: £8.1 million loss) were recognised. These arose from higher asset returns, lower than anticipated inflation and changes in the scheme mortality assumptions.

Funds

Taking into account the above recognised gains and losses in the year, overall funds increased by £7.1 million (2016: decreased by £3.3 million), to £113.5 million. These funds comprise three elements: unrestricted funds, restricted funds and endowment funds. Each of these categories is described as follows:

Unrestricted funds

Unrestricted funds are those funds that we are able to use for any activity that our charitable objects envisage. At the end of 2017 unrestricted funds amounted to £108.1 million (2016: £101.5 million). They comprise four types of reserve:

- **General funds.** At the end of 2017 general funds amounted to £69.2 million (2016: £65.4 million).
- **Designated funds** are funds that have been designated for specific purposes by the Board of Trustees. At the end of 2017 there was one designated fund: The fixed assets fund. This represents funds allocated to tangible fixed assets such as property, plant and equipment. Its balance decreased from £39.8 million to £36.9 million during the year, in line with the reduction in value of tangible fixed assets.
- The **revaluation reserve.** At the end of 2017 the revaluation reserve stood at £2.0 million (2016: £5.1 million).
- The **pension deficit reserve.** At the end of 2017 the pension deficit reserve was nil (2016: negative £8.8 million).

Restricted funds

These are unexpended funds that have been donated to Guide Dogs with specific conditions attached to their use. At 31 December 2017 these funds totalled £4.9 million (2016: £4.4 million). The majority of these funds originated from the Government's LIBOR fund, and will be spent over the next five years in providing guide dogs to visually impaired veterans of the armed forces.

Endowment funds

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These are funds that have been donated subject to the condition that the capital must remain unspent, in perpetuity. Income from the investment of these funds may be used for unrestricted purposes. At 31 December 2017 these funds totalled £0.5 million (2016: £0.5 million).

Financial reserves policy

Our financial reserves policy seeks to ensure that reserves are maintained at a level that enables the Guide Dogs Group ('the Group') to manage financial risk and short term income volatility, allowing us to sustain optimal levels of service over the long term, while ensuring that financial commitments can be met as they fall due.

Our reserves policy takes into consideration the nature of our most costly activity, the guide dog service, which requires us to effectively commit expenditure over the medium to long term, whilst also recognising that, as we are a fundraising charity, we are subject to the effects of short-term volatility in income. We therefore hold funds in reserve to ensure that we can meet our service delivery plans in the face of such fluctuations. We use a rolling five-year plan to model how we will fund the delivery of our strategy and ensure reserves remain at an appropriate level.

Cash resources are the most important part of our reserves policy. Our financial reserves policy mandates that the Group holds a minimum level of cash resources to ensure that we can discharge our financial commitments as they fall due over the course of the five-year plan. The Board of Trustees (the 'Board') has agreed that the Group should aim to ensure that cash resources should exceed a minimum of £30 million at all times, both currently and as anticipated in the future. This level is determined by considering the potential extent and rapidity of a decline in our income and the speed with which we can make accommodating changes to our expenditure plans.

We have no wish to hold excessive cash resources; funds are donated to provide support to people with a visual impairment, not to hold in reserve. The Board therefore closely monitors current and projected levels of Cash Resources, and amends its fundraising or service delivery plans if levels become, or are expected to become, too high.

At 31 December 2017, cash resources stood at £53.3 million (2016: £52.2 million), made up as follows:

	2017 £m	2016 £m
Investments	49.7	45.0
Cash at bank and in hand	4.1	7.7
Less endowment funds	(0.5)	(0.5)
Net cash resources	53.5	52.2

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The level of cash resources at the end of 2017 is above our agreed minimum of £30 million. We therefore consider that we have adequate resources to meet our financial commitments for the foreseeable future.

Tangible fixed assets

The movements in tangible fixed assets during the year are summarised in Note 5 to the financial statements. No major investment has taken place in 2017.

Investment policy

Our investment policy is:

(i) To protect the value of our investments while seeking an appropriate return. In order to achieve this outcome at appropriately low levels of risk and volatility, investments are selected that seek to produce a return of LIBOR plus 4% per annum over three-year rolling periods.

(ii) Not to invest directly in any company with a significant interest in any activity that runs contrary to Guide Dogs' charitable objectives and mission.

We consider this to be a prudent policy which challenges managers to produce excellent results.

The investment portfolio is managed on an unconstrained basis in two segments, by Invesco Fund Managers Limited and Newton Investment Management, controlled by Guide Dogs' Investment Committee. We selected two managers for their contrasting styles, in order to diversify overall risk. Our Investment Committee reviews their performance against target on a quarterly basis, and against the performance of comparable funds approximately annually. In 2016 Standard Life Investments and Newton Investment Management held our funds.

At the beginning of the year investments were valued at £45.0 million. During the year £4.6 million was added to the portfolio from operational surpluses and one-off gains. We achieved £0.1 million investment gains. As a result, the portfolio was valued at £49.7 million at the end of the year.

Guide Dogs' pension schemes

We operate two funded pension schemes for our staff: a defined benefit and a defined contribution scheme.

We closed the defined benefit scheme to new entrants on 31 March 2011, and to future accrual on 31 December 2012. A valuation of this scheme for accounting purposes, under FRS 102, at 31 December 2017 showed no deficit (2016: £8.8 million deficit). The movement of £8.8 million in the deficit arose

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from higher asset returns, lower than expected inflation and updating the scheme mortality assumptions.

The latest completed full actuarial valuation of the scheme was at 31 December 2015. This showed a deficit of £27.8 million calculated on a funding basis. Annual payments of £4.0 million through to 2022 have been agreed with the scheme's trustees. We are working with the scheme's trustees to manage and reduce the financial risks inherent in the scheme's funding arrangements.

The defined contribution scheme has existed since 1 April 2011, and during 2013 also became the vehicle for the auto-enrolment offering to staff.

Risk management and internal control

The Board reviews the major risks the charity faces at least four times a year and has established effective and efficient systems to manage these. We are satisfied that the arrangements for managing these risks, combined with the continual review of internal controls and the reserves policy, will ensure that sufficient resources are available to maintain services for the foreseeable future.

The Board regularly monitors performance against the objectives set out in the five-year business plan. This includes management of significant risks.

The Board also ensures that systems for internal control are in place. We reviewed these systems as part of an internal audit programme. The systems are designed to safeguard the charity's assets, ensure that proper accounting records are maintained and provide reliable financial information.

Key elements of our control systems include the following:

- The Board meets at least four times a year. A number of matters are specifically reserved for its approval.
- There is a clear organisational structure with appropriate levels of accountability and reporting lines. The Board approves the delegation of financial authority to the Chief Executive.
- An out-sourced internal audit function, directed by the Audit Committee undertakes a rolling review of the design and operational effectiveness of controls over activities, based upon the risks inherent in those activities.
- The risk management framework is used to identify and assess new and current major business risks. We prioritise them in terms of impact and

Section 8 Financial Performance

probability of occurrence and then identify and implement efficient controls to manage them and monitor their effect.

- A Risk and Ethics Panel looks at all aspects of risk across the organisation. The Panel is responsible for monitoring and mitigating risk and reporting on it.

Monitoring risks

Throughout 2017 we continued to monitor significant risks including:

- Compliance management, financial and brand risks arising from fundraising regulatory changes.
- Funding risks for our defined benefit pension scheme.
- Safeguarding risks relating to our work with young people and vulnerable adults.
- Risks relating to the recruitment and retention of qualified and skilled staff and volunteers.
- Risks relating to the extent of the organisation's resources to be able to deliver the five-year corporate strategy and the correct governance in place.
- Ensuring tax compliance in an evolving regulatory environment.

Fundraising responsibly

We rely on donations to keep our lifechanging services running. We have policies and controls in place to ensure we raise money in a considerate and responsible way:

We are registered with the Fundraising Regulator and follow their code of practice. This means:

- We are transparent about how we raise funds.
- We treat donors and supporters respectfully and fairly.
- We explain clearly how to opt out of receiving fundraising communications.
- We adhere to data protection laws and explain clearly how we use, store and secure personal details.
- We take all reasonable steps to protect vulnerable people from persistent requests to donate. Any staff member or third party agency who contacts supporters receives regular training on how they should address and deal

Section 8 Financial Performance

with vulnerable people. Our safeguarding team listens to fundraising calls and takes follow-up action on any calls that raise concern.

- As an organisational member of Dementia Friends, Guide Dogs has access to resources and information which help our staff and third party fundraisers to understand dementia and how it may affect a person.
- We ensure that any volunteer, third party or professional agency who fundraises on our behalf has had proper training and adheres to our standards and procedures.
- We monitor the work of all third party fundraisers by carrying out mystery shopping visits and by listening to telephone calls to make sure they meet our quality standards.
- We have robust procedures in place for handling complaints. We respond quickly and efficiently to resolve any complaints we receive about our fundraising. In 2017 we received 521 complaints which represents 0.00004% of people who viewed our marketing communications or received calls.

In 2017, 70% of the total proceeds from Guide Dogs lotteries were applied for the unrestricted purposes of the charity, whose core objective is to provide mobility services to people who are blind or partially sighted. The remaining 30% of the total proceeds covered prizes and the administrative costs of running the lotteries.

Structuring and managing Guide Dogs

The Board of Trustees

The members of the Board of Trustees (the 'Board') of The Guide Dogs for the Blind Association (Guide Dogs) who are both Directors of the company and Trustees of the charity as at 6 June 2018 were:

James Hambro – Chairman

Pat Stafford BA (Hons) – Vice Chairman

David Anderson BVMS, MVM, MRCVS

Amanda Ariss BA (Hons), MA (Dist)

David J Bagley FCA, CF

Clare Black BSc (Hons)

Mike Hughes

Dr Michael Nussbaum BSc, PhD, Honorary Doctor of the Open University

Polly Williams ACA, BA (Hons)

John Wraithouse BSc (Hons), MA, FCIPD

Mike Hughes and Dr Michael Nussbaum are guide dog owners.

Election of Trustees

The Trustees are re-appointed by the members of Guide Dogs at the Annual General Meeting or appointed by the Board to fill any vacancies arising during the year. Recruitment takes place through a sub-committee of the Board with clear terms of reference. Trustees require candidates to provide the Board with a full range of relevant skills relating to the business of the charity. Trustees actively seek diverse applications, particularly from people with a vision impairment.

We serve a three-year term of office before retiring and are eligible to stand for re-election for a maximum of two further three-year terms of office. Exceptionally, a fourth and final term may be served if there is a specific need, agreed by the Board.

All new Trustees have personalised induction programmes. These cover the main aspects of the charity, including our finances and our future plans and objectives. Trustees encourage new Trustees to visit one of our four Guide Dog Training Schools and other local teams. They also must attend a staff and volunteer induction workshop, covering safeguarding and other topics.

Governance

Trustees have overall responsibility for Guide Dogs' activities and are advised by the Chief Executive and the Executive Directors. The Trustees have established three committees:

- The Audit Committee, chaired by Polly Williams, Trustee. Elaine Carr is an independent member. John Hilbourne (retired 24 April 2018), former Trustee.
- The Investment Committee, chaired by Bruce Gordon (non-Trustee). Anton Eser is an independent member.
- The Remuneration Committee, chaired by Pat Stafford, Trustee.

The policy framework sets out terms of reference for the committees and the Board receives regular reports of their activities. The Board has a clear policy and procedures for dealing with conflicts of interest in accordance with the Charity Commission guidelines.

All Trustees have adopted The Charity Governance Code and are committed to meeting its principles. Trustees and independent committee members do not receive any remuneration for their services to Guide Dogs.

Specific responsibilities

The Trustees are responsible for preparing the Trustees' Annual Report and the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102, "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the surplus or deficit of the charitable company for that period. In preparing these financial statements, trustees are required to:

- Select suitable accounting policies and then apply them consistently.
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable UK Accounting Standards have been followed subject to any material departures disclosed and explained in the financial statements.

Section 9 Governance

- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.
- Observe the methods and principles in the Charities SORP. The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and ensure that the financial statements comply with the Companies Act 2006. Trustees are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

As far as we are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware.
- The Trustees have taken all reasonable steps to know any relevant audit information and to establish that the auditor is aware of that information.

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

Trustee attendance of Board and Committee meetings 2017

In the table below the number in brackets denotes the number of meetings Trustees were eligible to attend and the number outside brackets represents the number attended.

	Trustee Board Meetings	Away Day	Audit Committee	Remuneration Committee	Investment Committee
James Hambro (Chair)	4 (4)	1 (1)		2 (2)	
Pat Stafford (Vice Chair)	4 (4)	1 (1)		2 (2)	
David Anderson	3 (4)	1 (1)			
Amanda Ariss	3 (4)	1 (1)		1 (2)	
David Bagley	3 (4)	1 (1)			4 (4)
Clare Black	3 (4)	1 (1)	3 (4)		3 (4)
Mike Hughes	2 (4)	1 (1)			
Mike Nussbaum	2 (4)	0 (1)		1 (2)	
Polly Williams	3 (4)	1 (1)	4 (4) Ch		
John Wriothouse	2 (4)	0 (1)		1 (2)	
Elaine Carr [^]			4 (4)		
John Hilbourne [^]			3 (4)		
Bruce Gordon [^]					4 (4) Ch
Anton Eser [^]					2 (4)

[^] Denotes a Committee Member who is not a Trustee.

Managing Guide Dogs – our Executive Directors

Guide Dogs' Executive Directors are the Chief Executive and the Executive Directors. Together, they are accountable for Guide Dogs' vision and strategy. The Executive Directors are responsible for the day-to-day management of Guide Dogs, acting under delegated authority given to them by the Board. It is important for Guide Dogs to have an effective leadership team in place in these senior roles. The Executive Directors as at 6 June 2018 were:

Section 9 Governance

Name	Position	Date of appointment / resignation if updated since 2017
Deirdre Evans	Chief Financial Officer	Appointed 30 May 2018
Jayne George	Director of Fundraising and Marketing	Resigned on 31 January 2018
Mike Holt	Director of People and Performance	
Tim Lowth	Director of Finance	Retired on 31 August 2017
Maria Novell	Director of Fundraising	Appointed 1 January 2018
Wendy Rankin	Interim Director of Mobility Services	Interim ended 31 December 2017
Steve Vaid	Interim Chief Executive Officer	Interim ended 31 December 2017
Steve Vaid	Chief Operating Officer	From 1 January 2018
David Warren	Interim Chief Finance Officer	From 1 September 2017
Tom Wright	Chief Executive Officer	Appointed 11 September 2017

Our policy on executive pay

The current pay and terms and conditions for the Executive Directors were introduced in 2011 and are determined by the Guide Dogs' Remuneration Committee operating as a sub-committee of the Board. This pay policy forms part of the contracts of employment of the Chief Executive and Executive Directors.

The policy aims to:

Develop and sustain a high performance culture from the top of Guide Dogs.

- Recruit and retain talented people to maintain or improve Guide Dogs' already high performance and lead the organisation to achieve our new strategy.
- Recognise Executive Directors for their personal contributions.
- There are a number of principles that underpin the Board's approach to Executive Directors' pay:

The amount paid should reflect the market for comparable jobs in comparable organisations, the performance of the organisation and the skills and contribution of the individual performing the role.

Section 9 Governance

- Increases to pay are 'at risk' because they depend on delivering results; this means it is a performance related pay scheme.
- Performance is defined in a rounded way, including not only achievement of annual targets but also leadership and other behaviours, as well as success in developing the capability and services of Guide Dogs over the longer term.

Salary ranges

Trustees allocate salaries to our executive roles based on a number of factors such as the level of knowledge, skills and experience required, and the responsibilities and accountabilities associated with the position. The Hay Group assess the scope of each executive role and each Executive Director is paid within a salary range applicable to their post. Progression within that range is dependent on their performance.

Trustees review salary ranges annually and any decision to change them is taken by the Remuneration Committee. As part of the review, the Committee considers the level of pay in the sector using benchmark data collected by the Hay Group.

Across Guide Dogs as a whole, the ratio between median salary and the highest salary at the end of 2017 was 1 : 6.41 (restated 2016: 1 : 4.71). The total basic salaries for the key management personnel of the Charity for the year are as follows:

Name	Date	Basic salary
Tom Wright Chief Executive	From 09.17	£52,619
Steve Vaid Interim Chief Executive Officer	12 months	£125,000
Wendy Rankin Acting Director of Mobility Services	To 11.17	£71,545
Jayne George Director of Fundraising and Marketing	12 months	£112,883
Tim Lowth Director of Finance	To 08.17	£57,135
Mike Holt Director of People and Performance	12 months	£90,802

Pension contributions, employer's National Insurance, flexible benefits and bonuses totalled £98,870.

Other benefits

Benefits for Executive Directors are in line with benefits available to all staff. This includes a flexible benefits allowance of up to 3% of salary. Employer's pension contributions are conditional on employee contributions and the same as equivalent contribution levels for all staff.

Employee involvement and employing people with disabilities

We are committed to transparency in our work and to include employees in our decisions. We communicate with employees through day-to-day line management, team meetings, management visits to Guide Dogs' offices, conferences and away days. We also communicate regularly via our intranet, internal publications and by email. In addition, employees can raise any concerns they may have with the Consultation Partnership Group which encourages a flow of information up and down the organisation.

Guide Dogs is a Disability Confident Employer.

As a Disability Confident Employer, we actively seek out and hire skilled people with disabilities. We aim to positively change attitudes, behaviours and cultures, not just in our immediate business but in our networks, supply chains and the communities around us.

Disability Confident works with employers to:

- Challenge attitudes towards disability.
- Increase understanding of disability.
- Remove barriers to disabled people and those with long term health conditions in employment.
- Ensure that disabled people have the opportunities to fulfil their potential and realise their aspirations.

Related parties

Guide Dogs is sole member, or owns the entire issued share capital, of its seven subsidiary undertakings:

- The Guide Dogs for the Blind Association (Trading Company) Limited is the charity's trading subsidiary.
- Blind Children UK is a charity which raises funds to provide services to children and young people with vision impairment and their families. In 2017 Blind Children UK made a restricted grant of its liquid funds to Guide Dogs for use in providing these services.

Section 9 Governance

- Guide Dogs UK Limited, GDBA Community Care Services Limited, GDBA (Pension Fund Trustee) Limited, Guide Dogs Limited and Blind Children UK (Trading) Limited were dormant during 2017.

The financial performance of these subsidiaries is disclosed in Note 13 of the financial statements.

Provision of information to Auditor

As Trustees, at the date of approval of this report, we confirm that:

- So far as we are aware, there is no relevant audit information of which the company's auditor is unaware.
- We have taken all the steps possible to make ourselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Re-appointment of Auditor

In accordance with s.485 of the Companies Act 2006, a resolution is to be proposed at the Annual General Meeting for reappointment of Deloitte LLP as auditor of the Company.

Corporate information

The Guide Dogs for the Blind Association (Guide Dogs) operates under the abbreviated name of Guide Dogs. Guide Dogs is a registered charity (Number 209617 in England and Wales and number SC038979 in Scotland) and was incorporated as a company limited by guarantee (registered in England and Wales number 00291646) on 30 August 1934. Its Central Office which is also its Registered Office, is Hillfields, Reading Road, Burghfield Common, Reading, Berkshire, RG7 3YG.

Guide Dogs is governed by its Articles of Association, which were last amended on 20 July 2013. Guide Dogs is a company limited by guarantee and does not have a share capital. In the event of the company being wound up each member of the company undertakes to contribute such amount as may be required (not exceeding £1) towards the costs of dissolution and liabilities of the Association.

Public benefit

The objects and aims of Guide Dogs fall within the subsection of the Charities Act 2011 related to the relief of those in need, by reason of youth, age, ill-health, disability, financial hardship or other disadvantage. No person who is blind or partially sighted is prohibited from applying for assistance from the services we provide on the grounds of financial circumstances.

The Board has paid due regard to the public benefit guidance published by the Charity Commission.

Principal Advisors

Auditor

Deloitte LLP
2 New Street Square
London EC4A 3BZ

Bankers

Barclays Bank Plc
Thames Valley Corporate
Wytham Court
11 West Way
Oxford OX2 OJB

HSBC Bank plc
25 High Street
Windsor
Berkshire SL4 1LN

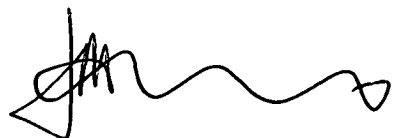
Investment Fund Managers

Newton Investment Management Ltd
The Bank of New York Mellon Centre
160 Queen Victoria Street
London EC4V 4LA

Invesco Fund Managers Limited
Perpetual Park
Perpetual Park Drive
Henley-On-Thames
Oxfordshire RG9 1HH.

This report was approved by the Board on
6 June 2018 and signed on its behalf by:

Chairman: James Hambro

A handwritten signature in black ink, appearing to be 'J. Hambro', with a stylized, wavy line extending to the right.

Report on the audit of the financial statements

Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 December 2017 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 including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006.

We have audited the financial statements of The Guide Dogs for the Blind Association (the 'charitable company') and its subsidiaries (the 'group') which comprise:

- the group's statement of financial activities;
- the group and parent charitable company balance sheets;
- the group cash flow statement;
- the statement of accounting policies; and
- the related notes 1 to 17.

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).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those

Independent Auditor's report

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 and of the parent charitable company 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 are required by ISAs (UK) to report in respect of the following matters where:

- the Trustees' use of the going concern basis of accounting in 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 and the parent charitable company'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.

We have nothing to report in respect of these matters.

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, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in respect of these matters.

Independent Auditor's report

amended). Our audit work has been undertaken so that we might state to the charitable company's members and 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 charitable company, the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' report, which includes the strategic report and the directors' report prepared for the purposes of company law for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report included within the Trustees' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate and proper accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; 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, the Trustees (who are also the directors of the charitable company for the purpose of company law) 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 charitable company'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 group or the parent charitable company 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 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and the Companies Act 2006 and report in accordance with those Acts and relevant regulations made or having effect thereunder.

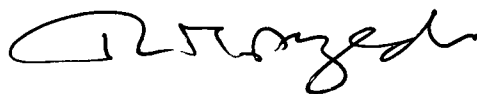
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee 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: 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 charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charitable company's trustees, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as

We have nothing to report in respect of these matters.



Reza Motazedi (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London
United Kingdom

6 June 2018

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

Consolidated statement of financial activities incorporating an income and expenditure account for the year ended 31 December 2017

	Notes	Unrestricted Funds £m	Restricted Funds £m	Endowment Funds £m	Total 2017 £m	Restated Total 2016 £m
Income and endowments from:	1					
Donations and legacies		86.6	11.5	-	98.1	98.4
Charitable activities		1.1	-	-	1.1	1.1
Other trading activities		7.2	-	-	7.2	6.7
Investments		0.8	-	-	0.8	0.7
Other income		1.5	-	-	1.5	0.1
Total income		97.2	11.5	-	108.7	107.0
Expenditure on:	2					
Raising funds		44.5	-	-	44.5	39.9
Charitable activities						
Provision of guide dogs services		39.7	10.0	-	49.7	49.3
Provision of other adult services		4.8	-	-	4.8	4.7
Provision of other children's services		3.1	1.0	-	4.1	4.1
Research and development		0.3	-	-	0.3	0.6
Advocacy and awareness		3.3	-	-	3.3	3.1
Total charity expenditure		51.2	11.0	-	62.2	61.8
Total		95.7	11.0	-	106.7	101.7
Net gain/(loss) on investments		0.1	-	-	0.1	(0.5)
Net income for the year		1.6	0.5	-	2.1	4.8
Other recognised gains and losses						
Actuarial gain/(loss) on defined benefit pension scheme		5.0	-	-	5.0	(8.1)
Net movement in funds		6.6	0.5	-	7.1	(3.3)
Reconciliation of funds:						
Fund balance brought forward at 1 January		101.5	4.4	0.5	106.4	109.7
Fund balances carried forward at 31 December		108.1	4.9	0.5	113.5	106.4

All results are derived from continuing operations with the exception of £1.5m other income which was from the sale of a property

The parent charity, The Guide Dogs for the Blind Association has gross income of £107.5 million (2016: £103.3 million) and a result of £7.3m gain (2016: £3.4 million loss) for the year.

The net increase in funds for the financial year under the historical cost accounting convention, adjusted for the revaluation of fixed assets but excluding the movement in market value of Investments, is £6.8 million (2016: net decrease £3.8 million) (Note 5).

The 2016 comparative figures have been restated for an adjustment to the expenditure overhead allocation basis, whereby headcount was reallocated to better reflect the underlying activities.

The accounting policies and notes on pages 54 to 73 form part of these financial statements

Consolidated and charity balance sheets at 31 December 2017

		Group 2017 £m	Group 2016 £m	Charity 2017 £m	Charity 2016 £m
Fixed assets					
Tangible assets	5	36.9	39.8	36.9	39.8
Investments	6	49.7	45.0	50.2	45.5
		<u>86.6</u>	<u>84.8</u>	<u>87.1</u>	<u>85.3</u>
Current assets					
Stocks	7	0.3	0.5	0.1	0.1
Debtors	8	31.4	30.6	31.0	30.8
Cash at bank and in hand		4.1	7.7	3.9	7.0
		<u>35.8</u>	<u>38.8</u>	<u>35.0</u>	<u>37.9</u>
Creditors					
Amounts falling due within one year	9	(8.8)	(8.2)	(8.7)	(8.1)
Net current assets		<u>27.0</u>	<u>30.6</u>	<u>26.3</u>	<u>29.8</u>
Total assets less current liabilities		<u>113.6</u>	<u>115.4</u>	<u>113.4</u>	<u>115.1</u>
Creditors					
Amounts falling due after more than one year	10	(0.1)	(0.2)	(0.1)	(0.2)
Net assets excluding pension deficit		<u>113.5</u>	<u>115.2</u>	<u>113.3</u>	<u>114.9</u>
Pension fund deficit	14	-	(8.8)	-	(8.8)
Net assets		<u>113.5</u>	<u>106.4</u>	<u>113.3</u>	<u>106.1</u>
Unrestricted Funds					
General funds		69.2	65.4	69.0	65.1
Designated funds		36.9	39.8	36.9	39.8
Revaluation reserve		2.0	5.1	2.0	5.1
Pension deficit reserve		-	(8.8)	-	(8.8)
Total unrestricted funds		<u>108.1</u>	<u>101.5</u>	<u>107.9</u>	<u>101.2</u>
Restricted funds		<u>4.9</u>	<u>4.4</u>	<u>4.9</u>	<u>4.4</u>
Endowment funds		<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>
Total funds	11,15	<u>113.5</u>	<u>106.4</u>	<u>113.3</u>	<u>106.1</u>

As provided by Section 408 of the Companies Act 2006, no separate income and expenditure account is presented for the charity.

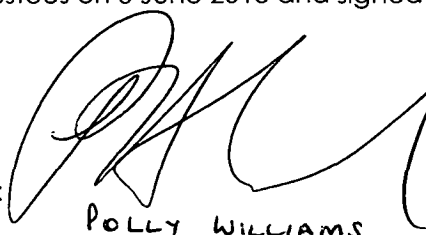
The Financial Statements of The Guide Dogs for the Blind Association (registered company number 00291646) were approved by the Board of Trustees on 6 June 2018 and signed on its behalf by:

Chairman:



JAMES HAMBRO

Trustee:



POLLY WILLIAMS

The accounting policies and notes on pages 54 to 73 form part of these financial statements

Consolidated cash flow statement for the year ended 31 December 2017

	Notes	2017 £m	2016 £m
Net cash outflow from operating activities	16	(0.7)	9.8
Return on investment and servicing of finance			
Investment income received		0.8	0.7
Capital expenditure and financial investment			
Payments for tangible fixed assets		(1.2)	(0.9)
Proceeds from sale of tangible fixed assets		2.1	0.1
Net divestment from investment portfolio		(4.6)	(11.5)
		(3.7)	(12.3)
Increase/(decrease) in cash in the year		(3.6)	(1.8)
Net cash at 1 January		7.7	9.5
Increase/(decrease) in the year		(3.6)	(1.8)
Net cash at 31 December		4.1	7.7

Accounting policies

Company and charitable status

The Guide Dogs for the Blind Association (Guide Dogs), a public benefit entity, is incorporated in England and Wales as a company limited by guarantee not having share capital. There are currently 10 Trustees who are also the members of the company. Each member has undertaken to contribute to the assets in the event of winding up a sum not exceeding £1. Guide Dogs is a registered charity. The registered office and charity registration numbers are given on page 44.

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

a. Basis of accounting

The financial statements are prepared under the historical cost convention, in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities (SORP 2015)" applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), effective 1 January 2015; and the Companies Act 2006.

The Guide Dogs for the Blind Association meets the definition of a public benefit entity under FRS 102.

b. Preparation of the accounts on a going concern basis

Guide Dogs reported a total cash outflow of £3.0 million for the year (2016:£1.4 million) and £3.6 million (2016:£1.8 million) on a group basis.

The Board of Trustees has reviewed financial projections for Guide Dogs and considers that there are sufficient funds at the date of signature of the financial statements to manage any foreseeable downturn in the UK and global economy. The Board also considers that there is a reasonable expectation that The Guide Dogs for the Blind Association has adequate resources to continue in operational existence for the foreseeable future and for this reason the Board continues to adopt the 'going concern' basis in preparing the financial statements.

c. Group financial statements

The group accounts consolidate the accounts of the charity and its subsidiary undertakings. Acquisitions are accounted for under the acquisition method.

d. Incoming resources

Incoming resources are recognised when their receipt become probable.

- i) The income of fundraising branches and other donations is accounted for on a receivable basis. Income from raffles and draws is accounted for at the time of cash receipt.

Accounting policies

- ii) Donated goods and professional services are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), general volunteer time is not recognised and you can refer to the Trustees' report (including the directors' report and strategic report) for more information about their contribution. On receipt, donated goods are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.
- iii) Following the change to preparation of accounts under Financial Reporting Standard 102, legacy income is accounted for when notification of the legacy is received, generally after grant of probate, providing the amount can be reliably ascertained and that ultimate receipt is probable.
- iv) Investment income is accounted for on an accruals basis.
- v) Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

e. Resources expended

Expenditure is accounted for on an accruals basis.

- i) Grants payable are recognised when a legal or operationally binding commitment has been made to make the grant payment.
- ii) The costs of charitable activities and generating funds include relevant direct costs incurred and the direct costs of staff employed on the activity, together with a share of overheads and support costs calculated in proportion to the number of staff employed in this area. Following FRS102 governance costs (relating to the direct costs associated with the constitutional and statutory requirements of the charity and including the costs of internal and external audit, secretariat and other related costs) are now included in the support costs allocation.
- iii) The cost of irrecoverable Value Added Tax is included within relevant expenditure.

f. Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the group's activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities. Support costs have been allocated primarily on the basis of headcount of staff include in each charitable activity.

g. Operating leases

Rentals payable under operating leases are expensed on a straight-line basis over the lease term.

Accounting policies

h. Tangible fixed assets

Tangible fixed assets are stated in the balance sheet at cost, with the exception of freehold land and buildings which are stated at historic valuation, which are adopted as deemed costs upon FRS102 transition (see Note 5), less depreciation, on a straight-line basis, at the following annual rates:

Freehold land	Nil
Freehold buildings	2½% - 5%
Furniture and equipment	10% - 20%
Motor vehicles	20%
Computers	33%

Software development costs are expensed.

Leasehold properties are depreciated over their lease terms on a straight-line basis.

i. Financial instruments

Financial assets and financial liabilities are recognised when the group becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

The charity and group only have financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

j. Critical accounting judgements and key sources of estimation uncertainty

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The Group's key areas of judgement relate to the timing of recognition and fair value of legacies receivable (see Note 8), and the actuarial assumptions adopted in calculating the defined benefit pensions liability (see Note 14). There are no key sources of estimation uncertainty.

Accounting policies

k. Investments

Investments are stated at market value at the balance sheet date. The value of unit trusts is the bid price of the units.

It is the charity's policy to keep valuations up to date such that when investments are sold there is no realised gain or loss arising. As a result the Statement of Financial Activities does not distinguish between the valuation adjustments relating to sales and those relating to continued holdings as they are together treated as changes in the value of the investment portfolio throughout the year.

Investments in subsidiary companies are stated at cost, less any provision for impairment.

l. Stocks

Stocks have been valued at the lower of cost on a first in first out basis and net realisable value.

m. Pension costs

Guide Dogs sponsors two pension schemes:

(a) A defined contribution scheme. The pension charge in relation to this scheme is based upon employer's contributions payable in the year.

(b) A defined benefit pension scheme. This scheme is closed to future accrual. The pension charge in relation to this scheme is based on annual valuations undertaken by the scheme Actuary in compliance with the provisions of FRS102.

In addition there is a small unfunded pension liability in respect of four ex-employees. The liability in relation to these employees is recognised in accordance with actuarial valuation.

n. Fund accounting

The charity has a few small permanent endowments, which have to be retained as capital in perpetuity. However, income arising from these funds is wholly unrestricted.

Restricted funds are those which must be applied in accordance with the purpose specified by the donor. Expenditure relating to these purposes is therefore charged directly to the relevant fund.

The unrestricted income funds comprise those funds which the Trustees are free to use for any purpose in furtherance of the charitable objects. Such funds include designated funds where the Trustees, at their discretion, have created a fund for a specific purpose. Transfers of funds from general unrestricted funds to designated funds are approved by the Trustees. Further details of each fund are disclosed in Note 11.

Accounting policies

o. Taxation

Guide Dogs, as a registered charity, is exempt from corporation tax under Chapter 3 of Part 11 to the Corporation Tax Act 2010 or Section 256 of the Taxation of the Chargeable Gains Act 1992, to the extent that surpluses are applied to its charitable purposes. No corporation tax charge has arisen in the charity's subsidiaries, in one case because the subsidiary itself is a registered charity, and in all other cases due to their policies of gifting all taxable profits to Guide Dogs each year. Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

Notes to the financial statements for the year ended 31 December 2017**1. Incoming resources**

	2017 £m	2016 £m
Income from		
Donations and legacies		
Community fundraising	8.4	7.8
Donor based fundraising	43.8	40.7
Corporate and trust income	2.2	2.0
Legacies	43.7	47.9
	<hr/> 98.1	<hr/> 98.4
Charitable activities		
Sale of rehabilitation services under contract	0.8	0.6
Ancillary trading	0.3	0.5
	<hr/> 1.1	<hr/> 1.1
Other trading activities		
Raffles and draws	3.3	3.2
Lotteries	2.4	2.0
Other	1.5	1.5
	<hr/> 7.2	<hr/> 6.7
Investment income	<hr/> 0.8	<hr/> 0.7
Other income – gain on sale of tangible assets	1.5	0.1
	<hr/> 108.7	<hr/> 107.0
Total	<hr/> <hr/> 108.7	<hr/> <hr/> 107.0

Notes to the financial statements for the year ended 31 December 2017**2. Total expenditure**

	Direct Costs £m	Support Costs £m	Total 2017 £m	Restated Total 2016 £m
Expenditure on raising donations and legacies				
Community fundraising	4.8	1.1	5.9	5.5
Donor based fundraising	28.6	0.7	29.3	24.2
Corporate and trust income	1.5	0.3	1.8	1.4
Fundraising development and administration	1.5	0.4	1.9	2.5
Legacy marketing and administration	0.8	0.3	1.1	2.0
	37.2	2.8	40.0	35.6
Expenditure on trading activities				
Cost of goods sold and other costs	1.4	0.1	1.5	1.6
Raffles and draws	2.2	-	2.2	2.1
Lotteries	0.5	-	0.5	0.4
	4.1	0.1	4.2	4.1
Investment management fees	0.3	-	0.3	0.2
Expenditure on raising funds	41.6	2.9	44.5	39.9
Charitable expenditure				
Provision of guide dogs services	40.7	9.0	49.7	49.3
Provision of other adult mobility services	3.7	1.1	4.8	4.7
Provision of children's services	3.2	0.9	4.1	4.1
Research and development	0.2	0.1	0.3	0.6
Advocacy and awareness	2.8	0.5	3.3	3.1
	50.6	11.6	62.2	61.8
Total expenditure	92.2	14.5	106.7	101.7

2016 comparative figures have been restated for a change in the basis of overhead allocations.

Resources expended include:

	2017 £m	2016 £m
Operating lease charges		
Other – land and buildings	0.8	0.7
Depreciation charged in the year	3.5	3.7

	£'000	£'000
Fees payable to the charity's auditor (inclusive of VAT)		
The audit of the charity's annual financial statements	64.9	61.5
The audit of the charity's subsidiaries pursuant to legislation	10.0	10.5

Notes to the financial statements for the year ended 31 December 2017**Support cost allocation**

	Raising Funds	Provision of guide dog services	Provision of other adult services	Provision of children's services	Research and development	Advocacy and awareness	Total
	£m	£m	£m	£m	£m	£m	£m
Governance	0.1	0.5	0.1	-	-	-	0.7
Finance	0.4	1.2	0.2	0.1	-	0.1	2.0
Information Technology	0.6	2.0	0.2	0.2	0.1	0.1	3.2
Human resources	0.5	1.5	0.2	0.2	-	0.1	2.5
Marketing & communications	0.3	0.9	0.1	0.1	-	-	1.4
Central property costs	0.4	1.0	0.1	0.1	-	0.1	1.7
Other central costs	0.6	1.9	0.2	0.2	-	0.1	3.0
Total	2.9	9.0	1.1	0.9	0.1	0.5	14.5

3. Research commissioned – grants payable

Research and development comprises strategic, market, consumer and scientific research and technology development. Total research and development expenditure of £0.3 million includes grants amounting to £6k in 2017 (2016: £0.2 million). One new grant was made in 2017 for £38k (no new grants were made in 2016).

4. Trustees and employees

The Trustees and persons connected with them have not received, obtained or waived any remuneration or other financial benefits for the year directly or indirectly from Guide Dogs (2016: £nil). Travelling and subsistence expenses were reimbursed in respect of 7 trustees, totalling £4,217 (2016: 7; £3,723).

Staff costs

	2017 £m	2016 £m
Wages and salaries	41.2	40.3
Social security costs	4.7	3.9
Other pension costs excluding pension scheme actuarial loss (see Note 14)	2.5	2.5
Sub total	48.4	46.7
Other staff related costs	6.3	3.5
Total	54.7	50.2

Notes to the financial statements for the year ended 31 December 2017

The average number of persons employed during the year ended 31 December 2017 is shown below on full time equivalent basis:

	2017 No.	Restated 2016 No.
Fundraising and legacies	244	227
Provision of guide dogs services	747	755
Provision of other adult services	93	89
Provision of other children's services	80	78
Research and development	6	6
Advocacy and awareness	39	38
Management, administration and clerical (indirect)	173	164
	<u>1,382</u>	<u>1,357</u>

Pension contributions were paid into Guide Dogs' defined contribution scheme for 1,468 employees (2016: 1,408 employees).

The number of group employees whose emoluments, excluding pension contributions and employers' national insurance, but including benefits in kind, were in excess of £60,000 was:

	2017 No.	2016 No.
£60,001 to £70,000	8	7
£70,001 to £80,000	4	8
£80,001 to £90,000	5	1
£90,001 to £100,000	1	1
£100,001 to £110,000	-	2
£130,001 to £140,000	1	1
	<u>19</u>	<u>20</u>

Pension contributions were paid into the Guide Dogs' defined contribution scheme for the year on behalf of 18 (2016: 15) of the employees with emoluments in excess of £60,000.

The key management personnel of the parent Charity and the Group are listed on page 40. The total remuneration (including pension contributions and employers' national insurance) of the key management personnel of the Charity for the year totalled £609k (2016: £642k).

No staff are employed directly by subsidiary companies.

Notes to the financial statements for the year ended 31 December 2017**5. Tangible fixed assets**

	Freehold properties	Leasehold properties	Furniture equipment, vehicles and computers	Total
	£m	£m	£m	£m
Group and Charity				
Cost or valuation				
As 1 January 2017	52.1	1.0	13.3	66.4
Additions	0.1	-	1.1	1.2
Disposals	(1.8)	-	(0.9)	(2.7)
At 31 December 2017	50.4	1.0	13.5	64.9
Depreciation				
As 1 January 2017	16.6	0.8	9.2	26.6
Provision for year	1.8	-	1.7	3.5
Disposals	(1.2)	-	(0.9)	(2.1)
At 31 December 2017	17.2	0.8	10.0	28.0
Net book value 31 December 2017	33.2	0.2	3.5	36.9
Net book value 31 December 2016	35.5	0.2	4.1	39.8

The majority of freehold properties were revalued as at 31 December 1998 by Weatherall Green & Smith, Chartered Surveyors, on an open market value basis in accordance with guidelines issued by the Royal Institution of Chartered Surveyors.

The charity's freehold property depreciation charge for the year on a historical cost basis would have been £2.1 million (2016: £2.2 million) compared with the actual charge of £1.8 million (2016: £1.7 million) based on revalued amounts. This accounts for the difference between £7.1 million movement of funds on the SOFA and £6.8 million under the historical cost convention.

Notes to the financial statements for the year ended 31 December 2017**6. Investments****a. Movement in investments during the year**

	Group 2017 £m	Group 2016 £m	Charity 2017 £m	Charity 2016 £m
Market value at 1 January	45.0	34.0	45.5	34.5
Net investment	4.6	11.5	4.6	11.5
Net gain/(loss) on revaluation	0.1	(0.5)	0.1	(0.5)
Market value at 31 December	49.7	45.0	50.2	45.5

b. Analysis of investments of market value

	Group 2017 £m	Group 2016 £m	Charity 2017 £m	Charity 2016 £m
Listed investments – United Kingdom	49.7	45.0	49.7	45.0
Investments in subsidiaries	-	-	0.5	0.5
	49.7	45.0	50.2	45.5

c. Analysis of investment cost

	Group 2017 £m	Group 2016 £m	Charity 2017 £m	Charity 2016 £m
Listed investments – United Kingdom	47.7	40.0	47.7	40.0
Investments in subsidiaries	-	-	0.5	0.5
	47.7	40.0	48.2	40.5

At 31 December 2017 the listed investments included nil holdings in Standard Life Investment's Global Absolute Return Strategies Fund (2016: £23.9 million), holdings in Invesco Perpetual's Global Absolute Return Strategies Fund valued at £15.8 million (2016: nil) and BNY Mellon Newton Real Return Fund valued at £33.9 million (2016: £20.6million). The Invesco Perpetual holding includes £0.5 million (2016: £0.5 million held separately in Standard Life Investment's Global Equity unit trusts) representing Guide Dogs' Endowment Funds.

The results of the charity's subsidiaries are discussed in note 13.

7. Stocks

	Group 2017 £m	Group 2016 £m	Charity 2017 £m	Charity 2016 £m
Equipment	0.1	0.1	0.1	0.1
Trading stock	0.2	0.4	-	-
	0.3	0.5	0.1	0.1

Notes to the financial statements for the year ended 31 December 2017**8. Debtors**

	Group 2017 £m	Group 2016 £m	Charity 2017 £m	Charity 2016 £m
Tax recoverable	2.2	0.7	2.2	0.6
Other debtors	0.1	0.1	0.1	0.1
Trade debtors	0.2	0.2	0.2	0.2
Due from subsidiary undertakings	-	-	(0.4)	0.4
Accrued legacy income	27.5	28.4	27.5	28.3
Other accrued income	0.1	-	0.1	-
Other prepayments	1.3	1.2	1.3	1.2
	31.4	30.6	31.0	30.8

Included in other debtors are amounts falling due after more than one year. They include a non-interest bearing equity loan to an employee for housing assistance amounting to £50,000 (2016: £50,000) and a loan of £50,000 (2016: £62,500), repayable over 20 years, to Sight Concern Worcestershire (formerly The Worcestershire Association for the Blind) for the development of a resource centre.

9. Creditors: amounts falling due within one year

	Group 2017 £m	Group 2016 £m	Charity 2017 £m	Charity 2016 £m
Trade creditors	2.7	2.3	2.7	2.3
Other creditors	0.4	0.4	0.4	0.4
Tax and social security	1.8	1.0	1.7	0.9
Accruals and deferred income	3.9	4.5	3.9	4.5
	8.8	8.2	8.7	8.1

10. Creditors: amounts falling due after more than one year

	Group 2017 £m	Group 2016 £m	Charity 2017 £m	Charity 2016 £m
Unfunded pension obligations	0.1	0.1	0.1	0.1
Contracted research grants	-	0.1	-	0.1
	0.1	0.2	0.1	0.2

The unfunded pension obligations are in respect of four (2016: four) retired members of staff.

Notes to the financial statements for the year ended 31 December 2017**11. Fund balances**

Group	1 January 2017 £m	Income £m	Expenditure £m	Investment gains £m	Other gains £m	31 December 2017 £m
Unrestricted funds	101.5	97.2	95.7	0.1	5.0	108.1
Restricted funds	4.4	11.5	11.0	-	-	4.9
Endowment funds	0.5	-	-	-	-	0.5
Total funds	106.4	108.7	106.7	0.1	5.0	113.5

Charity	1 January 2017 £m	Income £m	Expenditure £m	Investment gains £m	Other losses £m	31 December 2017 £m
Unrestricted funds	101.2	96.0	94.4	0.1	5.0	107.9
Restricted funds	4.4	11.5	11.0	-	-	4.9
Endowment funds	0.5	-	-	-	-	0.5
Total funds	106.1	107.5	105.4	0.1	5.0	113.3

Restricted income comes primarily from legacies but also from other income streams. The restrictions primarily relate to geographical location or the stage of the dog training. Most funds are utilised in the year of receipt as they are matched to activities already happening in the area.

Further detail on specific restricted funds is included on page 74.

Analysis of revaluation reserve (included within unrestricted funds)

	Group 2017 £m	Group 2016 £m	Charity 2017 £m	Charity 2016 £m
Revaluation of investment portfolio	2.0	5.0	2.0	5.0
Revaluation of properties for use by charity	-	0.1	-	0.1
	2.0	5.1	2.0	5.1

Notes to the financial statements for the year ended 31 December 2017**12. Commitments**

Obligations under operating leases

At the end of the year the total of future minimum lease payments under non-cancellable operating leases for each of the following periods are:

	2017 £m	2016 £m
Group :		
Within one year	0.8	0.6
Between one and five years	1.0	0.3
Beyond five years	0.1	0.0
	<hr/> 1.9	<hr/> 0.9

13. Subsidiaries

The Association owns the whole of the issued share capital, or is the sole member of: The Guide Dogs for the Blind Association (Trading Company) Limited (company registration number 1596945), Blind Children UK (company registration number 3133018), GDBA Community Care Services Limited (company registration number 2735518), Guide Dogs Limited (company registration number 2332629), Guide Dogs UK Limited (company registration number 3252696) and GDBA (Pension Fund Trustee) Limited (company registration number 1870871). Blind Children UK owns the whole of the issued share capital of Blind Children UK (Trading) Limited (company registration number 4245581). Of these only the following traded in their own account in 2017:

- Blind Children UK, raises funds for providing services to blind and partially sighted children, and their families via the Guide Dogs programmes. This funding is passed to Guide Dogs in the form of a restricted grant.
- The Guide Dogs for the Blind Association (Trading Company) Limited is the charity's trading subsidiary.

All companies in the group are domiciled in the United Kingdom and their registered offices are all: Hillfields, Burghfield Common, Reading, Berkshire, RG7 3YG.

Notes to the financial statements for the year ended 31 December 2017

A summary of the trading results and net assets for the year ended 31 December 2017 is shown below:

	Blind Children UK 2017 £m	Trading Company 2017 £m	Total 2017 £m	Total 2016 £m
Incoming resources/turnover	0.7	1.2	1.9	6.3
Cost of generating funds/cost of sales	-	(0.7)	(0.7)	(2.2)
Gross profit	0.7	0.5	1.2	4.1
Other operating income	-	0.2	0.2	0.1
Distribution, selling and administration expenses	-	(0.6)	(0.6)	(0.7)
Cost of charitable activities	-	-	-	(3.3)
Operating profit for the financial year	0.7	0.1	0.8	0.2
Donation to Guide Dogs	(0.8)	(0.1)	(0.9)	(0.2)
Loss for the year	(0.1)	-	(0.1)	-
Reserves at start of year	0.2	0.5	0.7	0.7
Reserves at end of year	0.1	0.5	0.6	0.7
Current assets	0.1	0.6	0.7	1.2
Current liabilities	-	(0.1)	(0.1)	(0.5)
Net assets/(liabilities) at end of year	0.1	0.5	0.6	0.7

Guide Dogs has utilised the exemptions given by FRS 102, not to disclose transactions with related party undertakings which are wholly-owned by the group.

In 2017 Blind Children UK's income was all granted to Guide Dogs for use on their children's services. (In 2016 Blind Children UK's income included a £2.8 million grant from Guide Dogs to undertake its own children's service activities.)

14. Pension costs**Composition of the scheme**

The Association operates The Guide Dogs for the Blind Association Pension Scheme which is a final salary pension scheme. The Scheme closed to new entrants on 31 March 2011 and closed to future accrual on 31 December 2012.

The Scheme is a registered funded pension scheme. The assets of the Scheme are held separately from the assets of the Association in trustee administered funds.

Contributions to the Scheme are assessed in accordance with the advice of a qualified actuary. Deficit contributions of £4.0m are expected for 2018 in accordance with the Scheme's current Recovery Plan.

The preliminary results of the actuarial valuation of the Scheme as at 31 December 2015 have been updated to 31 December 2017 by a qualified independent actuary.

Notes to the financial statements for the year ended 31 December 2017**Assumptions****The major assumptions used by the actuary were:**

	2017	2016
Discount rate	2.55%	2.70%
Rate of increase in salaries	n/a	n/a
Rate of increase in payment of pensions (RPI max 5%)	3.05%	3.10%
Inflation assumption (RPI)	3.20%	3.25%
Inflation assumption (OP)	2.20%	2.25%
Life expectancies on retirement at age 60		
Retiring today – males	27.0	26.8
Retiring today – females	29.0	29.0
Retiring in 20 years – males	28.5	28.2
Retiring in 20 years – females	30.6	30.6
Cash commutation	100% of members commute 25%	100% of members commute 25%

Balance sheet**The assets in the plan were:**

	2017 £m	2016 £m
Equities	89.3	86.9
Properties	11.1	15.4
Bonds	159.0	110.5
Hedge Funds	30.5	64.5
Insured Pensions	0.4	0.5
Cash	12.5	22.4
Total market value of assets	302.8	300.2
Present value of plan liability	(298.6)	(309.0)
Surplus/(deficiency) in the plan	4.2	(8.8)
Effect of the asset ceiling	(4.2)	-
Net pension fund deficit	-	(8.8)

Notes to the financial statements for the year ended 31 December 2017**Analysis of the amount credited/(charged) to the Statement of Financial Activities**

	2017 £m	2016 £m
Net interest cost on the defined benefit obligation	(0.2)	(0.2)
Total amount charged within Net Income for the year	(0.2)	(0.2)
Experience gain arising on the plan's assets	10.5	61.1
Experience gain/(loss) arising on the plan's liabilities	4.8	(5.9)
Actuarial (losses)	(6.1)	(63.3)
Effect of asset ceiling	(4.2)	-
Actuarial gain/(loss)	5.0	(8.1)
Total amount credited/(charged) to the Statement of Financial Activities	4.8	(8.3)

Reconciliation of present value of plan liabilities and assets

	2017 £m	2016 £m
Change in present value liabilities		
Present value of plan liabilities at start of year	309.0	248.4
Interest on pension liabilities	8.1	9.2
Actuarial (gain)/ loss on financial assumptions	6.7	-
Actuarial (gain)/ loss on demographic assumptions	(0.6)	63.3
Experience (gains) / losses	(4.8)	5.9
Benefits paid	(19.8)	(17.8)
Present value of plan liabilities at the end of year	298.6	309.0

	2017 £m	2016 £m
Change in plan assets		
Fair value of plan assets at start of year	300.2	241.1
Interest income	7.9	9.1
Return on scheme assets excluding interest income	10.5	61.1
Employer's contributions	4.0	6.7
Benefits paid	(19.8)	(17.8)
Fair value of plan assets at end of year	302.8	300.2

Notes to the financial statements for the year ended 31 December 2017**5 year history****History of funding position and experience gains and losses**

	2017 £m	2016 £m	2015 £m	2014 £m	2013 £m
Defined benefit obligation	(298.6)	(309.0)	(248.4)	(258.6)	(233.2)
Scheme assets	302.8	300.2	241.1	247.7	211.0
Effect of asset ceiling	(4.2)	-	-	-	-
(Deficit)	-	(8.8)	(7.3)	(10.9)	(22.2)
Actual return less expected return on plan assets					
amount	10.5	61.1	(6.9)	22.9	2.2
percentage of plan assets	3.5%	20.4%	2.8%	9.3%	1.1%
Experience gain/(loss) on plan liabilities					
amount	4.8	(5.9)	4.2	-	0.4
Percentage of the present value of plan liabilities	1.6%	1.9%	1.7%	0.0%	0.2%
Total gain/(loss) recognised in statement of					
Total recognised gains and losses					
amount	5.0	(8.1)	(2.8)	(0.3)	0.4
Percentage of the present value of the plan liabilities	1.7%	2.6%	1.1%	0.1%	0.2%

15. Analysis of net assets between funds

Group	General funds £m	Designated funds £m	Restricted funds £m	Endowment funds £m	Total 2017 £m	Restated Total 2016 £m
Tangible fixed assets	-	36.9	-	-	36.9	39.8
Fixed asset investments	49.2	-	-	0.5	49.7	45.0
Bank balances	4.1	-	-	-	4.1	7.7
Pension fund	-	-	-	-	-	(8.8)
Other assets and liabilities	17.9	-	4.9	-	22.8	22.7
	71.2	36.9	4.9	0.5	113.5	106.4

Notes to the financial statements for the year ended 31 December 2017

Charity	General funds £m	Designated funds £m	Restricted funds £m	Endowment funds £m	Total 2017 £m	Restated Total 2016 £m
Tangible fixed assets	-	36.9	-	-	36.9	39.8
Fixed asset investments	49.7	-	-	0.5	50.2	45.5
Bank balances	3.9	-	-	-	3.9	7.0
Pension fund	-	-	-	-	-	(8.8)
Other assets and liabilities	17.4	-	4.9	-	22.3	22.6
	71.0	36.9	4.9	0.5	113.3	106.1

The 2016 comparative figures are restated to correct an error between bank balances and other assets and liabilities where this note did not agree to the balance sheet figures for both group and charity.

16. Notes to cash flow statement**Reconciliation of net income/expenditure to net cash outflow from operating activities**

	2017 £m	2016 £m
Net income for the financial year	2.1	4.8
Investment (gain)/loss	(0.1)	0.5
Investment income	(0.8)	(0.7)
Depreciation	3.5	3.7
Net gain on disposal of tangible fixed assets	(1.5)	(0.1)
Decrease/(Increase) in stocks	0.2	(0.1)
(Increase)/Decrease in debtors	(0.8)	8.8
Increase/(Decrease) in creditors	0.5	(0.5)
Adjustment for pension funding	(3.8)	(6.6)
Net cash (outflow)/inflow from operating activities	(0.7)	9.8

Notes to the financial statements for the year ended 31 December 2017
17. Comparative consolidated statement of financial activities
Incorporating an income and expenditure account
For the year ended 31 December 2017

	Notes	Restated Unrestricted Funds £m	Restricted Funds £m	Endowment Funds £m	Restated Total 2016 £m
Income and endowments from:	1				
Donations and legacies		88.2	10.2	-	98.4
Charitable activities		1.1	-	-	1.1
Other trading activities		6.7	-	-	6.7
Investments		0.7	-	-	0.7
Other income		0.1	-	-	0.1
Total income		96.8	10.2	-	107.0
Expenditure on:	2				
Raising funds		39.9	-	-	39.9
Charitable activities					
Provision of guide dogs services		39.1	10.2	-	49.3
Provision of other adult services		4.7	-	-	4.7
Provision of other children's services		3.7	0.4	-	4.1
Research and development		0.6	-	-	0.6
Advocacy and awareness		3.1	-	-	3.1
Total charitable expenditure		51.2	10.6	-	61.8
Total expenditure		91.1	10.6	-	101.7
Net (losses)/ gains on investments		(0.5)	-	-	(0.5)
Net income/(expenditure) for the year		5.2	(0.4)	-	4.8
Other recognised gains and losses:					
Actuarial (loss)/gain on defined benefit pension scheme		(8.1)	-	-	(8.1)
Net movement in funds		(2.9)	(0.4)	-	(3.3)
Reconciliation of funds:					
Fund balance brought forward at 1 January		104.4	4.8	0.5	109.7
Fund balances carried forward at 31 December		101.5	4.4	0.5	106.4

Major gifts and donations

None of our work is possible without the support of so many. We give our most sincere thanks to anyone who helped in any way during 2017. In particular, our special thanks go to the following donors.

Restricted Funds include (amongst others) the following grants.

Funder	Grant in respect of	Unspent at 31 Dec 2016 £	Incoming resources £	Outgoing resources £	Unspent at 31 Dec 2017 £
Big Lottery Fund Awards for all NI	Supporting Familles – NI	75,409	134,900	160,038	50,271
East Riding of Yorkshire Council and NHS East Riding of Yorkshire Clinical Commissioning Group	My Guide for older people in the East Riding of Yorkshire	-	5,680	4,000	1,680
Glasgow City Council	Children and young people.		3,890	3,890	-
RS MacDonald Foundation	My Guide Scotland	-	21,000	21,000	-
BBC Children in Need Wales	Support blind children and young people to access leisure activities.	-	17,254	-	17,254
Wales Council for Voluntary Action	To establish 3 volunteer hubs.	-	14,974	13,324	1,650
East Sussex County Council, NHS Hastings and Rother Clinical Commissioning Group and Artswork	My Guide Hastings and Rother	-	9,434	-	9,434