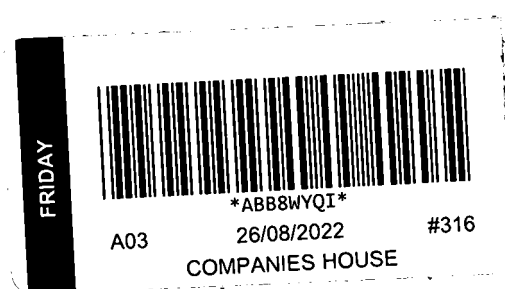




The Guide Dogs for the Blind Association

Annual Report & Accounts 2021



Registered Office: Hillfields, Burghfield Common, Reading, Berkshire RG7 3YG.
A company limited by guarantee registered in England and Wales (291646) and a charity registered in England and Wales (209617), Scotland (SC038979) and Isle of Man (1334).

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We are Guide Dogs

We're here to help people with sight loss live the life they choose. Children and adults. Friends and family. Whoever you are, our expert staff, volunteers and life-changing dogs are here to help you:

Live actively. Our people and dogs can help you go wherever school, work or play takes you - and you can be confident that your sight loss won't hold you back.

Live independently. The advice and skills we provide will give you the freedom to achieve your hopes and ambitions on your terms.

Live well. We can help you through the emotional and practical challenges of sight loss, introducing you to inspiring people with similar experiences and supporting you to be your best.

Levi's story

Levi was working as a carpenter on a barn conversion in 2012 when part of the roof suddenly gave way and he landed on the concrete floor. Within three days he had lost his sight completely.

“It was the most awful experience, which left me feeling anxious and insecure. I had to adapt to a new way of life, and because I lived on my own, I always had to rely on friends to help me. I couldn’t do much for myself and ended up staying home all the time. I lost my freedom and felt like I was a prisoner in myself.

I enrolled at a college for people with sight loss to rebuild my life and learn new skills, and that’s where I heard about Guide Dogs. I got in touch and was matched with my beautiful guide dog Hugo - it was a dream come true.

From the very first meeting, it was like Hugo knew he was home. He came straight to me and settled into a nap by my feet. With Hugo by my side I can confidently leave my home - we get the bus into town and he helps me be a part of my community again.

I wouldn’t know what to do now without Hugo.”

Levi kindly shared his story with us, but sadly passed away while we were preparing this report. We send our condolences to his family and thanks for giving permission for us to use his words.

A welcome from our Chairman and CEO

While the menace of Covid was still very much with us throughout 2021, there was also something to celebrate - our 90th anniversary. We focused on investing in our charity in a variety of ways to make sure that Guide Dogs is fit for another nine decades and beyond.

One of the hardest parts of 2021 was seeing the continued impact of the pandemic on so many of our service users. Everyone at Guide Dogs understood the substantial difficulties and frustrations that people were experiencing. The support we could normally provide was hugely affected by the pauses in 2020 to our breeding and training programmes.

This has meant that we are still striving to bring the number of guide dog partnerships we make back up to pre-Covid levels. Our staff and volunteers have had to adapt to working in flexible ways to assist our customers, much of which has been online or over the telephone. Despite the challenges in 2021, we were still able to create 385 new guide dog partnerships, support just over 4,000 existing guide dog partnerships and pair 70 children with a buddy dog.

Our fundraisers and donors have also been outstanding yet again, giving us the financial security to invest in our services, our specialist workforce and a modernisation programme across much of our estate. Our new Guide Dogs Academy has completely changed and improved how we recruit, train and develop our staff to deliver the guide dog service.

This year, we also built upon the foundations we laid in 2020 with programmes such as Born to Guide (see page [12](#)), and our new methods to make guide dog training consistent across our UK teams right from a dog's birth.

Guide Dogs is doing much more to help people with sight loss to live the lives they choose. Our services for children and young people go from strength to strength, and we are buoyed by the findings of new impact statements, which show in practical terms the dramatic effect our work is having on people's lives (see page [8](#)).

There are still many problems going into 2022, with Covid's continued presence and new issues such as rising inflation. Our waiting list has grown during the pandemic and our priority is to reduce the time it takes to be partnered with a guide dog. To this end, we have designated £56.4 million to ensure that our financial resources are directed at delivering services to more people with a vision impairment, in both the short and long-term.

The tenacity and resolve of our excellent staff and volunteers put us in the best possible place to overcome any obstacle that may lie ahead, and we would like to thank everyone for their continued exceptional efforts in 2021.

James Hambro quote: "One of the 2021 highlights was the opening of our refurbished South West Regional Centre in Bristol, when the patronage of Guide Dogs passed on from one generation to the next. We thanked HRH Princess Alexandra for her decades of dedication shown as our Patron, and extended a warm welcome to the Guide Dogs family to our new Patron, HRH The Countess of Wessex."

Tom Wright quote: "My most significant memory from this year was watching as 10 much-needed guide dog puppies came into the world on my kitchen floor in early January. The guide dog mum that my wife and I care for, Dolly, had her very first litter and it's been wonderful to hear that the pups have flourished with their puppy raisers throughout 2021."

James Hambro
Chairman
5 July 2022

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

Tom Wright CBE
Chief Executive
5 July 2022

A handwritten signature in black ink, appearing to be 'Tom Wright', with a long, sweeping underline.

The Trustees present their annual report (incorporating the Strategic Report) and the audited financial statements for the year ended 31 December 2021

Coping with the prolonged pandemic

A third national lockdown, further restrictions and ongoing uncertainty meant the pandemic hit us hard for a second year. Not only were we frustrated by yet more day-to-day disruption to our services, we began to feel the long-term impact on how many new guide dog partnerships we could match, which is likely to extend well into 2023.

Despite those with a vision impairment needing our support more than ever, it became clear that Covid would leave a long-lasting legacy. We are devastated to report the impact on our operations, with the result that the wait for a guide dog has gone from under a year in 2019 to an average of one-and-a-half years.

We were faced with the knock-on effects of pausing our puppy breeding programme during the first lockdown. Many of our pups had gone through their socialisation period when we were unable to use public transport, visit cafés or see friends and relatives. We found that when these puppies moved on to their training, some were not able to stay calm in a busy environment, severely limiting their ability to work as a guide dog.

Sadly, the consequence of this is that the number of dogs completing their training has dropped from around 65% to less than 50%, the lowest success rate we've experienced in decades. At the same time, the final stage of matching had to take place one-to-one rather than in group settings, which takes more time and is less productive.

While there was no other choice but to do this at the time, by 2021 fewer puppies were ready to begin training and, given it takes around two years to raise and train a guide dog, we will only be able to return to pre-Covid guide dog partnership numbers by 2023 at the earliest.

In addition, our orientation and mobility service staff needed to spend a lot of time with current guide dog owners, many of whom had lost confidence and mobility skills. This has resulted in a backlog of clients at the mobility assessment stage of the guide dog application process. Ongoing social distancing restrictions, use of barrier equipment and people being reluctant to leave their homes added to the challenges, meaning we were only able to achieve two-thirds of our usual service delivery.

Social distancing also continued to take its toll on other in-person services such as My Sighted Guide, which pairs a vision impaired person with a trained, sighted volunteer. Existing partnerships were offered the chance to get out and

about again post-lockdown, although 40% chose not to because of understandable concerns about close contact with someone from outside of their immediate social bubble.

The pandemic's effect on our services in 2021:

- 18 months - the average wait for a guide dog
- Less than 50% - the success rate for dogs going on to be guide dogs
- Two thirds of our usual orientation and mobility services delivered
- 40% of My Sighted Guide partnerships lost post-Covid

"The pubs and cafés weren't open and we weren't allowed on public transport.

"We set up a little café scenario so Merlin would learn to sit on the floor, and doing the sort of thing that we would do at puppy class like working with cones and going through tunnels. We tried really hard to do different things to make him enjoy getting in the car and be confident when he was travelling but he was just so anxious about it.

"I think we realised quite early on that Merlin wasn't going to make it. When it was official that he was going to be withdrawn, that was heartbreaking. It's tough because we'd done everything we could."

Debbie and Ashley, puppy raisers

How we fought back

Despite everything the pandemic threw at us, our incredible army of staff and volunteers achieved some big successes in 2021, our 90th anniversary year. We reached more people than ever before through our digital services, including thousands of children and young people, opened a new staff training academy and pulled out all the stops to restore our services as restrictions eased.

We still managed to create 385 new guide dog partnerships, compared to 282 in 2020, supported 4,044 ongoing partnerships (2020: 4,418), and paired 70 children with a friendly buddy dog (2020: 35).

To mitigate the impact of the pause in breeding, we worked with carefully selected Kennel Club registered breeders, and were able to bring in an additional 48 puppies ready to begin their training with puppy raisers.

In the autumn, we established the Guide Dogs Academy, our new training school for Guide Dog Trainers and Mobility Specialists aimed at ensuring we have enough highly skilled frontline staff to deliver the guide dog service of the

future. We appointed 58 trainees who are due to join the Guide Dogs Academy in 2022, which will bring the total number of trainees to 110, increasing our technical staff by 33%.

We accelerated our strategic goal to reach more people using digital channels, particularly those who might not realise that there are resources available to support them to live independently and well. By increasing awareness of our online information and advice on topics such as living independently and getting around safely, and adding eye conditions, we increased our initial target for the number of digital interventions from 400,000 and delivered in excess of 600,000 interventions in 2021.

The launch of our Tech for All pilot saw us provide 4,930 free iPads and iPhones to children and young people aged three to 18. Assistive technology can make a huge difference to children with a vision impairment, helping their learning, creativity and confidence, and of those families who applied, three-quarters were new to Guide Dogs. Many of these families will now go on to benefit from other services, from supporting physical development and learning in the early years, to navigating streets safely, all of which will help prepare them for the future.

By the end of 2021, all our services were back up and running but with adaptations such as using phone and video calls where possible.

Services delivered in 2021

- We created 385 guide dog partnerships
- We supported 4,044 ongoing guide dog partnerships
- We began training 110 new Guide Dog Trainers and Mobility Specialists
- We supported people through My Sighted Guide 1,433 times
- Custom Eyes delivered 7,434 accessible books to families
- We supported people with digital information and advice 616,330 times
- We provided a digital learning programme to children and young people with 4,930 iPads and iPhones
- Our orientation and mobility service provided 2,863 support sessions
- Guide Line provided expert information and advice through 42,400 calls and emails handled

Impact of engaging with Guide Dogs on the lives of people with sight loss

While it was disappointing that we were unable to deliver services in line with our ambition in 2021, it was heartening to see that for the people we were able to reach, our services made a difference to their lives.

In 2021 we piloted our new impact measures, and the results show that, on average, engagement with Guide Dogs had a significant positive impact on the lives of children and adults living with sight loss.

Organisational impact is the difference we make to the lives of people with a vision impairment. By measuring our impact, we can ensure organisational decisions and services continue to meet our beneficiaries' needs, provide evidence that we are meeting our charitable purpose and demonstrate to supporters that we are using our resources for maximum benefit.

Results for adults

In September 2021 we surveyed Guide Dogs service users, and people with a vision impairment who had not previously engaged with Guide Dogs to evidence the difference our services make to the lives of people with sight loss.

We asked more than 300 current adult service users and more than 200 people with a vision impairment who had not previously engaged with Guide Dogs to complete an online survey. The survey consisted of 14 statements relating to areas of life that people with sight loss said were most important to them. For each statement participants were asked to score themselves on a response scale from zero to 10. Median scores for statements related to the areas of living actively, living independently and living well were calculated and compared between the two groups. The results showed an increase in the median values for living independently and living well, and that, on average, engagement with Guide Dogs has a significant positive impact on the lives of adults living with sight loss.

Live independently 15% median increase

Live well 19% median increase

Live actively 0% median increase

Median scores for living actively did not differ between the two groups of adults. However, the statements associated with living actively related to activities with family and friends. As social distancing restrictions were occurring during the period the survey was completed, results may have been impacted external Covid-related factors.

Results for children and young people

As part of the Tech for All pilot, parents or guardians of children who are blind or partially sighted completed a survey to evaluate the impact on their children of engagement with Guide Dogs through this service.

They were invited to complete an impact survey twice, once at the point of acceptance for the service and again four months later. The survey consisted of 18 statements relating to areas of life that parents or guardians of children with

sight loss said were the most important to them. For each statement participants were asked to score their children on a response scale from one to seven. Median scores for statements related to the areas of living actively, living independently and living well were calculated. The results show that for people who had engaged with Guide Dogs there was a median increase for living actively, living independently and living well.

Live independently 11% median increase

Live well 5% median increase

Live actively 8% median increase

It is important to note that these measurements are holistic, meaning an individual's score will fluctuate based on experience. However, when repeated over time and across a population, patterns can be established. This is the first time we have these metrics and the results will help us refine how we demonstrate our impact in the future.

Recovery in 2021 to come back stronger

As we emerge from the pandemic, we strive to get back on track with our By My Side strategy. Our goal remains the same - by 2023, we'll change more lives than ever before. To achieve this ambitious goal, we've prioritised our dogs and services to come back stronger for the future.

Reinvigorating our operations to reach 1,000 new guide dog partnerships a year remains our top priority. We established our new Guide Dogs Academy and recruited trainees to grow our specialist dog training workforce. We also continued the redevelopment of our buildings, providing the perfect facilities to train our dogs and deliver a wide range of services.

During 2021 our landmark Born to Guide research project began to sequence the genetic make-up of all pups now being born to help uncover the very essence of what makes a successful guide dog. Tech for All, our pilot scheme giving free digital devices to children and teenagers with sight loss, helped us support even more young people.

We know that the number of people needing our support is only going to grow in the future. That's why we're investing now to put ourselves in a strong position to help as many of them as we possibly can.

Kristy's story

"Another lockdown meant a dramatic start to the year, trying to work out when our new dogs could come to us for training, but since then things have been on the up. I started tutoring for the first time, working with a trainee who is in her second year of learning the STEP programme, and I'm pleased to say that all

three of our dogs - Faldo, Frederick and Berry - successfully qualified back in September.

“I find the matching process really rewarding. There’s a moment, usually during class, when the dog starts to look at their new owner as their number one person and you just know then that the partnership is going to make it. One first-time guide dog owner, who’d been on our waiting list for a while, really threw herself into everything and fully embraced training. Now she says she couldn’t imagine life without her guide dog.

“I also enjoy finding ways to overcome the challenges. One dog was unsure about wearing the harness but we managed to build his confidence up, which takes an awful lot of training and dedication.”

Recovering services - our dogs

Our dogs are at the heart of what we do, but Covid disrupted our breeding and training programmes. We are now working hard to increase the number of puppies starting and successfully completing their training, all underpinned by the latest scientific knowledge.

Guide dogs

In 2021, we created 385 new guide dog partnerships (2020: 282), of which 232 (60% of clients) were returning guide dog owners. We also supported 4,044 existing partnerships (2020: 4,418).

We found that, of the partnerships matched at the height of the pandemic in 2020, 95% were still successful one year on (2020: 91%). The quality of our service also remained high, with customer satisfaction at 97% on average (2020: 98%).

We carried on with the roll out of our Standardised Training for Excellent Partnerships (STEP) programme, based on training techniques using positive reinforcement and the latest scientific evidence. Puppy Raising for Excellent Partnerships (PREP) was launched, using our online training system to make it more accessible for puppy raising volunteers. PREP is based on principles which are transferable to our volunteers and service users. We want to bring consistency to how we train, care for and manage our dogs - with the aim of producing more confident dogs and speeding up the whole training process.

Buddy dogs

Our buddy dog service, which brings a friendly, well-behaved dog into the lives of children with sight loss, has been a huge success. These are dogs that, after starting their training, are not quite suited to being a guide dog but make an ideal partner for a child, helping to improve their confidence

and wellbeing. We matched 70 young people with buddy dogs in 2021 (2020: 35).

Companion dogs

Our companion dogs service was introduced as a pilot in 2020 with the aim of offering friendship and emotional support to adults with sight loss. While we've had some wonderful outcomes and matched 18 companion dogs (2020: nil), we've now made the decision to close this service so we can focus on getting our guide dog and other core services back on track.

Born to Guide

Born to Guide is our pioneering genetic study that aims to build the most comprehensive picture to date of the link between our dogs' genetics and their health and behaviour. This understanding will help us to breed the healthiest and best possible guide dogs in the future.

The last year saw 735 puppies and 172 breeding dogs have saliva swabs taken, ready for future sequencing. This genetic data will be used to create a large database which will be examined alongside extensive information we have on our dogs' health and behaviour.

By better understanding the relationships between genetic sequences and particular patterns of behaviour and health conditions displayed in dogs, we can better identify potential dogs suitable for breeding the next generation of guide dog puppies. It may also help us tailor our training approaches to better meet an individual dog's needs. Ultimately, this project will help us to produce happy, healthy puppies with the greatest chance of becoming life-changing guide dogs.

The study attracted widespread international interest when it was launched at the start of 2021, and it is hoped that data will be shared more widely to support the wider scientific community and dog population.

Quote

"Ellis loves having a dog. Ralph makes him feel a lot better and is someone to talk to who's special to him when he's missing out on other things."

Sian, talking about her son Ellis and his buddy dog Ralph.

Recovering services - technology

Our digital services play a pivotal role in our strategy to reach more people with sight loss and the number of visits to our online information, advice and other resources skyrocketed in 2021. We also know how vital assistive technology is to children with a vision impairment and, through our Tech for All pilot, we provided families with 4,930 free digital devices.

Our digital services

Research tells us that people with a vision impairment often don't approach us until they feel they need a guide dog, when in fact we might have been able to help them much earlier. In the past year we've extended our award-winning digital content, including our 'blind hacks' series, which provides hints and tips on how to live independently. We created a 'how to use a long cane' video for people who had lost confidence over the pandemic or just wanted to brush up on their skills, and an animation to explain what it's like to live with Charles Bonnet syndrome.

Through these efforts, our digital resources were used 616,330 times in 2021, surpassing our initial target of 400,000.

Tech for All

Accessible technology helps children and young people with sight loss to connect socially and access educational materials at home, making a significant difference to their independence, wellbeing and quality of life. We expanded our current technology offer with a pilot digital service, Tech for All, in July 2021.

Tech for All encouraged families to apply for a free Apple iPad or iPhone for their vision impaired child, aged 3 to 18 years old. Each device was also accompanied by a programme of learning activities, created in collaboration with BT and Apple, including advice on staying safe online, educational topics and how to use apps such as iMovie and Apple Books.

The pilot was originally set to provide 3,500 devices. However, due to demand, this was increased to 5,000. Of those applying, 77% were new to Guide Dogs, increasing our contact with children and young people eightfold. Of those we have spoken to, the majority have now accessed another service. This highlights how our digital services can be an excellent way of reaching more people and signposting them to other services.

Supporting more children and young people

Some 80% of learning takes place using vision, so early intervention from Guide Dogs can be life-changing. Many of our services for children and young people also grew in 2021. My Life Skills, which sees our habilitation specialists help children learn and practise skills that are important for daily life, performed beyond expectations, while CustomEyes books doubled their target. We supported families 268 times with our Family Support service (2020: 244) and 301 times with our Education Support service (2020: 265), exceeding and hitting their targets respectively.

My Time to Play, which launched as a pilot in 2020, and which provides fun and supportive group sessions to help children up to four years old with sight loss

develop a broad range of skills through play, continued to run as a virtual service. The first in-person sessions, led by our habilitation specialists, also started in September 2021.

Developing people and places - Guide Dogs Academy

Academy, our new training school for Guide Dog Mobility Specialists and Guide Dog Trainers, was established in 2021 in preparation for opening in 2022. This radical change in approach to how we recruit and train our technical staff represents an important milestone towards reaching our goal of delivering more guide dog partnerships every year.

Demand for guide dogs is only set to grow in the future and this means we'll need a bigger workforce to keep pace with training our dogs, matching the right dog with the right person and supporting new and existing partnerships. With most of our dog-related roles unique to our organisation, Academy is our answer to this challenge and is revolutionising how we recruit, train and retain Guide Dog Mobility Specialists and Guide Dog Trainers so we're well-placed to help the increasing number of people with sight loss.

More than 100 new trainees have now started at our regional centres across the UK. They'll be embedded within our delivery teams but working through the Academy framework, so they are alongside their colleagues from the outset. They will be trained to the highest international standards and put through a new competency-based training programme which combines practical learning, digital content, workshops and observations plus peer, group and self-directed learning. At the end of their formal training, new staff will be ready and confident to move across to delivery teams, continuing their development and gaining experience in the field.

Quotes

"I'll be dedicated to coaching three new recruits, working with four dogs, throughout their learning journey. I think learners will really benefit from the peer support of learning together and having a consistent and structured programme. It's a great way to learn and will help us train our quality staff more quickly."

Emma Mellor; a Technical Learning Specialist based in Shrewsbury...

"Previously we focused on finding people who had experience of dog training, but this is the element we can teach. What's vital is that our learners come to us with the right mindset of mentoring, coaching and the ability to learn and develop. Through the Academy we can combine those innate skills with our world-leading canine expertise, to ensure that our future Guide Dog Mobility Specialists and Guide Dog Trainers have the right skills to meet the needs of our clients, and ultimately to increase the support we can provide."

Julian Harris, Project Academy Resourcing Lead.

Developing people and places - building for the future

To support the increasing number of people who will be living with sight loss, we're investing in our sites, technology and other vital infrastructure. Ensuring they stay fit for purpose will enable us to keep on delivering top-quality and efficient services, well into the future.

This includes creating modern accessible new centres, which combine our dog training facilities, guide dog partnering and sight loss support services with significant community engagement. They will benefit from dedicated space to host our dogs, to accommodate our new training methods and to allow the dogs to relax when they're not working. The centres are being designed to provide the best possible experience and support to the people who need our services, and our dogs.

South West regional centre opens

Our new regional centre at Bristol was officially opened in July 2021 by our outgoing patron, HRH Princess Alexandra, and our incoming new patron, HRH The Countess of Wessex. This centre supports the areas of Bristol, South Gloucestershire and Somerset.

Based in Bedminster, Bristol, this city centre location provides us with more space to welcome and support service users with state-of-the-art facilities and is also home to part of Guide Dogs Academy. Photovoltaic solar panels on the roof generate our own electricity for the new heating system.

Redbridge plans progress

We received planning permission for our new training centre at Redbridge, London (subject to some final legal agreements). This centre will provide an important hub that enables us to deliver new skills, information and support services and extend our reach to a greater number of people in the South East region. We are hopeful that the building work will start in 2022 and will take around two years to complete.

Reading refurbished

We migrated our Reading operational team from Winnersh to co-locate with our central office at Burghfield Common and created a new Reading Hub to accommodate the combined teams. A new electric heating system has replaced gas, with solar panels mounted on the roof.

Centralising our data

Guide Dogs holds millions of pieces of data, including information about our service users, supporters, donors, volunteers and dogs, but this is currently stored across different databases.

Project One will bring all the data into one centralised database, enabling us to improve security and personalise people's customer experience and make our operational processes much more efficient. Having the data in one place will also give us better insights to inform how we shape and develop our services in the future and raise more funds.

Given the vast scale of Project One, the past year has been spent documenting our existing processes and functions and preparing for our new platform. The next stage in 2022 to 2023 will include migration of the data, decommissioning our old fundraising database and the development of My Guide Dogs, a login-protected area of the Guide Dogs website allowing us to deliver personalised digital content to service users.

Supporting our community - campaigning

We continued to campaign for the rights of people with sight loss, including putting pressure on government to stop the illegal use of e-scooters.

Scoot Aware

Our Scoot Aware campaign put e-scooters on the political agenda, receiving cross-party support and shaping the debate around their safety. This included a successful party conference season where we met more than 150 politicians to discuss the campaign. We also commissioned crash-testing to highlight the dangers e-scooters pose to pedestrians, and worked with providers of local e-scooter trials to secure concessions to make them safer.

All Things Equal

Throughout the year, we worked with a commission made up of young people, their parents and policy experts to make recommendations on the transformation of services and support for children and young people with sight loss in England. The work formed the basis for our All Things Equal campaign, which launched towards the end of the year and put us in a good position to have a positive impact on the government's Special Educational Needs and Disabilities (SEND) Review in England in 2022.

Transport accessibility

We campaigned across the UK for the introduction of tactile surfaces on all railway station platform edges after the tragic death of a partially sighted man at a station without them. We gained active support from 108 MPs who lobbied the Secretary of State for Transport on our behalf on this issue.

The Department for Transport have now allocated £10 million to start a programme of works, and regionally we have had successes influencing station redesigns to ensure that tactile surfaces at platform edges are included in their plans.

We continued to make progress on pavement parking with governments across the UK, and have reacted to emerging threats such as foreign guide dog travel after Brexit. This resulted in an in-principle commitment from both the UK and EU that travel for guide dog owners should not be disrupted.

All this has been achieved by lobbying the UK government along with devolved national parliaments and local authorities and with the support of our service users, campaigns volunteers and digital campaigners.

Working with politicians

Our campaigning successes are possible as a result of strong relationships with politicians. Independent polling of MPs shows we have maintained a place in the top five (at number five) for campaigning charities who have impressed them in the past six months.

Working with campaigners

Our campaigners took 44,310 campaign actions on a range of issues in 2021. This included signing an e-scooter petition, emailing MPs to ask them to visit us at the political party conferences and contacting their MP about the launch of All Things Equal.

Working with partners

We have been pleased to partner with a range of organisations in our sector in 2021, in particular the RNIB and Thomas Pocklington Trust on advice on accessibility for local vaccination centres. We've also worked together nationally on tactile surfaces at railway stations and locally on issues such as e-scooters and built environment challenges.

Celebrating our community - Guide Dogs 90

We celebrated 90 years since Muriel Crooke introduced the UK's first four guide dogs by shining a light on the ways in which we continue to help people with sight loss live the life they choose.

90th anniversary

Celebrations were held across the UK to commemorate Guide Dogs' 90th anniversary. Beginning in September 2021, we created our first ever garden at RHS Chelsea Flower Show, which used sculptures, planting and paving to illustrate the journey of somebody with sight loss.

Visiting guide dog puppy, Flash, made an unforgettable appearance on BBC Breakfast with Carol Kirkwood, attracting huge media interest and becoming the star of a video which went viral on YouTube.

This was followed in October 2021 by the launch of the Guide Dogs 90 Appeal, and the release of a series of stunning images featuring celebrities and their dogs taken by Hollywood photographer Andy Gotts. These achieved coverage in prominent titles including *The Daily Telegraph*, *The Times*, and *Daily Mail*. We also created a unique digital space to celebrate and recognise the 75,000 legators who have left gifts in their Wills over the past 90 years, making much of our history possible.

Throughout the nations, we drove awareness and regional media coverage with local landmarks such as Cardiff Castle, Blackpool Tower and Birmingham's Bull Ring statue being rebranded or illuminated in Guide Dogs' colours and logo.

Increasing awareness of our services

We drove awareness and understanding of our work through key marketing campaigns, supporting our strategic aim to be the life-changing charity for all adults and children with sight loss.

Our brand advertising continued to highlight our children's services, with the help of Nell and her family, telling the story of how she learned to navigate school for the first time and connected with the wider world using her Tech for All iPad, all thanks to the support of Guide Dogs.

We also used the universal appeal of the much-loved children's character, the Gruffalo, to draw attention to the challenges some families face when their child has a vision impairment. Our Gruffalo scent kit, specially created to accompany the famous story, raised awareness of inclusive reading.

We complemented this with an animation featuring Flash the Pup, which celebrated the work of our expert staff and dedicated volunteers in our 90th year. Flash successfully captured the hearts of dog lovers and achieved more than 11 million views online.

As a result, we saw a positive impact on our key metrics of awareness and buzz, a measure of whether people are hearing and seeing more positive things about our brand, with the latter peaking at an all-time high in September 2021.

Thank you to our volunteers

A huge thank you to each and every one of our amazing 14,000 volunteers, who between them gave over 13 million hours of their time in an extremely challenging year. From puppy raisers to sighted guides and fundraisers, we simply wouldn't be able to do what we do without you.

Jan, My Sighted Guide

Jan was partnered with Suzanne through the My Sighted Guide service in Exeter:

“When I met Suzanne it was obvious to me that we were like-minded, she was good fun and we just hit it off!

“As we walked, I would explain where we were, what shops were around and a bit about the area. We would talk about the local history, I explained where the museum was and the cathedral. It gave me a purpose for exploring the city. It was very special.”

Shirley, Fundraising Coordinator

Shirley started volunteering for Guide Dogs after a busy business career and loves putting her skills to good use while meeting new people in her local area of south Oxfordshire:

“My role involves getting people together and motivating them. You also need to understand what people can do, find ways to share ideas, and build teams. That’s all similar to the kind of stuff I used to enjoy when I was working.

“I feel lucky to have met many people with a vision impairment who have such a positive attitude to life. I have learnt a lot about the challenges they face. Just as importantly, I’ve learnt how they can overcome those challenges with the right support. After all, that’s what this is all about.”

Nimmi’s story

Nimmi lives in Glasgow with her husband and two teenage children. She first started volunteering for Guide Dogs in 2015 and has since raised six guide dog puppies:

“I’m happiest around dogs so raising puppies for Guide Dogs is totally up my street. I absolutely love it. Our current puppy, Glen, is a yellow labradoodle and he’s very cute!

“It’s been really difficult during the pandemic and I do worry about the impact it will have on the puppies’ confidence. When we’re out walking and I see someone I know I always try to stop and chat (from a safe distance) so Glen knows not to be afraid of other people. My Guide Dogs Puppy Development Advisor organised virtual puppy classes for us, and they’ve evolved so that we can now meet as a smaller group of puppy raisers who have puppies of a similar age. There are five of us with puppies who are about four or five months old and we now meet virtually each week.

“Now that my children are a bit older, I can be completely involved with Guide Dogs and my other interests - gardening, cooking and baking - which keeps me

busy. Through puppy raising and fundraising for Guide Dogs I've met lots of people who have benefited from the charity and who can now live their lives with confidence - it makes what I do so much more meaningful.

"Volunteering gives me a sense of achievement and a feeling that I'm giving back to society. That's a warm and happy feeling, and my life is much richer because of this charity."

More than 80 different roles are carried out by our incredible volunteers.

Fundraising

We are so grateful for the continued support of our incredible donors, fundraising volunteers and corporate partners in such challenging times. Together, they've raised record-breaking funds in 2021.

Legacies

We've had a remarkable year in terms of legacy donations, hitting unprecedented and unexpected levels in 2021. We have not seen legacy donations of this level before, nor do we expect them to remain this high. This is a story replicated in pockets across the wider charitable sector, including some higher-than-usual estate values.

This is, of course, a story of two sides; both positive in the services it will enable us to provide to the community we serve, but of course it sadly links to the complex impacts of the pandemic.

Our very special thanks and remembrance goes to those supporters who remembered us with a gift in their Will, and our thoughts are with their families in these difficult times. Their legacies will change lives for years to come, and we will remember them.

Community fundraising

We've been blown away by the resilience of our fundraising staff and volunteers who've constantly adapted to the changing Covid rules to get back out to fundraise again. Our financial success in 2021 is truly testament to their dedication and the generosity of our amazing supporters.

Return of face-to-face fundraising

Building on 2020, we continued with the best of virtual fundraising, including Walk Your Socks Off, Tea Party and Facebook challenges, combined with the welcome return of face-to-face activities including the London Marathon, community and trade show events.

Bringing our cause to even more people

It remains important for us to future-proof our fundraising, and in 2021 we continued to innovate and diversify our fundraising activities. This included exploring different products to appeal to a younger audience, such as an online games challenge Play Your Turn, and Make Every Day Count, as well as the relaunch of our online shop with a refreshed look and wider range of exciting new products.

Make Every Day Count

Launched in 2021, this regular giving product invites donors to make today the day they start to change a child's life by supporting our vital services for children and young people. Donors receive a welcome pack and regular digital and postal updates, driving awareness and engagement with our work supporting children and their families through the crucial early years.

This is one of the many ways we are ensuring that our fundraising represents the full range of services offered by Guide Dogs. We remain relevant to the interests of our loyal supporters, whilst adapting to bring our cause to new communities across the UK.

Capital appeal

Our appeal in support of our centres redevelopment programme went from strength to strength in 2021. By the end of the year, we had secured more than £6 million towards our target of £10 million to support the construction or upgrading of our centres at Redbridge, Leeds, Bristol and Leamington Spa.

2021 saw the launch of a public appeal for Redbridge and we will be breaking ground there in 2022. We also began advocating for funding for our Leeds centre in 2021, with a public appeal launch planned for 2022. Plans for our National Centre in Leamington Spa are well advanced and will see us offering all our services from this site for the first time. Together these plans will drive significant growth in both the reach and the quality of the services we can offer to people who are blind or partially sighted.

Future investment and plans

The unprecedented pandemic and its volatile recovery that followed made budgeting challenging. We made cautious assumptions about the impact the pandemic would have on our supporters' ability to donate. However, the economic recovery was stronger than anticipated in 2021 and our loyal donors continued to give generously, far beyond our most optimistic hopes. This generosity, combined with an exceptional year for legacies, has resulted in a larger surplus than anticipated.

We are in the middle of a major modernisation plan for Guide Dogs to enable delivery of our published By My Side strategy. It includes the long overdue redevelopment of some of our older sites to make them more accessible and to meet the highest standards of dog welfare - enabling both our colleagues and our dogs to thrive. These modernisation plans also include the recruitment and training of many more technical staff to meet the growing future demand for our services and embedding the very best practice in how we breed, train and care for our dogs.

Specific investment has also been committed to modernising our technology infrastructure and improving sustainability through multiple initiatives including the transition of our fleet to electric vehicles.

We have been raising funds and building planned surpluses to enable the strategy and planned modernisation programme. We designated £30 million in our 2020 accounts. Facilitated by the larger than anticipated surplus in 2021, we have now increased this designation to £56.4 million. With the majority of our cash resources designated for future investment in our modernisation programmes, we are now in a better position to support our service users in the short and long-term.

Our capital programmes are increasingly advanced, albeit with some Covid-related delays, and we expect to be in deficit in 2022 as the phasing of our plans rebalance and we fully return to delivery of our strategy post pandemic.

Sustainability and Guide Dogs

Carbon Report 2021

The below table summarises the methodology for reporting and consists of two columns and eight rows.

Reporting organisation	The Guide Dogs for the Blind Association
Person responsible	Sustainability and Energy Manager
Reporting period covered	1 January 2021 - 31 December 2021
Baseline year	2019
Organisational boundaries	Financial control approach, whereby the company accounts for 100 percent of the greenhouse gas (GHG) emissions over which it has control
Reporting Methodology	GHG Protocol Corporate Accounting and Reporting Standard and the 2019 UK Government Environmental Reporting Guidelines, and UK Government GHG Conversion Factors for Company Reporting 2021
Operational Scope	Scope 1 and 2 emissions and scope 3 emissions related to employee use of their own vehicle

Intensity Ratio	tCO ₂ e per full-time equivalent employee. tCO ₂ e energy used per average square metre of buildings
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The below table summarises the emissions by activity and consists of seven columns and 13 rows.

Type of emissions and activity	2021 kWh	2021 tCO ₂ e	2020 kWh	2020 tCO ₂ e	2019 kWh	2019 tCO ₂ e
Scope 1 Gas	3,880,852	798	3,092,443	569	3,681,550	677
Scope 1 Biomass	1,124,922	17	548,780	9	1,110,939	17
Scope 1 Gasoil (direct billed)	255,666	66	536,008	138	247,053	63
Scope 1 Gasoil (indirect billed)	51,564	13	42,142	11	64,905	17
Scope 1 Fuel purchased (allocated/pool vehicles)	3,984,537	944	3,463,917	875	6,153,889	1,505
Scope 2 Electricity (direct billed)	2,195,908	466	1,856,250	433	2,337,472	597
Scope 2 Electricity (indirect billed)	77,587	17	40,175	9	121,670	31
Scope 3 Grey fleet	1,157,331	270	743,789	174	2,194,835	522
Scope 3 Hire car	184,979	45	155,342	37	392,309	93
Total (Location Based)	12,913,346	2,636	10,478,846	2,255	16,304,622	3,522
Scope 2 Electricity tCO ₂ e saving (Market Based)	(1,646,896)	(349)	-	-	-	-
Total (Market Based)	11,266,450	2,287	-	-	-	

The below table summarises intensity ratios for employees and square metre consists of four columns and seven rows.

Intensity ratios	2021	2020	2019
1 - Average number of employees	1,456	1,442	1,384
tCO ₂ e per employee (location)	1.810	1.564	2.545
tCO ₂ e per employee (market)	1.571	-	-
2 - Average square metre	33,452	32,563	31,377
tCO ₂ e per square metre (location)	0.041	0.036	0.045
tCO ₂ e per square metre (market)	0.031	-	-

Energy saving

We are encouraged that there has been a reduction of more than 500 tCO₂e in our scope 1 and 2 carbon emissions in 2021 compared to 2019 despite a return to more normal working practices. Energy continues to be monitored in our buildings and through our business travel and energy saving initiatives undertaken across Guide Dogs.

We began a new energy contract with Ecotricity in April 2021, to supply 100% renewable electricity and carbon neutral gas. This enables us to include a market-based carbon total alongside the location-based total, giving a further saving of 349 tCO₂e over the period April to December 2021.

At the National Centre, light fittings have been replaced with LEDs internally and externally. The building management system has been upgraded to assist with monitoring and control going forward. The Bristol Regional Hub has a new electric heating system and photovoltaic solar panels on the roof so we can generate our own electricity. The Reading Hub has also been refurbished and the heating system replaced with electric. The accommodation block is now fitted with a roof-mounted solar array. Moving away from gas central heating and generating our own energy are key elements of our emission reduction strategy.

We have taken over responsibility for two new premises which has increased our overall building energy requirements and accounts for the rise in gas consumption in 2021. However, our saving measures have ensured that direct electricity usage has decreased by 185,650kWh, saving 145 tCO₂e. We have included a new intensity ratio, tCO₂e/m², to measure the carbon impact of the energy consumption in our buildings and this shows a reduction of 9% in 2021.

We have seen a 39% reduction in business mileage compared to 2019, saving 861 tCO₂e. The continuing pandemic has curtailed our journeys and staff have also been encouraged to travel less through a reduction in the budget of 25%. We have adapted to using technology and are far more confident to run virtual meetings or training as a viable alternative to face-to-face.

Our team of green staff representatives have been raising awareness and encouraging behavioural change amongst their colleagues. They have challenged their peers to measure their carbon footprint and pledge to reduce their personal impact. During COP26 they ran a campaign highlighting the issues of climate change and sharing our organisational commitment to making lasting change.

Looking forward we have created a sustainability and carbon plan outlining our ambitions for 2022 and beyond. We are excited to start the implementation and begin our journey towards net zero.

Financial performance

The results for 2021 include significant legacy income increasing our net income (total income less expenditure) to £44.0 million (2020: £18.2 million). Net movement in funds was £43.0 million (2020: £17.3 million). We have designated £56.4 million in total to support future investment plans which will reduce cash resources to align with our reserves policy.

Covid

We made minimal use of the Government furlough scheme, and the Government Covid job retention scheme monies received in 2021 amounted to £0.1 million (2020 £4.3 million).

Owing to the wonderful support from our donors we did not have to make use of the Revolving Credit Facility set up at the start of the pandemic, and this lapsed in March 2022.

Going concern

The Trustees have considered several factors when forming their conclusions as to whether the use of the going concern basis is appropriate when preparing these financial statements. These factors include liquidity, cash resources, liabilities and demand for services.

Cash resources have been purposely built up to fund much-needed investment in facilities and technology. The impact of lockdowns, social distancing and supply chain delays has resulted in cash resources strengthening further in 2021. However, as we move into 2022, investment activities have been recommenced in all areas, including the development of new capabilities and services.

After assessing the impact of possible income reduction scenarios, general inflation, and in particular resource and supply chain inflation, the Trustees have concluded that the charity has a reasonable expectation that there are adequate resources to continue to operate for at least twelve months from the date of signing of the financial statements, and have continued to prepare the financial statements on a going concern basis.

Income

Income in 2021 totalled £153.0 million (2020: £125.9 million). The major elements of our income are as follows:

Donor-based income includes all types of income that are made on a voluntary basis. Donations totalled £54.4 million in 2021 (2020: £52.5 million). This includes our Sponsor a Puppy product which continues to retain existing donors through regular updates on each puppy's progress. Sponsor a Puppy income grew by £1.2 million to £46.2 million (2020: £45.0 million).

Legacy income in 2021 totalled £77.7 million (2020: £48.3 million). The increase is owing to higher notifications as a result of the impact of the pandemic, which increased by 19% (2020: 6%), and the values of some of these legacies being larger than we would usually see.

Virtual community fundraising activities have been expanded to include face-to-face activities in 2021 where possible, with income increasing to £5.7 million (2020: £4.3 million). Our teams of volunteers are keen to engage with the public, but despite innovations and adaptations, Covid has delayed the return of many community fundraising activities.

Other income in 2021 totalled £11.1 million (2020: £18.0 million). This includes income from Charitable Activities, Other Trading Activities, and Investments. We have only claimed £0.1 million (2020: £4.3 million) under the Government Covid Job Retention Scheme, and changes to the People's Postcode Lottery contractual arrangements in 2021 no longer require this to be presented gross reducing income by £2.8 million.

Expenditure

Expenditure in 2021 totalled £116.0 million (2020: £111.9 million). Expenditure has risen as we increased the number of puppies to support the future ramp up of partnerships, actively campaigned on behalf of people with sight loss and started to expand our services with the launch of Tech for All, providing devices to 4,930 (2020: nil) vision impaired children aged three to 18.

Support costs amounted to £17.3 million (2020: £18.4 million). The decrease in support costs is due to including a number of one-off costs in 2020. These

included the expansion of our IT platforms in 2020 and the release of the restructuring provision in 2021 due to staff redeployment.

Costs of raising funds

Expenditure in 2021 totalled £34.4 million (2020: £35.9 million) and included £29.9 million (2020: £29.1 million) relating to the raising of donations and legacies. Allocated support costs were £2.7 million (2020: £2.9 million).

Costs of providing the guide dog service

Expenditure in 2021 totalled £53.2 million (2020: £51.3 million). Allocated support costs were £10.0 million (2020: £10.7 million). Direct costs have increased by £2.6 million as we expanded the number of puppies in training to meet our challenging 1,000 a year guide dog partnership target.

Costs of providing other adult services

Expenditure in 2021 totalled £8.5 million (2020: £8.7 million). Allocated support costs were £1.9 million (2020: £2.3 million). Support costs in 2021 were slightly lower than the prior year owing to the repositioning of My Sighted Guide to allow for the future growth of the service.

Costs of providing other children's services

Expenditure in 2021 totalled £8.9 million (2020: £5.8 million). Allocated support costs were £1.5 million (2020: £1.6 million). Some 4,930 devices, and a digital learning programme, were issued to vision-impaired children in 2021, bringing a new group of individuals into the scope of Guide Dogs' services and providing direct access to the technology necessary to improve their lives.

Advocacy and awareness

Expenditure in 2021 totalled £10.3 million (2020: £9.6 million). Allocated support costs were £1.1 million (2020: £0.8 million). This included our extended Guide Line telephone helpline (which has been reallocated from provision of other adult services), digital information and advice service delivery and increased campaigning and wider public actions taken to improve the lives of vision impaired individuals.

Net gains and losses on investment assets

Our investment portfolio generated net capital gains of £7.0 million (2020: £4.2 million).

Other recognised gains and losses

Net actuarial losses of £1.0 million (2020: £0.9 million) were recognised relating to the defined benefit pension scheme. These arose from changed financial

assumptions owing to changed market conditions, principally increased discount and inflation rate assumptions.

Funds

Funds are equivalent to net assets, including investments and cash which are discussed in our financial reserves policy. Funds increased by £43.0 million (2020: £17.3 million) to £196.4 million (2020: £153.4 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 can use for any activity that meets our charitable objectives. At the end of 2021 unrestricted funds amounted to £191.7 million (2020: £150.2 million).

Unrestricted funds comprise of two types of reserves: general (including revaluation reserve) and designated funds.

General funds

At the end of 2021 general funds amounted to £98.0 million (2020: £85.4 million), including £2.7 million (2020: £8.6 million) revaluation reserves.

Designated funds

These are funds that have been designated for specific purposes by the Board of Trustees. At the end of 2021 there were six designated funds: (1) The fixed assets fund representing the historical cost net of depreciation of tangible assets such as property, plant and equipment £36.0 million (2020: £33.5 million); (2) People's Postcode Lottery (PPL) fund representing funds allocated to, but not restricted to, activity agreed with the PPL £1.3 million (2020: £1.3 million); (3) Strategic development of buildings in line with our By My Side strategy £21.2 million (2020: £20.0 million); (4) Building future capability and increasing reach £16.5 million (2020: £nil); (5) Investment in sustainability £9.6 million (2020: £nil); and (6) Technological innovation £9.1 million (2020: £10.0 million).

Restricted funds

These are unexpended funds that have been donated to Guide Dogs with specific conditions attached to their use. As at 31 December 2021 these funds totalled £4.1 million (2020: £2.7 million). Approximately £1 million of these funds originated from the government's LIBOR fund, and will be spent over the next five years in providing guide dogs to veterans of the armed forces with a vision impairment. The remaining majority are restricted legacy donations which were

received close to the year end. They are restricted to a specific location and will be spent within the year.

Endowment funds

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. As of 31 December 2021 these funds totalled £0.6 million (2020: £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 are due. Holding reserves also allows us to implement new strategic priorities and to invest in new opportunities that help us to achieve our goals.

Our reserves policy takes into consideration the nature of our most costly activity, the guide dog service, which requires us to commit expenditure over the medium to long term, while 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. Reserve thresholds are reviewed on a three-year cycle; the next review will take place in 2024.

Cash resources, defined as investments and cash, 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. Following the Covid pandemic, the Board of Trustees (the 'Board') has agreed that the Group should aim to maintain cash resources above £42.0 million (2020: £35.0 million) unless exceptional events take place.

This level is determined by considering the need to act as caretakers for all our dogs; provide short-term protection against downward fluctuations in annual income or capital receipts; protect the charity from investment risk; support medium strategic investment; and to provide a financial cushion in the event of extreme circumstances affecting the charity's ability to operate.

We have no wish to hold excessive cash resources; funds are donated to provide support to people with a vision 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 2021, cash resources after designations stood at £42.4 million (2020: £46.1 million), made up as follows:

The below table consists of three columns and nine rows.

Cash resources	2021 £m	2020 £m
Investments	78.3	66.7
Cash at bank and in hand	26.5	13.9
Less restricted funds	(4.1)	(2.7)
Less endowment funds	(0.6)	(0.5)
Cash resources prior to designations	100.1	77.4
Less People's Postcode Lottery designated funds	(1.3)	(1.3)
Less designated funds held for future investment	(56.4)	(30.0)
Cash resources after designations	42.4	46.1

Cash resources at the year end were above the approved threshold owing to the deferral of investment in facilities and technology at the start of the Covid pandemic.

We have designated funds in order to grow our services and reach more people, improve our infrastructure and training facilities, recruit and train additional technical staff and ultimately support recovery post-Covid and growth plans going forwards.

The increase in cash resources will be used to implement these activities in line with our five-year plan, and as a result designated funds held for future investment have increased substantially to £56.4 million (2020: £30.0 million).

Tangible fixed assets

The movements in tangible fixed assets during the year are summarised in Note 6 to the financial statements. Capital expenditure of £5.6 million (2020: £4.7 million) has been incurred.

Investment policy

Our investment policy is:

To protect the value of our investments in real terms while seeking an appropriate return.

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 that challenges managers to produce excellent results.

The investment portfolio is managed on an unconstrained basis in two segments by CCLA Investment Management Limited and Newton Investment Management, supervised by Guide Dogs' Financial Reporting and Investment Committee. We selected two managers for their contrasting styles, in order to diversify overall risk.

Our Financial Reporting and Investment Committee reviews investment manager performance against target on a quarterly basis, and against the performance of comparable funds over a five year time horizon. The annual performance for each fund manager is summarised in the table below:

The below table consists of three columns and seven rows.

Investment Manager	2021	2020
CCLA Investment Managers Ltd:		
Target: CPI plus 5%	16.96%	3.95%
Actual performance	17.38%	9.78%
Newton Investment Managers Ltd:		
Target: SONIA plus 4%	4.05%	4.27%
Actual performance	7.56%	7.68%

At the beginning of the year investments were valued at £66.7 million. The portfolio was valued at £78.3 million at the end of the year, with gains of £7.0 million (2020: £4.2 million).

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, as of 31 December 2021 showed no deficit (2020: no deficit).

The latest completed full actuarial valuation of the scheme was at 31 December 2019. This showed a surplus of £1.3 million calculated on a technical funding basis. A discretionary annual payment of £1.0 million was made in 2021 (2020: £1.0 million). As the scheme is in surplus, there is no need for a deficit recovery

plan. We continue to work with the scheme's trustees to manage and reduce the financial risks inherent in the scheme's funding arrangements.

At 31 December 2021 the defined benefit pension scheme was fully funded on a technical basis with a funding percentage of 111.7%.

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

Increasing global uncertainty

Russia's invasion of Ukraine has increased global uncertainty. The application of economic and financial sanctions on Russia in response has added inflationary pressure to world economies and stock markets have deteriorated. As at 27 June 2022, Guide Dogs investments have fallen in value by £8.4 million and cash resources have fallen to £102.2 million. The Trustees are monitoring the current fluctuation in investment valuation but because the designated funds will be spent over time, there is the opportunity to amend the investment profile of those designations to ensure we maintain suitable reserves. The investments held by the Guide Dogs Defined Benefit Pension Scheme have reduced in value by £73.8 million and the scheme surplus has reduced to £18.7 million on a technical basis. The legacy accrual is judged to have deteriorated in value by £4.1 million owing to underlying investment asset losses.

Risk management and internal control

The Board has an agreed risk framework to manage the risk the charity faces. The Audit and Risk Committee has delegated authority to satisfy itself that there are effective systems to manage these risks.

The Audit and Risk Committee meets four times a year to assess the effectiveness of controls to mitigate risk and report the outcome of this review to the Board.

The Risk Management framework documents the governance structure and the flow of information. We are monitoring the arrangements for managing these risks recognising the capacity challenges referenced earlier, combined with the continual review of internal controls and the reserves policy, providing challenge to ensure that sufficient resources are available to maintain services for the foreseeable future and that associated risks are captured and mitigated.

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

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. During 2021 an end-to-end review of risk was undertaken to ensure the risk hierarchy from strategic to operational risks was appropriate and aligned.
- 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.
- The risk management framework is used to identify and assess new and current major business risks. We prioritise risks in terms of impact and probability of occurrence and then identify and implement efficient controls to manage them.
- An outsourced internal audit function, directed by the Audit and Risk Committee, undertakes a rolling review of the design and operational effectiveness of controls over activities, based on the risks inherent in those activities.
- The Corporate Risk Group, comprised of senior leaders across Guide Dogs, looks at all aspects of risk across the organisation. This Group is responsible for monitoring and mitigating risk and reporting on it.

Monitoring risks

Throughout 2021 and into 2022 we continue to monitor significant risks, including:

The below table consists of two columns and 11 rows.

Risk	Mitigation
Safeguarding: The risk that a child, young person or vulnerable adult is harmed whilst being involved with Guide Dogs.	<p>Safeguarding compliance is managed by an internal expert team, supported by a central compliance function.</p> <p>Guide Dogs ensures there are robust safeguarding processes and training to match service delivery need. Relevant disclosure checks are completed on all people in roles working with children or vulnerable adults.</p> <p>Safeguarding is considered part of everyone's role at Guide Dogs. There is an established referral process and a full whistleblowing process for staff and volunteers to raise concerns to ensure Guide Dogs maintains a safe culture.</p>

Volunteering Strategy: The risk that the volunteers strategy does not have the right focus or sufficient range and depth to deliver our strategic aims.	<p>A new Head of Volunteering has been appointed to develop the volunteering strategy further.</p> <p>The focus on the dog supply chain has been extended to include volunteer resourcing to ensure the two activities are aligned.</p>
Recruitment and Retention: The risk that the ability to recruit and retain sufficient staff and volunteers with the required skills and behaviours to deliver strategic plans is constrained.	<p>Activity to attract talent, retain talent and develop talent across the workforce specifically includes:</p> <ul style="list-style-type: none"> • Guide Dogs Academy established to deliver sustainable technical capacity. • Ongoing leadership and professional development. • Robust recruitment and retention processes.
Strategic Ambition: The risk that Guide Dogs fails to be sufficiently ambitious and effective in exploiting our financial strength to deliver most benefit to those who use our services.	<p>Ongoing review and challenge of strategy by Trustees through a schedule of regular strategy review days.</p> <p>Monitoring of financial performance against our five-year plan and reserves policy to ensure income, spending and reserves are aligned under the guidance of the Financial Reporting and Investment Committee.</p>
Project Delivery: The risk that key change and transformation projects do not successfully and safely deliver requirements and intended benefits to time, cost and quality requirements.	<p>Three key programmes: Guide Dogs Location, Guide Dogs Academy and Technology are directly monitored by Trustee sub-committees.</p> <p>A Technology road-map is in place to ensure future developments are prioritised effectively.</p> <p>Project methodologies are in place to ensure delivery to time, cost and quality, governed by the Strategic Monitoring Committee.</p>
Charitable Offer: The risk that donors or beneficiaries believe that funds are not focused on the right areas or are not making a	<p>Introduction of longitudinal studies to assess the impact of Guide Dogs' services on beneficiaries and the</p>

meaningful difference for vision impaired people.	difference made to help people live independently, actively and well.
Animal Welfare: The risk that we fail to fulfil our duty of care to meet the welfare needs of our dogs resulting in loss of goodwill and support of staff and volunteers, donors, beneficiaries and other stakeholders.	<p>Appointment of in-house Chief Veterinary Officer to supplement external consultancy and the development of strategy.</p> <p>Robust Ethical Policy in place that embeds animal welfare practices into our day-to-day operations.</p>
Dog Supply Chain: The risk that we fail to secure the resources required to deliver our objectives due to complexity and/or lack of resilience in the dog supply chain or changes to third-party provision.	<p>Dog supply chain function in place, with end-to-end planning for the delivery of our guide dog service addressing:</p> <ul style="list-style-type: none"> •Breeding capacity. •Technical staff requirements. •Volunteer requirements.
Cyber Security: The risk that Guide Dogs is subject to a cyber-security event or data loss that results in reputational harm, operational disruption, or financial loss.	<p>Guide Dogs' information technology systems are being developed with the objective of meeting industry standards and users are trained to understand how to respond to cyber security threats including ransomware, malware and phishing scams.</p> <p>Protocols in place for our emergency response to a security breach.</p>
Cultural Change: The risk that our ability to change the organisational culture to support new ways of working and more rapid delivery is compromised.	<p>Creation of leadership environment across Guide Dogs.</p> <p>Leadership and change training for an individual's development as a leader and their collective team anchored to the Guide Dog's PEOPLE behaviours.</p> <p>Comprehensive wellbeing support and engagement programme for all staff.</p> <p>The roll out of hybrid working protocols to formalise post-Covid work arrangements.</p>

Fundraising responsibly

We rely on donations to keep our life-changing 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 work with third-party suppliers who ensure the provision of door-to-door and private site face-to-face donor acquisition, as well as some telefundraising activity.
- All third-party supplier contracts are approved by Procurement and Legal to ensure compliance with participator and third-party requirements under the fundraising Code of Practice.
- 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, observations, shadowing, quality calls and by listening to telephone calls to make sure they meet our quality standards. We record all our inbound and outbound fundraising calls for quality and training purposes.
- Guide Dogs has Chartered Institute of Fundraising Accreditation status that requires an annual assessment of our fundraising practices to ensure responsible fundraising practice.
- 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 with vulnerable people. Our safeguarding team takes follow-up action on any calls that raise concern.
- Guide Dogs supports Dementia Friends and incorporates its guidance in our training, which helps our staff and third-party fundraisers to understand dementia and how it may affect a person.
- We have robust procedures in place for handling complaints. We respond quickly and efficiently to resolve any complaints we receive about our fundraising. In 2021 we received 123 complaints (2020: 127), which although on parity with 2020, represents a decrease in real terms given the return of face-to-face events in 2021.

- In 2021, 89% (2020: 88%) of the total proceeds from Guide Dogs' Lucky Lottery were applied for the unrestricted purposes of the charity, with its core objective to promote the health, equality and independence of blind and partially sighted people. The remaining 11% (2020: 12%) of the total proceeds covers prizes and the administrative costs of running the lottery.
- In 2021, 71% (2020: 67%) of the total proceeds from Guide Dogs' Raffles were applied for the unrestricted purposes of the charity, whose core objective is to promote the health, equality and independence of blind and partially sighted people. The remaining 29% (2020: 33%) of the total proceeds covers prizes and the administrative costs of running the Raffle.

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 during 2021 and as of 5 July 2022, except as noted below, were:

James D Hambro - Chairman

Amanda H Ariss BA (Hons), MA (Dist) - resigned 14 September 2021

Paul W Baker MBA

Clare E Black BSc (Hons)

Catherine M Crofts BSc, CIM, CAM

Robert M Deakin BA (Hons) (CEng) FIET

Mark A T Johnstone BA (Hons) FCA

Lynne V Hill MVB MBA MRCVS

Dr Michael L Nussbaum BSc, PhD, Honorary Doctor of the Open University - resigned 14 September 2021

Michael Olaye - resigned 14 December 2021

Polly A Shute - resigned 14 September 2021

Dr Ranjit Sondhi BSc, CBE

Jennelle L Tilling BBus/BA

Emma J West BA (Hons)

Polly A Williams FCA, BA (Hons)

John D Wriighthouse BSc (Hons), MA, FCIPD - resigned 14 September 2021

Michael J Wroe BSc (Joint Hons), FCA

Catherine Crofts is a guide dog owner.

Election of Trustees

The Trustees are reappointed 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.

Trustees 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, which is subject to performance. Exceptionally, a fourth and final term may be served if there is a specific need, agreed by the Board.

At the AGM in September 2022 Clare Black will be retiring from the Board after completing three terms of office. We have very much appreciated her service and contribution over the years and we have benefitted greatly from her knowledge and expertise. We would like to thank Clare for her significant commitment and loyalty to the charity.

All new Trustees have personalised induction programmes and all trustees are provided with regular training updates, with particular emphasis on risk in 2021. These cover the main aspects of the charity, including our finances and our future plans and objectives. They are encouraged to visit one of our Guide Dog Training Schools and other local teams. They must also 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 four committees:

The Audit and Risk Committee comprises: Mark Johnstone, Trustee of Guide Dogs and Chairman of this Committee; Robert Deakin, Trustee; Lynne Hill, Trustee; and Elaine Carr, independent member. Nicholas Coleman, independent member, resigned on 29 September 2021. We are grateful to Nicholas for his valuable contribution and we thank him for his commitment to the charity.

The Finance Reporting & Investment Committee comprises: Polly Williams, Trustee of Guide Dogs and Chairman of this Committee; Clare Black, Trustee; Michael Wroe, Trustee; Robert Barnard-Smith, independent member; and Michael Hughes, external consultant.

The Remuneration and People Committee comprises Emma West, Trustee of Guide Dogs and Chairman of this Committee, who succeeded John Wrighthouse on 14 September 2021; Ranjit Sondhi, Trustee; Jennelle Tilling, Trustee; and James Hambro as an ex officio member.

The Nominations Committee comprises the following Trustees: James Hambro (Chairman) Chairman of the Board; Polly Williams Deputy Chairman of the Board and Chairman of the Finance & Investment Committee; Clare Black, Chairman of Blind Children UK; Mark Johnstone, Chairman of the Audit and Risk Committee; Emma West, Chairman of the Remuneration and People Committee; and Michael Wroe, Chairman of GDBA (Trading Company) Limited.

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.

s172 statement

Section 172 of the Companies Act 2006 requires Trustees to promote the success of the charity for the benefit of its stakeholders as a whole, and this includes anyone affected by sight loss, their families, our employees and volunteers, our sponsors and donors, our suppliers, the wider community and the environment. Acting in good faith and fairly, the Trustees consider what is most likely to promote success for its stakeholders and the charity in the long term.

With the development and introduction of the By My Side strategy in 2018, the Trustees undertook extensive engagement with the sight loss community. This has enabled Guide Dogs to expand not just our core dog services but specialist services that provide vital support for young people, those who need help with orientation and mobility, and people who want to make the most of their remaining vision. We have continued to expand our campaigning and policy work to advocate for the rights of people with sight loss. In addition, we also ensure all of our internal and external documents are accessible to anyone with sight loss.

The Trustees recognise that as a charity it is important that all decisions support the objective to help people with sight loss live the life they choose - to live actively, independently and well. To do this, people with sight loss are engaged at all levels of the organisation, formally through our Access & Inclusion Working Groups, and an elected Staff Representative for Vision Impaired Staff; and more informally through consultation on particular projects, and via our Accessibility and Diversity, Equality & Inclusion teams.

We are committed to transparency in our work and to include employees and volunteers in our decisions. During 2021 we have continued to hold weekly online meetings with Executive Directors and Senior Leaders so the organisation can come together, receive updates and have an opportunity to raise questions. Trustees have also attended some of these calls. We have continued to communicate with employees and volunteers through day-to-day line management and team meetings. We also communicate regularly via our intranet, internal publications and by email. In addition, employees or volunteers can raise any concerns they may have with the Staff Representatives, our elected Consultation Partnership Group, which encourages a flow of information across the organisation.

Our focus for volunteer communication in 2021 was to provide information and support to our 14,000 volunteers, chiefly on organisational change and to continue to ensure their safety with regular Covid updates, nationally and locally. Our Guide Dogs Futures webinar series focused on organisational innovation through digital, technology, and Canine Assisted Services with a spotlight on preparing volunteer puppy raisers for the introduction of Puppy Raising for Excellent Partnerships - our new standardised way of raising puppies, which prepares them for their adult training and their future roles as life-changers. These engagement activities supported our puppy raisers to make the shift from paper-based materials to e-learning. At a regional level, we trialled virtual round-up events that provided local news, community team developments, fundraising and volunteering updates for volunteers. Our online Volunteer Information Point (our intranet for volunteers, known as VIP) was developed further as an information hub, and by the end of 2021, VIP had amassed over 13,000 unique visitors - an increase of 357% from the previous year. We have also refreshed Volunteer Voices - our forum for volunteers to provide feedback and get more involved in Guide Dogs as an organisation. Groups have been closely aligned to our development priorities, and support us on internal improvements to our volunteer journey, which will benefit the entire volunteering community in the future.

Guide Dogs has a procurement policy that governs engagement with suppliers when procuring goods and services. This policy is based on achieving best value wherever possible through a transparent, equitable, auditable, competitive process so that every £1 donated is spent in the most effective and efficient way. We aim to work responsibly with our suppliers by building long-term relationships. We are developing partnerships across the supply chain to support the upgrading of properties, improving our technology and extending our digital content.

The welfare of our dog population is at the heart of what we do and key to us being able to deliver our guide dog service. The supply of the right quality dog food is therefore key, as are the relationships with the suppliers that

manufacture the food we use. This has meant that we have been able to work effectively with our supplier during the Covid pandemic and have not seen any disruption to the delivery of dog food to our service users and volunteers.

The Trustees are supported by an extensive governance framework, described on page 38. The members of each Committee are selected to ensure the Trustees are provided with expert advice to understand the issues they need to consider when forming opinions and decisions.

We rely on donations and sponsorship to keep our life-changing services running. We have policies and controls in place to ensure we raise money in a considerate and responsible way, as described further on page 36. We keep in regular contact through events with our sponsorship base to ensure we are transparent in our use of donations and are providing the services they are willing to continue to support.

Through the activities of our regional teams and volunteers, we are placing sight loss at the forefront of our engagement with the general public in our local communities. Training our dogs in a local environment also helps build wider understanding and awareness across the community.

The Trustees have overseen the implementation of measures to ensure that stakeholder interests are always considered and that the Trustees act fairly between stakeholders of the charity. The risk register focuses on services and stakeholders and ensures that the requirements of s172 are embedded at the core of all key Trustees' decisions.

Trustees Responsibility Statement

The Trustees (who are also directors of The Guide Dogs for the Blind Association for the purposes of company law) 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) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure of the charitable company for that period. In preparing these financial statements, the 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.

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 that they ought to have taken to make themselves aware of 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 and Independent Committee Member attendance at Board and Committee meetings 2021

In the table below the number in brackets denotes the number of meetings the Trustee/Independent Committee Member was eligible to attend, and the number outside brackets represents the number of meetings actually attended.

The below table consists of 8 columns and 27 rows.

	Trustee Board (8)	Away Day (1)	Audit & Risk (4)	FRIC (4)	Pension Trust (4)	Remuneration and People Committee (5)	Nomination Committee (2)
James Hambro (Chairman)	8(8)	1(1)	-	-	-	5(5)#	2(2)
Amanda Ariss	3(5)	-	-	-	-	3(3)	-
Paul Baker	7(8)	1(1)	-	-	-	-	-
Clare Black	6(8)	1(1)	-	3(4)	-	-	1(1)
Catherine Crofts	8(8)	1(1)	-	-	-	-	-
Rob Deakin	6(8)	1(1)	4(4)	-	-	-	-
Lynne Hill	8(8)	1(1)	4(4)	-	-	-	-
Mark Johnstone	7(8)	1(1)	4(4)	-	-	-	2(2)
Mike Nussbaum	3(5)	0(0)	-	-	-	3(3)	-
Michael Olaye	3(8)	0(1)	-	-	-	-	-
Polly Shute	3(5)	-	-	-	-	-	-
Ranjit Sondhi	8(8)	1(1)	-	-	-	4(5)	-
Jennelle Tilling	7(8)	1(1)	-	-	-	5(5)	-
Emma West	8(8)	1(1)	-	-	-	5(5)	1(1)
Polly Williams	4(8)	1(1)	-	4(4)	3(4)	-	2(2)
John Wrighthouse*	5(5)	1(1)	-	-	4(4)	3(3)	1(1)
Mike Wroe	8(8)	1(1)	-	3(4)	-	-	2(2)
Elaine Carr^	-	-	4(4)	-	-	-	-
Nicholas Coleman^	-	-	1(2)	-	-	-	-
Robert Barnard-Smith^	-	-	-	2(4)	-	-	-
Bruce Gordon^*	-	-	-	-	4(4)	-	-
David Bagley*	-	-	-	-	3(4)	-	-
Lynda Bowen*	-	-	-	-	4(4)	-	-
Roz Gratton*	-	-	-	-	3(4)	-	-
Gordon Smith*	-	-	-	-	4(4)	-	-
Claire Walters*	-	-	-	-	3(4)	-	-

^ denotes Independent Committee Member

* denotes Pension Trustee

denotes attendance in ex officio capacity, not as a member of the committee

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 in post during 2021 and as of 5 July 2022 were:

Name	Position
Tom C Wright	Chief Executive Officer
Vijay Doshi	Chief Financial Officer (from June 2022)
Beverley Hopkins	Acting Chief Financial Officer (from March 2022 to May 2022)
Deirdre T Evans	Chief Financial Officer (to February 2022)
Emma J Foulds	Chief Marketing and Strategy Officer
Deborah Bourne	Fundraising and Commercial Director (from June 2022)
Hannah Wallis	Joint Acting Director of Fundraising (from November 2021 to May 2022)
Maria E Novell	Joint Acting Director of Fundraising (from December 2021 to May 2022)
Peter Osborne	Director of Fundraising (to November 2021)
Kathryn L Ward	Chief Operations Officer
	People Director

Our policy on executive pay

Guide Dogs is a growing charity, with the ambition to double the amount of support we provide. To achieve this, we need to recruit and retain talented leaders with the skills and experience to help us meet our goals. The Board of Trustees, all independent volunteers, decide the level of pay for the Executive Directors, who are accountable to the Board for ensuring we transform the lives of those we support. The current pay policy and terms and conditions for the Executive Directors were introduced in 2011, and were reviewed in 2021, are determined by Guide Dogs' Remuneration and People 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 Trustees use recognised benchmarks to ensure levels of pay are appropriate, and comparable with similar roles in organisations of a similar size and complexity. Usually, pay rises are awarded based on benchmark, organisational and individual performance: this year, we prioritised benchmark

as the primary driver for pay rises awarded, aligned with the implementation of new pay bands in Guide Dogs as of April 2021.

Guide Dogs is committed to transparency on the issue of pay and supports the recommendations in the National Council of Voluntary Organisations (NCVO). Information about executive pay is available on both our website and in this annual report.

Salary ranges

Name	Position	Period in role	Basic salary
Deirdre T Evans	Chief Financial Officer	12 months	£129,540
Emma J Foulds	Chief Marketing and Strategy Officer	12 months	£97,112
Maria E Novell	Director of Fundraising	11 months	£100,361
Hannah Wallis	Joint Acting Director of Fundraising	1 month	£5,605
Deborah Bourne	Joint Acting Director of Fundraising	2 months	£9,494
Peter Osborne	Chief Operations Officer	12 months	£96,029
Kathryn L Ward	People Director	12 months	£120,000
Tom C Wright	Chief Executive Officer	12 months	£175,100

Pension contributions, employer's National Insurance and flexible benefits for key management listed above totalled £165,413 (2020: £154,358).

Other benefits

Benefits for Executive Directors are in line with benefits and pension contributions available to all staff. This includes a flexible benefits allowance of up to 3% of salary, and employer pension contributions conditional on employee contributions.

Diversity, equality and inclusion

We continue to build on our commitment to grow the diversity of our people - those who work or volunteer for us, support us and receive a service from us.

We recognise the importance of being relevant to people with a vision impairment from all communities and we are culturally sensitive to how this is achieved.

We evaluate the impact of our decision making through regular equality impact assessments to ensure we remain an equitable employer and provider of services. We value inclusion, achieving this through ongoing dialogue with our staff networks, delivering cultural awareness training, marking significant dates

and with a programme of education and, where appropriate, celebration. We have a strong sense of family at Guide Dogs and we continue to build on it by promoting a sense of belonging and togetherness which respects the lived experience of our people. We have continued to invest in training and development, to consult and engage and to act with integrity and fairness.

To further our commitment, we have created a dedicated DEI pillar in our 2022 Annual Plan, we are writing our first DEI strategy and during 2022 we will commit to undertake an Ethnicity Pay Gap report and a Disability Pay Gap report. We have invested heavily with the expansion of our dedicated DEI team and the recent recruitment of a Head of Accessibility. We are significant contributors to the agenda around Lived Experience within the Vision Impaired charity sector; our CEO has signed up publicly to commitments around building lived experience leadership, and we provide support and expertise to a number of forums which further promote these aims.

Employee involvement

We are committed to transparency in our work, including employees in decisions, and consulting formally and informally about proposed changes. We listen to feedback from employees and volunteers through annual surveys. We communicate with employees through day-to-day line management, team and cross-directorate meetings, our intranet and email. In addition, employees can raise any questions or concerns they may have at a national level, via regular all-staff Q&A meetings, and via our elected Staff Representatives, who in turn enable a mutually beneficial flow of information within the organisation.

Employing people with disabilities

Guide Dogs is a Disability Confident Employer and has been awarded the Two Ticks symbol by Jobcentre Plus. The symbol identifies employers who have undertaken to meet five commitments on the employment, retention, training and career development of employees with disabilities. We apply the same principles to anyone who becomes disabled while employed by Guide Dogs. In addition to supporting reasonable adjustments required by individuals to thrive in the workplace, during 2021 we have added an Access to Work Coordinator to our DEI/HR team, who actively supports individuals in both application and claims processes.

Whistleblowing

Guide Dogs' whistleblowing policy outlines the charity's approach to dealing with allegations which relate to suspected wrongdoing or potential risks at work which have a wider impact. The Audit & Risk Committee receives an annual report from the Whistleblowing Officer on the level and nature of issues raised. Any significant matters raised would be escalated to the Chairman of the Audit and Risk Committee as identified. The respective responsibilities of the

Committee and the Board in respect of whistleblowing are set out in the Terms of Reference. The Committee reviews, on behalf of the Board, the adequacy and security of the charity's arrangements for its employees, volunteers, agency workers and contractors to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters. The Committee seeks to ensure that these arrangements allow proportionate and independent investigation of such matters and appropriate follow-up action.

Related parties

Guide Dogs is the 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 2021 Blind Children UK made a restricted grant of its liquid funds to Guide Dogs for use in providing these services.

Guide Dogs UK Limited is the charity's design and build subsidiary.

GDBA Community Care Services Limited, GDBA (Pension Fund Trustee) Limited, Guide Dogs Limited and Blind Children UK (Trading) Limited were dormant during 2021.

The financial performance of these subsidiaries is disclosed in Note 14 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:

Reappointment of Auditor

In accordance with Section 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, number SC038979 in Scotland and number 1334 in Isle of Man) 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 sub-section 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
3 Victoria Square
Victoria Street
St Albans AL1 3TF
United Kingdom

Bankers

Barclays Bank Plc
Thames Valley Corporate
Wytham Court
11 West Way
Oxford OX2 0JB

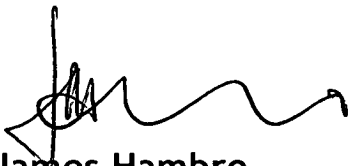
HSBC Bank plc
25 High Street
Windsor
Berkshire SL4 1LN

Investment Fund Managers

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

CCLA Investment Management Limited
Senator House
85 Queen Victoria Street
London EC4V 4ET

The Trustees' report, including the Strategic report and the Directors' report, was approved by the Board on 5 July 2022 and signed on its behalf by:



James Hambro
Chairman

Independent auditor's report to the members and the Trustees of The Guide Dogs for the Blind Association

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of The Guide Dogs for the Blind Association (the 'charitable company') and its subsidiaries (the 'group'):

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 December 2021, and of the group's and parent charitable company'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, which comprise:

- consolidated statement of financial activities incorporating an income and expenditure account;
- the consolidated and parent charitable company balance sheets;
- the consolidated cash flow statement;
- the statement of accounting policies; and
- the related Notes 1 to 18.

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 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 Financial Reporting Council's (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

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information within the annual report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 FRC's website at:

www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

We considered the nature of the group's industry and its control environment, and reviewed the group's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the group operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included Charities and Trustee Investment (Scotland) Act, UK Companies Act and pensions legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty. These included the Charity Commission for England and Wales (Charity Commission) regulations, Scottish Charity Regulator (OSCR) regulations and Fundraising regulations.

We discussed among the audit engagement team and relevant internal specialists, such as pensions and IT, regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following areas, and our specific procedures performed to address it are described below:

- risk of fraud in revenue recognition is a presumed risk under International Auditing Standards.

We focused this risk more specifically on accrued legacy income as the income is recognised on a receivable basis when the charity is entitled to the legacy, receipt is probable and the value can be estimated with sufficient accuracy. This is subject to judgement around whether and when the recognition criteria are met.

We tested a sample of accrued legacy income recognised and the treatment to the supporting legacy notifications and have assessed the judgements and estimates made by management in the recognition of these balances.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance, reviewing internal audit reports, and reviewing correspondence with HMRC, OSCR and Charity Commission.

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 group and parent charitable company and their 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
- 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.

We have nothing to report in respect of these matters.

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 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.



Jonathan Gooding (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

St Albans, United Kingdom

Date: *6 July 2022*

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

Accounts and financial statements

Consolidated statement of financial activities incorporating an income and expenditure account for the year ended 31 December 2021

	Notes	Unrestricted funds £m	Restricted funds £m	Endowment funds £m	Total 2021 £m	Total 2020 £m
Income and endowment from:	1					
Donations and legacies		128.7	13.2	-	141.9	107.9
Charitable activities		1.0	-	-	1.0	0.8
Other trading activities		9.0	-	-	9.0	11.8
Investments		0.7	-	-	0.7	0.9
Other income		0.4	-	-	0.4	4.5
Total income		139.8	13.2	-	153.0	125.9
Expenditure on:	2					
Raising funds		34.4	-	-	34.4	35.9
Charitable activities						
Provision of guide dog services		42.8	10.4	-	53.2	51.3
Provision of other adult services		8.2	0.3	-	8.5	8.7
Provision of other children's services		8.4	0.5	-	8.9	5.8
Research and development		0.7	-	-	0.7	0.6
Advocacy and awareness		10.3	-	-	10.3	9.6
Total charity expenditure		70.4	11.2	-	81.6	76.0
Total expenditure		104.8	11.2	-	116.0	111.9
Net gain/(loss) on investments		6.9	-	0.1	7.0	4.2
Net Income for the year		41.9	2.0	0.1	44.0	18.2
Transfers between funds		0.6	(0.6)	-	-	-
Other recognised losses						
Actuarial loss on defined benefit pension scheme		(1.0)	-	-	(1.0)	(0.9)
Net movements in funds		41.5	1.4	0.1	43.0	17.3
Reconciliation of funds						
Fund balance brought forward at 1 January		150.2	2.7	0.5	153.4	136.1
Fund balance carried forward at 31 December		191.7	4.1	0.6	196.4	153.4

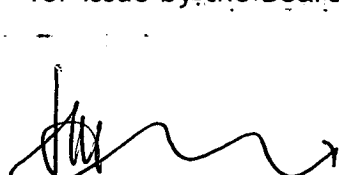
All results are derived from continuing operations. There are no other recognised gains or losses. The prior year consolidated statement of financial activities is presented in Note 18.

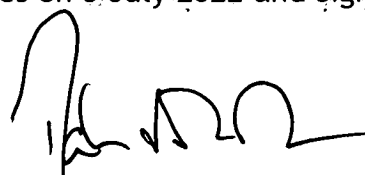
The accounting policies and Notes on pages 59 to 86 form part of these financial statements.

Consolidated and charity balance sheets at 31 December 2021

		Group 2021 £m	Group 2020 £m	Charity 2021 £m	Charity 2020 £m
Fixed assets					
Tangible assets	6	38.7	36.2	38.7	36.2
Investments	7	78.3	66.7	78.8	67.2
Total fixed assets		117.0	102.9	117.5	103.4
Current assets					
Stocks	8	0.3	0.3	0.1	0.1
Debtors	9	62.2	45.6	63.2	46.1
Cash at bank and in hand		26.5	13.9	24.8	12.2
Total current assets		89.0	59.8	88.1	58.4
Creditors					
Amounts falling due within one year	10	(9.5)	(9.2)	(9.3)	(9.1)
Net current assets		79.5	50.6	78.8	49.3
Total assets less current liabilities		196.5	153.5	196.3	152.7
Creditors					
Amounts falling due after more than one year	11	(0.1)	(0.1)	(0.1)	(0.1)
Net assets		196.4	153.4	196.2	152.6
Unrestricted funds					
General funds		95.3	76.8	95.4	76.3
Designated funds		93.7	64.8	93.7	64.8
Revaluation reserve		2.7	8.6	2.7	8.6
Total unrestricted funds		191.7	150.2	191.8	149.7
Restricted funds		4.1	2.7	3.8	2.4
Endowment funds		0.6	0.5	0.6	0.5
Total funds	12,16	196.4	153.4	196.2	152.6

The parent charity, The Guide Dogs for the Blind Association, has gross income of £151.8m (2020: £124.6m) and a result of £43.6m net movement (2020: £16.9m gain) for the year. As provided by Section 408 of the Companies Act 2006, no separate income and expenditure account is presented for the parent charity. The Financial Statements of The Guide Dogs for the Blind Association (registered company number 00291646) were approved and authorised for issue by the Board of Trustees on 5 July 2022 and signed on its behalf by:


James Hambro
Chairman


Mark Johnstone
Trustee

The accounting policies and Notes on pages 59 to 86 form part of these financial statements.

Consolidated cash flow statement for the year ended 31 December 2021

	Notes	2021 £m	2020 £m
Cash flows from operating activities	17	21.3	10.2
Net cash provided by operating activities			
Cash flows from investing activities			
Dividends, interest and rents from investments		0.7	0.9
Purchase of tangible fixed assets		(5.6)	(4.7)
Proceeds from sale of tangible fixed assets		0.2	0.2
<i>Net cash provided by investing activities</i>		(4.7)	(3.6)
Cash flows from financing activities			
Net investment in investment portfolio		(4.0)	0.8
<i>Net cash provided by financing activities</i>		(4.0)	0.8
Change in cash and cash equivalents in the reporting period		12.6	7.4
Cash and cash equivalents at 1 January		13.9	6.5
Increase in the year		12.6	7.4
Cash and cash equivalents at 31 December		26.5	13.9

The accounting policies and Notes on pages 59 to 86 form part of these financial statements.

Notes to the financial statements for the year ended 31 December 2021

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 12 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 48.

The principal accounting policies adopted 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 2019)” applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), effective 1 January 2019; and the Companies Act 2006.

The Guide Dogs for the Blind Association meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemption available to it in respect of its separate financial statements in relation to presentation of a cash flow statement.

b. Preparation of the accounts on a going concern basis

Guide Dogs reported a total cash inflow of £13.9m for the year (2020: £6.5m inflow) and an inflow of £12.6m (2020: £7.4m inflow) on a group basis.

The Board of Trustees has reviewed financial projections for Guide Dogs which reflect the aim to quickly return the number of guide dog partnerships to pre-Covid levels. The Board of Trustees consider that there are sufficient cash resources for at least the next twelve months from 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 based on future cashflows and a number of worst-case scenarios which indicate that it has sufficient cash resources to continue to operate 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

Group financial statements have been prepared in respect of the Charity and its wholly owned subsidiary undertakings The Guide Dogs for the Blind Association (Trading Company) Limited, Blind Children UK and Guide Dog UK Limited. These financial statements have been consolidated on a line-by-line basis and the results of the subsidiary undertakings are disclosed in Note 14.

d. Income

Income is recognised when the Group and Charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

- 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.
- 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 is referred to in 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) 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.
- vi) Government grant income is accounted for on a cash basis.

e. Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is recognised 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 raising 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. 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 included in the support costs allocation.
- iii) The cost of irrecoverable Value Added Tax is included within relevant expenditure.
- iv) Termination liabilities are recognised when a legal or constructive obligation exists that can be reliably estimated and is probable will occur.

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, information technology, 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 included in each charitable activity.

g. Leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

h. Tangible fixed assets

Tangible fixed assets are stated at cost, with the exception of freehold land and buildings which are stated at historic valuation and were adopted as deemed costs upon FRS 102 transition (see Note 6), net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Freehold land	Nil
Freehold buildings	2½% - 5%

Furniture and equipment	10% - 20%
Motor vehicles	20%
Computers	33%

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 at fair value through the statement of financial activities, 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 that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value in the case of current assets and liabilities and discounted settlement value in the case of assets and liabilities falling due after more than one year.

j. Significant areas of estimation and judgement

In the application of the Group's accounting policies, which are described here, the Trustees are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make 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.

Critical accounting judgements

Pension fund asset recognition: the defined benefit scheme surplus of £36.7m has not been recognised as the Trustees judge that they cannot demonstrate that it is recoverable by Guide Dogs. The valuation is prepared by a qualified actuary and reflects a number of judgements and estimates including the expected return on assets, the discount rate, cost inflation and life expectancy. Changes in these assumptions have a significant effect on the value of the defined benefit obligation.

The accounting treatment of dogs: the cost of dog training and the provision of dogs for partnerships are running costs of the charity, incurred in line with charitable objectives. Costs are expensed in the period in which they are incurred, and no asset nor corresponding liability is recognised in the balance sheet. Dogs are generally bred internally, with the Trustees judging the associated costs to represent key running costs of the charity and delivery of its charitable objectives, rather than development of a resource controlled by the company i.e. an asset. Breeding and training are both regarded as activities that the charity undertakes on behalf of its beneficiaries, with the undertaking of these processes representing fulfilment of an implicit charitable objective. The expensing of such costs aligns with the Charities SORP definition of expenditure, being the amount of a charity's resources spent in carrying out its activities.

Sources of estimation uncertainty

Accrued legacy income (see Note 9): the accrued legacy income amounts to £57.5m at 31 December 2021 (£40.8m at 31 December 2020). The legacy income is recognised on a receivable basis when the charity is entitled to the legacy, receipt is probable and the value can be estimated with sufficient accuracy. The critical judgement involved in the recognition of legacy income is around whether the recognition criteria are met. The key sources of estimation uncertainty are in relation to the value of the legacy, and the legal fees and other liabilities, which are estimated based on the best information available at the balance sheet date. Due to the uncertainty associated with such items, there is a possibility that, on conclusion of open matters at a future date, the final outcome may differ significantly.

k. Investments

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

Social, environmental or ethical considerations are addressed through the selection of appropriate funds which are limited to investments in line with the charitable objectives, exclude certain types of investments and prioritises sustainability.

l. Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to sell, which is equivalent to the net realisable value. Cost is calculated using the FIFO (first-in, first-out) method. Provision is made for obsolete, slow-moving or defective items where appropriate.

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 FRS 102.

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

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 12.

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 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 total expenditure for which it was incurred.

1. Income

	2021 £m	2020 £m
Income from donations and legacies		
Community fundraising	5.7	4.3
Donor-based fundraising	54.4	52.5
Corporate and trust income	4.1	2.8
Legacies	77.7	48.3
	<hr/> 141.9	<hr/> 107.9
Donations and legacies		
Charitable activities		
Sale of rehabilitation services under contract	0.8	0.6
Ancillary trading	0.2	0.2
	<hr/> 1.0	<hr/> 0.8
Charitable activities		
Other trading activities		
Raffles and draws	4.0	3.8
Lotteries	3.5	7.0
Other	1.5	1.0
	<hr/> 9.0	<hr/> 11.8
Other trading activities		
	<hr/> 0.7	<hr/> 0.9
Investment income		
Other income		
Other	0.3	0.2
Covid Job Retention Scheme (government funding)	0.1	4.3
	<hr/> 0.4	<hr/> 4.5
Investment income		
	<hr/> 153.0	<hr/> 125.9
Total income		

Legacies exclude contentious cases amounting to £1.0m (2020: £0.9m). In addition, there are a further 252 cases (2020: 247) where a life tenancy exists or Will conditions have yet to be met which are also not included in legacy revenue. Corporate and trust income includes £nil (2020: £0.4m) income from government and government-related grants.

2. Total expenditure

	Direct costs £m	Support costs £m	Total 2021 £m	Total 2020 £m
Expenditure on raising funds				
Expenditure on raising donations and legacies				
Community fundraising	3.4	1.0	4.4	3.9
Donor-based fundraising	20.1	0.7	20.8	20.5
Corporate and trust income	0.8	0.2	1.0	1.3
Fundraising development and administration	2.2	0.6	2.8	2.5
Legacy marketing and administration	0.7	0.2	0.9	0.9
	27.2	2.7	29.9	29.1
Expenditure on trading activities				
Expenditure on other trading activities	1.0	-	1.0	0.9
Raffles and draws	1.7	-	1.7	1.5
Lotteries	1.6	-	1.6	4.2
	4.3	-	4.3	6.6
Investment management fees	0.2	-	0.2	0.2
Expenditure on raising funds total	31.7	2.7	34.4	35.9
Charitable expenditure				
Provision of guide dog services	43.2	10.0	53.2	51.3
Provision of other adult services	6.6	1.9	8.5	8.7
Provision of children's services	7.4	1.5	8.9	5.8
Research and development	0.6	0.1	0.7	0.6
Advocacy and awareness	9.2	1.1	10.3	9.6
	67.0	14.6	81.6	76.0
Total expenditure	98.7	17.3	116.0	111.9

2020 Comparatives

	Direct costs £m	Support costs £m	Total 2020 £m
Expenditure on raising donations and legacies			
Community fundraising	2.9	1.0	3.9
Donor-based fundraising	19.8	0.7	20.5
Corporate and trust income	1.0	0.3	1.3
Fundraising development and administration	1.9	0.6	2.5
Legacy marketing and administration	0.7	0.2	0.9
Expenditure on raising donations and legacies	26.3	2.8	29.1
Expenditure on trading activities			
Cost of goods sold and other costs	0.8	0.1	0.9
Raffles and draws	1.5	-	1.5
Lotteries	4.2	-	4.2
Expenditure on trading activities	6.5	0.1	6.6
Investment management fees	0.2	-	0.2
Expenditure on raising funds	33.0	2.9	35.9
Charitable expenditure			
Provision of guide dog services	40.6	10.7	51.3
Provision of other adult services	6.4	2.3	8.7
Provision of children's services	4.2	1.6	5.8
Research and development	0.5	0.1	0.6
Advocacy and awareness	8.8	0.8	9.6
Charitable expenditure	60.5	15.5	76.0
Total expenditure	93.5	18.4	111.9

Total expenditure includes:

	2021 £m	2020 £m
Lease charges		
Other - land and buildings	2.9	1.2
Depreciation charged in the year	3.1	2.8

£'000 £'000

Fees payable to the charity's auditor (inclusive of VAT)

The audit of the charity's annual financial statements	76.1	72.5
The audit of the charity's subsidiaries pursuant to legislation	18.9	12.3
Non audit services - other services	18.0	-

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 2021
	£m	£m	£m	£m	£m	£m	£m
Governance	-	0.2	-	-	-	-	0.2
Finance	0.5	1.7	0.3	0.3	-	0.2	3.0
Information technology	1.0	4.1	0.8	0.6	0.1	0.4	7.0
Human resources	0.5	1.7	0.3	0.3	-	0.2	3.0
Marketing and communications	0.2	0.6	0.1	0.1	-	0.1	1.1
Central property costs	0.2	0.8	0.2	0.1	-	0.1	1.4
Other central costs	0.3	0.9	0.2	0.1	-	0.1	1.6
Total	2.7	10.0	1.9	1.5	0.1	1.1	17.3

2020 Comparatives	Raising funds	Provision of guide dog services	Provision of other adult services	Provision of children's services	Research and Development	Advocacy and Awareness	Total 2020
	£m	£m	£m	£m	£m	£m	£m
Governance	-	0.1	0.1	-	-	-	0.2
Finance	0.4	1.7	0.4	0.2	-	0.1	2.8
Information Technology	1.1	3.8	0.8	0.6	0.1	0.3	6.7
Human resources	0.5	1.9	0.4	0.3	-	0.1	3.2
Marketing & communications	0.1	0.4	0.1	0.1	-	0.1	0.8
Central property costs	0.2	0.8	0.2	0.1	-	0.1	1.4
Other central costs	0.6	2.0	0.3	0.3	-	0.1	3.3
Total	2.9	10.7	2.3	1.6	0.1	0.8	18.4

Contributions to the defined contributions pension scheme are allocated to activities in line with resources the contributions relate to. All defined contribution pension contributions are funded from unrestricted funds.

3. Increasing global uncertainty non-adjusting post balance sheet event

Russia's invasion of Ukraine has increased global uncertainty. The application of economic and financial sanctions on Russia in response has added inflationary pressure to world economies and stock markets have deteriorated. As at 27 June 2022, Guide Dogs investments have fallen in value by £8.4m and cash resources have fallen to £102.2m. The Trustees are monitoring the current fluctuation in investment valuation but because the designated funds will be spent over time,

there is the opportunity to amend the investment profile of those designations to ensure we maintain suitable reserves. The investments held by the Guide Dogs Defined Benefit Pension Scheme have reduced in value by £73.8m and the scheme surplus has reduced to £18.7m on a technical basis. The legacy accrual is judged to have deteriorated in value by £4.1m owing to underlying investment asset losses.

4. Research commissioned - grants payable

Research and development comprises strategic, market, consumer and scientific research and technology development. Total research and development expenditure amounted to £0.7m (2020: £0.6m).

5. 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 (2020: £nil). Travelling and subsistence expenses were reimbursed in respect of six (2020: five) trustees, totalling £1,447 (2020: £559). Trustee donations received in respect of seven (2020: eight) trustees totals £1,484 (2020: £1,641).

Staff costs

	2021 £m	2020 £m
Wages and salaries	46.6	45.9
Social security	4.6	4.5
Other pension costs	3.1	3.0
Sub total	54.3	53.4
Other staff-related costs	5.0	4.1
Total	59.3	57.5

Wages and salaries include £0.3m redundancy payments in the year (2020: £0.6m) which were previously accrued in 2020 for staff placed at risk. No further accruals were made at the end of 2021 (2020: £0.5m).

The average head count of persons employed during the year ended 31 December 2021 is 1,623 (2020: 1,540). The average number of persons employed during the year ended 31 December 2021 is shown below on full-time equivalent basis:

	2021 Number (FTE)	2020 Number (FTE)
Fundraising and legacies	198	202

Provision of guide dogs services	742	740
Provision of other adult services	140	163
Provision of other children's services	117	107
Research and development	10	7
Advocacy and awareness	75	59
Management, administration and clerical (indirect)	174	164
Total	1,456	1,442

Pension contributions were paid into Guide Dogs' defined contribution scheme for 1,511 employees (2020: 1,480 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:

	2021 Number	2020 Number
£60,001 to £70,000	19	19
£70,001 to £80,000	8	6
£80,001 to £90,000	6	6
£90,001 to £100,000	2	2
£100,001 to £110,000	1	1
£120,001 to £130,000	1	1
£130,001 to £140,000	1	1
£180,001 to £190,000	1	1
Total	39	37

Pension contributions were paid into the Guide Dogs' defined contribution scheme for the year on behalf of 39 (2020: 36) of the employees with emoluments in excess of £60,000.

Ex-gratia payments of £1,000 were made during the year (2020:£nil).

The key management personnel of the parent charity and the Group are listed on pages 44 and 45. The total remuneration (including pension contributions and employers' National Insurance) of the key management personnel of the charity for the year totalled £898,653 (2020: £853,363).

No staff are employed directly by subsidiary companies.

6. Tangible fixed assets

Freehold properties	Assets under construction	Leasehold properties	Furniture, equipment, vehicles and computers	Total £m
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	£m	£m	£m	£m	
Group and Charity					
Cost or valuation					
As of 1 January 2021	49.6	1.6	1.0	15.2	67.4
Additions	2.9	1.0	-	1.7	5.6
Disposals	-	-	-	(1.0)	(1.0)
Transfers	1.6	(1.6)	-	-	-
At 31 December 2021	54.1	1.0	1.0	15.9	72.0
Depreciation					
As of 1 January 2021	19.6	-	0.8	10.8	31.2
Provision for year	1.6	-	-	1.5	3.1
Disposals	-	-	-	(1.0)	(1.0)
At 31 December 2021	21.2	-	0.8	11.3	33.3
Net book value 31 December 2021	32.9	1.0	0.2	4.6	38.7
Net book value 31 December 2020	30.0	1.6	0.2	4.4	36.2

The freehold property depreciation charge for the year on a historical cost basis was identical to the actual charge as the revalued assets have now been fully depreciated (2020: identical).

7. Investments

a. Movement in investments during the year

	Group 2021 £m	Group 2020 £m	Charity 2021 £m	Charity 2020 £m
Market value as of 1 January	66.7	63.3	67.2	63.8
New investment	4.0	-	4.0	-
Withdrawals	-	(1.5)	-	(1.5)
Dividends received	0.7	0.9	0.7	0.9
Net gain/(loss) on revaluation	7.0	4.2	7.0	4.2
Fees paid	(0.1)	(0.2)	(0.1)	(0.2)
Market value at 31 December	78.3	66.7	78.8	67.2

b. Analysis of investments of market value

	Group 2021 £m	Group 2020 £m	Charity 2021 £m	Charity 2020 £m
Listed investments				
- United Kingdom	78.3	66.7	78.3	66.7
Investments in subsidiaries	-	-	0.5	0.5
Total	78.3	66.7	78.8	67.2

c. Analysis of investment cost

	Group 2021 £m	Group 2020 £m	Charity 2021 £m	Charity 2020 £m
Listed investments				
- United Kingdom	59.9	55.9	59.9	55.9
Investments in subsidiaries	-	-	0.5	0.5
Total	59.9	55.9	60.4	56.4

At 31 December 2021 the listed investments included holdings in COIF Charities Investment Fund, managed by CCLA, valued at £28.4m (2020: £22.7m) and BNY Mellon's Newton Sustainable Real Return Fund valued at £49.9m (2020: £44.0m). The CCLA holding includes £0.6m (2020: £0.5m) representing Guide Dogs' Endowment Funds.

The results of the charity's subsidiaries are discussed in Note 14.

8. Stocks

	Group 2021 £m	Group 2020 £m	Charity 2021 £m	Charity 2020 £m
Equipment	0.1	0.1	0.1	0.1
Trading stock	0.2	0.2	-	-
Total	0.3	0.3	0.1	0.1

9. Debtors

Debtors receivable within one year:

	Group 2021 £m	Group 2020 £m	Charity 2021 £m	Charity 2020 £m
Tax recoverable	2.2	2.1	2.2	2.1
Trade debtors	0.3	0.2	0.3	0.2
Due from subsidiary undertakings	-	-	1.0	0.5
Accrued legacy income	55.1	40.8	55.1	40.8
Other accrued income	0.4	0.6	0.4	0.6
Other prepayments	1.8	1.9	1.8	1.9
Total	59.8	45.6	60.8	46.1

Debtors receivable after more than one year:

	Group 2021 £m	Group 2020 £m	Charity 2021 £m	Charity 2020 £m
Accrued legacy income	2.4	-	2.4	-
Total	2.4	-	2.4	-

Total debtors:

	Group 2021 £m	Group 2020 £m	Charity 2021 £m	Charity 2020 £m
Total	62.2	45.6	63.2	46.1

10. Creditors: amounts falling due within one year

	Group 2021 £m	Group 2020 £m	Charity 2021 £m	Charity 2020 £m
Trade creditors	3.0	2.1	2.9	2.1
Other creditors	0.6	0.7	0.6	0.6
Tax and social security	1.3	1.3	1.4	1.3
Accruals and deferred income	4.6	5.1	4.4	5.1
Total	9.5	9.2	9.3	9.1

A £5.0m revolving credit facility commenced in October 2020. As this facility had not been utilised, it was revoked under the terms of the Government Covid CLBILS arrangements at 31 March 2021.

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

	Group 2021 £m	Group 2020 £m	Charity 2021 £m	Charity 2020 £m
Unfunded pension obligations	0.1	0.1	0.1	0.1

The unfunded pension obligations are in respect of three (2020: four) retired members of staff.

12. Fund balances

Year ended 31 December 2021	1 January 2021 £m	Income £m	Expenditure £m	Investment gain £m	Transfers /Other £m	31 December 2021 £m
Group						
General funds	76.8	139.8	(104.8)	6.9	(23.4)	95.3
Designated funds	64.8	-	-	-	28.9	93.7
Revaluation reserve	8.6	-	-	-	(5.9)	2.7
Restricted funds	2.7	13.2	(11.2)	-	(0.6)	4.1
Endowment funds	0.5	-	-	0.1	-	0.6
Total	153.4	153.0	(116.0)	7.0	(1.0)	196.4

Year ended 31 December 2021	1 January 2021 £m	Income £m	Expenditure £m	Investment gain £m	Transfers /Other £m	31 December 2021 £m
Charity						
General funds	76.3	138.6	(103.0)	6.9	(23.4)	95.4
Designated funds	64.8	-	-	-	28.9	93.7
Revaluation reserve	8.6	-	-	-	(5.9)	2.7
Restricted funds	2.4	13.2	(11.2)	-	(0.6)	3.8
Endowment funds	0.5	-	-	0.1	-	0.6
Total	152.6	151.8	(114.2)	7.0	(1.0)	196.2

Year ended 31 December 2020 comparatives	1 January 2020 £m	Income £m	Expenditure £m	Investment gain £m	Transfers /Other £m	31 December 2020 £m
Group						

Unrestricted funds	132.4	114.1	(104.4)	4.2	3.9	150.2
Restricted funds	3.2	11.8	(7.5)	-	(4.8)	2.7
Endowment funds	0.5	-	-	-	-	0.5
Total	136.1	125.9	(111.9)	4.2	(0.9)	153.4

Year ended 31 December 2020 comparatives	1 January 2020 £m	Income £m	Expenditure £m	Investment gain £m	Transfers /Other £m	31 December 2020 £m
Charity						
Unrestricted funds	132.3	112.8	(103.5)	4.2	3.9	149.7
Restricted funds	2.9	11.8	(7.5)	-	(4.8)	2.4
Endowment funds	0.5	-	-	-	-	0.5
Total	135.7	124.6	(111.0)	4.2	(0.9)	152.6

Designated funds

Group and charity	2021 £m	2020 £m
Strategic development of buildings	21.2	20.0
Building future capability and increasing reach	16.5	-
Investment in sustainability	9.6	-
Technological innovation	9.1	10.0
Funds designated for future investment	56.4	30.0
Fixed assets	36.0	33.5
People's Postcode Lottery	1.3	1.3
Total	93.7	64.8

Restricted funds

Year ended 31 December 2021 Group	1 January 2021 £m	Income £m	Expenditure £m	Transfers £m	31 December 2021 £m
Restriction					
Location	0.9	6.5	(4.8)	-	2.6
Guide dog services	0.1	5.3	(5.3)	-	0.1
Veterans	1.1	-	(0.3)	-	0.8
Children's services	0.3	0.5	(0.5)	-	0.3
Covid Job Retention Scheme	-	0.1	-	(0.1)	-
Other	0.3	0.8	(0.3)	(0.5)	0.3
Total	2.7	13.2	(11.2)	(0.6)	4.1

Year ended 31 December 2021 Charity	1 January 2021 £m	Income £m	Expenditure £m	Transfers £m	31 December 2021 £m
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Restriction

Location	0.9	6.5	(4.8)	-	2.6
Guide dog services	0.1	5.3	(5.3)	-	0.1
Veterans	1.1	-	(0.3)	-	0.8
Children's services	-	0.5	(0.5)	-	-
Covid Job Retention Scheme	-	0.1	-	(0.1)	-
Other	0.3	0.8	(0.3)	(0.5)	0.3
Total	2.4	13.2	(11.2)	(0.6)	3.8

Year ended 31 December 2020 Comparatives Group	1 January 2020 £m	Income £m	Expenditure £m	Transfers £m	31 December 2020 £m
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Restriction

Location	1.0	4.3	(4.4)	-	0.9
Guide dog services	0.1	2.0	(2.0)	-	0.1
Veterans	1.5	-	(0.4)	-	1.1
Children's services	0.3	0.4	(0.4)	-	0.3
Covid Job Retention Scheme	-	4.3	-	(4.3)	-
Other	0.3	0.8	(0.3)	(0.5)	0.3
Total	3.2	11.8	(7.5)	(4.8)	2.7

Year ended 31 December 2020 Comparatives Charity	1 January 2020 £m	Income £m	Expenditure £m	Transfers £m	31 December 2020 £m
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Restriction

Location	1.0	4.3	(4.4)	-	0.9
Guide dog services	0.1	2.0	(2.0)	-	0.1
Veterans	1.5	-	(0.4)	-	1.1
Children's services	-	0.4	(0.4)	-	-
Covid Job Retention Scheme	-	4.3	-	(4.3)	-
Other	0.3	0.8	(0.3)	(0.5)	0.3
Total	2.9	11.8	(7.5)	(4.8)	2.4

Restricted income comes primarily from legacies but also from other income streams. Most funds are utilised in the year of receipt as they are matched to activities already happening in the area. Blind Children UK reserves of £0.3m (2020: £0.3m) are treated as restricted.

Included in the revaluation reserve is £2.7m (2020: £2.7m) for the revaluation of properties for both the Group and Charity.

13. Financial commitments and contingent liabilities

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

	2021 £m	2020 £m
Group		
Within one year	1.1	2.1
Between one year and five years	0.6	1.1
Beyond five years	-	-
Total	1.7	3.2

Contingent liabilities as of 31 December 2021 include legacy indemnities that Guide Dogs has provided to the executors of certain estates. These indemnities provide legal recourse to the recovery of any overpayments up to the total value of receipts by Guide Dogs. The maximum possible liability arising from 51 (2020: 49) indemnities outstanding at the balance sheet date was £4.4m (2020: £4.2m) with the majority of indemnity periods being 6 years. There are no commitments relating to capital expenditure.

14. Subsidiaries

The Association owns the whole of the issued share capital, or is the sole member of:

1. The Guide Dogs for the Blind Association (Trading Company) Limited (company registration number 1596945);
2. Blind Children UK (company registration number 3133018);
3. Guide Dogs UK Limited (company registration number 3252696);
4. Guide Dogs Limited (company registration number 2332629);
5. GDBA Community Care Services Limited (company registration number 2735518); and
6. 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 2021:

- 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.
- Guide Dogs UK Limited (company registration number 3252696)

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

A summary of the trading results and net assets for the year ended 31 December 2021 is shown below:

	Blind Children UK 2021 £m	Trading company 2021 £m	Guide Dogs UK Limited 2021 £m	Total 2021 £m	Total 2020 £m
Income resources/turnover	0.5	1.0	0.4	1.9	1.1
Cost of raising funds/cost of sales	-	(0.3)	-	(0.3)	(0.3)
Gross profit	0.5	0.7	0.4	1.6	0.8
Other operating income	-	0.2	-	0.2	0.2
Distribution, selling and administration expenses	-	(0.9)	(0.4)	(1.3)	(0.7)
Operating profit for the financial year	0.5	-	-	0.5	0.3
Donation to Guide Dogs	(0.5)	-	-	(0.5)	(0.4)
Profit/(loss) for the year	-	-	-	-	(0.1)
Reserves at start of year	0.3	0.4	-	0.7	0.8
Reserves at end of year	0.3	0.4	-	0.7	0.7
Current assets	0.5	1.4	0.2	2.1	2.0
Current liabilities	(0.2)	(1.0)	(0.2)	(1.4)	(1.3)
Net assets at end of year	0.3	0.4	-	0.7	0.7

2020 comparatives

	Blind Children UK 2020 £m	Trading company 2020 £m	Total 2020 £m
Income resources/turnover	0.4	0.7	1.1
Cost of raising funds/cost of sales	-	(0.3)	(0.3)
Gross profit	0.4	0.4	0.8
Other operating income	-	0.2	0.2
Distribution, selling and administration expenses	-	(0.7)	(0.7)
Operating profit/(loss) for the financial year	0.4	(0.1)	0.3
Donation to Guide Dogs	(0.4)	-	(0.4)
Profit/(loss) for the year	-	(0.1)	(0.1)
Reserves at start of year	0.3	0.5	0.8
Reserves at end of year	0.3	0.4	0.7

Current assets	0.3	1.7	2.0
Current liabilities	-	(1.3)	(1.3)
Net assets at end of year	0.3	0.4	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 2021 and 2020 Blind Children UK's income was all granted to Guide Dogs for use on their children's services.

15. 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. Nil deficit contributions are required for 2021 under the scheme's agreed Recovery Plan, however, a discretionary contribution of £1.0m was paid (2020: £1.0m).

The results of the actuarial valuation of the scheme as at 31 December 2020 have been updated to 31 December 2021 by a qualified independent actuary.

Assumptions

The major assumptions used by the actuary were:

	2021	2020
Discount rate	1.80%	1.30%
Rate of increase in salaries	n/a	n/a
Rate of increase in payment of pensions (RPI maximum 5%)	3.30%	3.00%
Inflation assumption (RPI)	3.40%	3.00%
Inflation assumption (CPI)	2.90%	2.50%
Life expectancies on retirement at age 60		
Retiring today - males (years)	27.1	28.6
Retiring today - females (years)	29.8	
Retiring in 20 years - males (years)	28.6	
Retiring in 20 years - females (years)	31.2	27.1

	100% of members commute 25%	31.1
Cash commutation		29.7
		100% of members commute 25%
		<hr/>

Balance Sheet

The assets in the plan were:

	2021 £m	2020 £m
Equities	78.1	98.9
Properties	16.4	13.9
Bonds	206.8	180.9
Hedge funds	24.2	36.1
Insured pensions	0.3	0.4
Cash	24.6	12.5
Total market value of assets	350.4	342.7
Present value of plan liability	(313.7)	(334.6)
Surplus in the plan	36.7	8.1
Effect of the asset ceiling	(36.7)	(8.1)
Net pension fund deficit	-	-

Analysis of the amount (charged)/credited to the Statement of Financial Activities

	2021 £m	2020 £m
Net interest cost and past service cost on the defined benefit obligation	-	(0.1)
Total amount charged within net income for the year	-	(0.1)
Experience gain arising on the plan's assets	9.7	37.9
Experience gain arising on the plan's liabilities	0.5	13.2
Actuarial gain/(loss)	17.0	(54.3)
Effect of asset ceiling	(28.2)	2.3
Actuarial loss	(1.0)	(0.9)
Total amount charged to the Statement of Financial Activities	(1.0)	(1.0)

Reconciliation of present value of plan liabilities and assets

	2021 £m	2020 £m
Change in present value liabilities		
Present value of plan liabilities at start of year	334.6	300.4
Interest on pension liabilities	4.3	5.9
Past service benefits granted during the year	-	0.1
Actuarial (gain)/loss on financial assumptions	(16.7)	43.7
Actuarial (gain)/loss on demographic assumptions	(0.3)	10.6
Experience gains	(0.5)	(13.2)
Benefits paid	(7.7)	(12.9)

Present value of plan liabilities at end of year

313.7	334.6
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2021 £m	2020 £m
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Change in plan assets

Fair value of plan assets at start of year
Interest income
Return on scheme assets excluding interest income

342.3	310.2
4.4	6.1
10.4	38.3

Employer's contributions
Benefits paid

1.0	1.0
(7.7)	(12.9)

Fair value of plan assets at end of year

350.4	342.7
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Five-year history

History of funding position and experience gains and losses

	2021 £m	2020 £m	2019 £m	2018 £m	2017 £m
Defined benefit obligation	(313.7)	(334.6)	(300.4)	(270.4)	(298.6)
Scheme assets	350.4	342.7	310.2	283.5	302.8
Effect of asset ceiling	(36.7)	(8.1)	(9.8)	(13.1)	(4.2)
(Deficit)	-	-	-	-	-
Actual return less expected return on plan assets					
- amount	9.7	37.9	30.0	(15.9)	10.5
- percentage of plan assets	2.8%	11.0%	9.7%	5.6%	3.5%
Experience gain/(loss) on plan liabilities					
- amount	0.5	13.2	(0.3)	8.0	4.8
- percentage of the present value of plan liabilities	0.2%	3.9%	0.1%	3.0%	1.6%
Total (loss)/gain recognised in statement of financial activities					
- amount	(1.0)	(0.9)	(1.0)	(0.6)	5.0
- percentage of the present value of the plan liabilities	0.3%	0.3%	0.3%	0.2%	1.7%

16. Analysis of net assets between funds

Group	General funds £m	Designated funds £m	Revaluation reserve £m	Restricted funds £m	Endowment funds £m	Total 2021 £m	Total 2020 £m
Tangible fixed assets	-	36.0	2.7	-	-	38.7	36.2
Fixed asset investments	56.5	21.2	-	-	0.6	78.3	66.7
Bank balances	11.6	10.8	-	4.1	-	26.5	13.9
Other assets and liabilities	27.2	25.7	-	-	-	52.9	36.6
Total	95.3	93.7	2.7	4.1	0.6	196.4	153.4

Charity	General funds £m	Designated funds £m	Revaluation reserve £m	Restricted funds £m	Endowment funds £m	Total 2021 £m	Total 2020 £m
Tangible fixed assets	-	36.0	2.7	-	-	38.7	36.2
Fixed asset investments	57.0	21.2	-	-	0.6	78.8	67.2
Bank balances	10.1	10.8	-	3.8	-	24.7	12.2
Other assets and liabilities	28.3	25.7	-	-	-	54.0	37.0
Total	95.4	93.7	2.7	3.8	0.6	196.2	152.6

2020 comparatives Group	General funds £m	Designated funds £m	Revaluation reserve £m	Restricted funds £m	Endowment funds £m	Total 2020 £m
Tangible fixed assets	-	33.5	2.7	-	-	36.2
Fixed asset investments	45.3	15.0	5.9	-	0.5	66.7
Bank balances	11.2	-	-	2.7	-	13.9
Other assets and liabilities	20.3	16.3	-	-	-	36.6
Total	76.8	64.8	8.6	2.7	0.5	153.4

2020 comparatives Charity	General funds £m	Designated funds £m	Revaluation reserve £m	Restricted funds £m	Endowment funds £m	Total 2020 £m
Tangible fixed assets	-	33.5	2.7	-	-	36.2
Fixed asset investments	45.8	15.0	5.9	-	0.5	67.2
Bank balances	9.8	-	-	2.4	-	12.2
Other assets and liabilities	20.7	16.3	-	-	-	37.0
Total	76.3	64.8	8.6	2.4	0.5	152.6

17. Notes to cash flow statement

Reconciliation of net income/expenditure to net cash outflow from operating activities

	2021 £m	2020 £m
Net income for the financial year	44.0	18.2
Investment gain	(7.0)	(4.2)
Investment income	(0.7)	(0.9)
Depreciation	3.1	2.8
Net gain on disposal of tangible fixed assets	(0.2)	(0.1)
Decrease in stocks	-	-
Increase in debtors	(16.6)	(4.8)
Increase/(decrease) in creditors	(0.3)	0.1
Actuarial loss	(1.0)	(0.9)
Net cash inflow from operating activities	21.3	10.2

18. Comparative consolidated statement of financial activities

Incorporating an income and expenditure account
For the year ended 31 December 2020

	Notes	Unrestricted Funds £m	Restricted Funds £m	Endowment Funds £m	Total 2020 £m
Income and endowments from:	1				
Donations and legacies		100.4	7.5	-	107.9
Charitable activities		0.8	-	-	0.8
Other trading activities		11.8	-	-	11.8
Investments		0.9	-	-	0.9
Other income		0.2	4.3	-	4.5
Total income		114.1	11.8	-	125.9
Expenditure on:	2				
Raising funds		35.9	-	-	35.9
Charitable activities					
Provision of guide dogs services		44.3	7.0	-	51.3
Provision of other adult services		8.6	0.1	-	8.7
Provision of other children's services		5.4	0.4	-	5.8
Research and development		0.6	-	-	0.6
Advocacy and awareness		9.6	-	-	9.6
Total charitable expenditure		68.5	7.5	-	76.0
Total expenditure		104.4	7.5	-	111.9
Net gain on investments		4.2	-	-	4.2
Net income for the year		13.9	4.3	-	18.2
Transfers between funds		4.8	(4.8)	-	-
Other recognised gains and losses:					
Actuarial loss on defined benefit pension scheme		(0.9)	-	-	(0.9)
Net movement in funds		17.8	(0.5)	-	17.3
Reconciliation of funds:					
Fund balance brought forward at 1 January		132.4	3.2	0.5	136.1
Fund balance carried forward at 31 December		150.2	2.7	0.5	153.4

Major gifts and donations

Thank you

None of our work is possible without the support of so many. To those who pledged a gift in their Will, sponsored a puppy, made a cash donation, took part in a sporting challenge event or raised money through any number of fundraising activities, we give you our sincere thanks.

Trusts, grants, foundations and statutory support

For their significant support, our thanks go to:

Major donors

The Roden Family

Mr and Mrs Clive and Angela Gilchrist

Miss Christine Cheney

Trusts

Alan Chinery Charitable Trust

Audrey Wilson Charitable Settlement

Beryl Partridge Will Trust

Broome Family Charitable Trust

Carmen Butler-Charteris Charitable Trust

Frankie Foundation for Children

George W Walsh Seeing-Eye Dog Foundation

Ivor Thomas Charitable Trust

Michael Game Charity

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Tesco Community Grants
The Twin Arrows Golf Society
Waltham Petcare Science Institute

Statutory Grant Bodies

Glasgow City Council - Blindcraft
Liverpool City Council - Community Resource Grants
Manchester City Council - CHEM Fund
National Lottery Community Fund - Awards for All
Thatcham Town Council

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