

**GUIDE
DOGS**



**The Guide Dogs for
the Blind Association**

**Report and Financial
Statements 2016**



We rely on donations to continue our life-changing work. Every pound raised makes a difference to the lives of people living with sight loss.



	Page
Introduction	
Section 1	
Message from the Chairman and Chief Executive	6-7
The year in numbers	8-9
Strategic report	
Section 2	
Providing guide dogs and other adult services	10-23
Section 3	
Supporting children and young people	24-29
Section 4	
Research and development	30-33
Section 5	
Advocacy and awareness	34-39
Section 6	
Volunteering	40-41
Section 7	
Fundraising information	42-43
Section 8	
Plans for the future	44-46
Section 9	
Financial review	47-53
Report of the Board of Trustees	
Section 10	
How we are governed	54-59
Corporate information	60
Section 11	
Independent Auditor's report	61-63
Consolidated statement of financial activities incorporating an income and expenditure account	64
Consolidated and charity balance sheets	65
Consolidated cash flow statement	66
Accounting policies	67-70
Notes to the financial statements	71-85
Major gifts and donations	86
Thank you	87

Introduction

Welcome to Guide Dogs' 2016 Report and Financial Statements. We hope it helps you understand more about the valuable work we do to support people with sight loss.

We know the number of people living with sight loss in the UK is increasing – almost two million people are living with sight loss that has a significant impact on their daily lives. Of those, research tells us around 180,000 rarely leave their homes alone and lead lonely, isolated lives.

Our aim is to provide people with sight loss with the support they need to be able to move around safely and confidently, to get out of their homes and be able to live their life the way they choose.

We are best known for achieving this through our world-famous guide dogs, but our work now encompasses so much more. In recent years, we have extended our work to other areas to help people with sight loss tackle obstacles they face on a daily basis.

Every day our dedicated staff and community of loyal volunteers work for a world where people with sight loss are never left out of life, for a world where being blind or partially sighted is not what defines you. A world with enough support to make the challenges of sight loss no barrier to fulfilling hopes and dreams.

www.guidedogs.org.uk

Message from the Chairman and CEO



James Hambro – Chairman

Improving and expanding our services

In 2016 we reached the milestone of supporting 5,000 guide dog partnerships for the first time. By focusing on improving the guide dog service, standardising training methods and updating our training practices using techniques such as positive reinforcement we have delivered better quality outcomes for our customers.

Our sighted guiding service, My Guide, continued to grow, supporting over 2,400 people in 2016; and our children's services helped young people with sight loss and their families over 3,200 times. In addition, our mobility and orientation experts helped 2,000 people come to terms with their sight loss.

In total more than 12,000 people with sight loss were supported in 2016; equivalent to around 19.5 million hours of support.



Steve Vaid – Acting Chief Executive

Our campaigns were also successful, particularly in relation to transport: securing a Private Member's Bill calling for compulsory disability equality training for all drivers of taxis and private hire vehicles; and bringing about a change in the law to provide audio-visual announcements on all buses.

As a result of all this work Guide Dogs rose to 8th place, from 15th, in the Charity Brand Index, which assesses the top 150 charities in the UK on a range of measures including recognition, trust and understanding of the charity's work.

Our reliance on public donations

Our life-changing work is reliant on donations from the public and we are operating in a very challenging financial landscape. Charities are competing for funds, demand for our services continues to grow and new legislation around fundraising practices means that we have to find new ways to generate the income needed to deliver our services. In 2016 staff, volunteers and supporters rose to the challenge by raising over £107 million (£103.7 million in 2015).

We are determined to make the best use of every donation we receive by delivering our services in the most efficient, cost-effective way, reducing support costs and benchmarking expenditure.

Collaborating with other organisations

During the year a number of other charities worked alongside us: Scope, Action on Hearing Loss, SeeAbility, Henshaws and RNIB / Action for Blind People. We continued to work closely with commercial partners, including Microsoft with whom we have developed technologies which have the potential to transform the way in which people with sight loss travel around urban environments.

Organisational changes

On 1 January 2017 Blind Children UK became part of Guide Dogs. The decision to integrate these two organisations was based on the need to raise money and deliver services in the most efficient way. The cost of providing services and raising funds for two charities is significantly greater than for a single charity. Further information about the integration of Blind Children UK may be found on page 29.

In November 2016, Richard Leaman, who was Chief Executive from 2010, left the organisation. During his time as CEO, Guide Dogs' income doubled and the number of people with sight loss reached increased significantly. We are grateful for his substantial contribution to the charity.

Following his departure, Steve Vaid, our Deputy CEO, was appointed Acting CEO and the Trustees began a search for a permanent chief executive. This resulted in the appointment of Tom Wright, who will become Guide Dogs' CEO from September 2017. Tom joins from Age UK where he

was CEO for over nine years. Steve will be appointed Chief Operating Officer and will work closely with Tom.

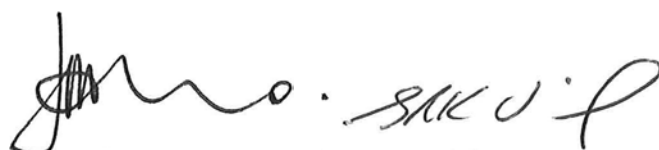
Recognising our colleagues

Our colleagues (staff and volunteers) undertake amazing work every day. The results of their skills, hard work and enthusiasm are demonstrated in many ways: the smiles of parents who are positive about their child's future; the confidence of a new guide dog owner leaving the house on their own for the first time; the My Guide partnership completing a marathon together; the many people who re-learn how to navigate the streets around their homes and come to terms with their sight loss; and the quality and care of our guide dogs and puppies.

Looking ahead

With an unpredictable economy and the ongoing challenges of raising funds, there is a real possibility of a reduction in income in the years to come. Growing our services must therefore be managed in the context of potential fluctuations in our income. The next few years will not be easy but we have good foundations on which to build, highly skilled and dedicated colleagues, committed supporters, passionate volunteers and a great brand. Together we can make life better for people with sight loss in the UK.

Thank you so much for your support, we truly appreciate it.



James Hambro
Chairman

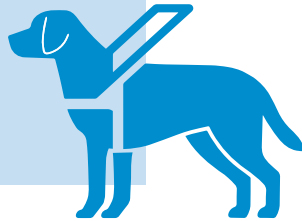
Steve Vaid
Acting Chief Executive

2016 in numbers

Reaching people with sight loss

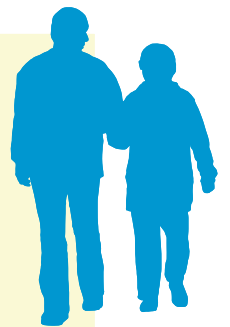
12,000

We provide individual support to people with sight loss that helps them overcome physical and emotional challenges they face on a daily basis. Across our range of services, we helped more than 12,000 people.



2,400

people benefited from our sighted guiding service.



2,000

We helped more than 2,000 people develop orientation and mobility skills.



5,015

guide dog partnerships were in place by the end of the year. It's the first time we achieved the milestone of supporting more than 5,000 guide dog owners at any one time.



Supporting children and young people

2,260

We provide a number of different services for children and young people. In 2016, we supported 2,260 children, young people and their families 3,264 times through our range of different services.



Our income

£107 million raised

We rely on donations to continue our life-changing work. In 2016, we raised £107 million.



Campaigning for equal rights

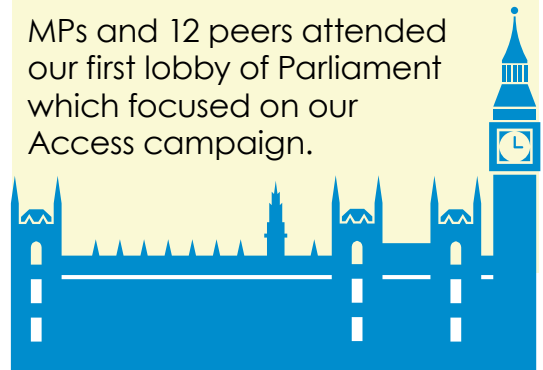
50,000

people signed our Action for Access petition. We called for compulsory disability equality training for all taxi and private hire drivers.



185

MPs and 12 peers attended our first lobby of Parliament which focused on our Access campaign.



Raising awareness

2.2 million

There were more than 2.2 million unique visitors to our website.



140,000

We achieved 140,000 Facebook likes and 97,000 Twitter followers.



700,000



Our ITV This Morning puppy – Clover, had 700,000 social media followers.



In the short time I've had Oscar, he's reminded me there's a whole world out there. He's made me feel like I have a future in it. I feel I've got my life back.

Paul King, guide dog owner

Our amazing guide dogs – celebrating our 5,000th partnership in 2016

When people with sight loss and their families get in touch with Guide Dogs, we work with them to find out how we can be of most help. We listen carefully to what they tell us about their lives, their needs and their goals. We then use our expertise to agree with them what kind of support would suit them best in terms of getting around independently – in many cases, that's a guide dog.

Losing your sight can make it difficult to carry on living life the way you want to, going where you want to go, doing the things you want to do. That's quite a challenge and being partnered with a guide dog is a unique way of rising to it. We've seen it work for many thousands of people over the years and in 2016 we achieved the milestone of supporting more than 5,000 guide dog partnerships. It's the first time we have reached this figure. Our goal is to reach more and more people who could benefit from having a guide dog.

Around the clock support, seven days a week

It is a costly undertaking. To breed, train and support each guide dog through its working life costs just under £57,000. And, on average, it takes 20 months of specialist training involving different members of staff with different skill sets to turn a newborn puppy into a confident working guide dog.

As we're committed to providing a guide dog owner with a guide dog for as long as they need one and to supporting them 24/7, it's an expensive service to run.

Overall, running the guide dog service accounts for nearly half our annual income, which is why we are always striving to find ways to make better use of our resources and to improve our breeding and training programmes.

In 2016, our target was to expand our service to reach more people with sight loss, but at the same time, achieve efficiencies in running costs. Our focus was to:

- Improve the efficiency of our breeding and training programmes.
- Match the right dog with the right owner at an earlier stage.

By the end of 2016, we had supported a total of 5,015 guide dog owners and their guide dogs (4,994 in 2015).



A more efficient way of training guide dogs

In line with our ambition to provide guide dogs to more people with sight loss, we continued to test whether bringing all aspects of guide dog training together in the same location could bring significant benefits to the organisation. Historically, we have trained our dogs in different locations at different stages of their development – puppy walking, early training and advanced training. Our four Guide Dog Training Schools and 20 Mobility Teams where the training takes place are not geographically close to each other, so carrying out all the training in the same location represents a new way of working for us.

The four pilot teams testing the new way of working saw encouraging results.

New working model: encouraging results

In 2016, the four pilot teams testing the new way of working continued to see encouraging results. The pilots showed both an increase in the number of dogs who qualify as guide dogs and a reduction in the time it takes to train them. We will seek opportunities to introduce these advances at all our locations during 2017 and beyond.

Positive reinforcement training

Our guide dog trainers saw excellent results in using positive reinforcement – a training technique to establish desired and long-lasting behaviours in dogs, which would be time-consuming to achieve using other training methods. Positive reinforcement will form a key part of our training plans in the years to come.

A more efficient breeding and training programme means:

More pups qualifying as guide dogs

If we replicate the success rates of the pilot on a larger scale, we should see a higher number of dogs qualifying as working guide dogs.

Reduced training times for our dogs

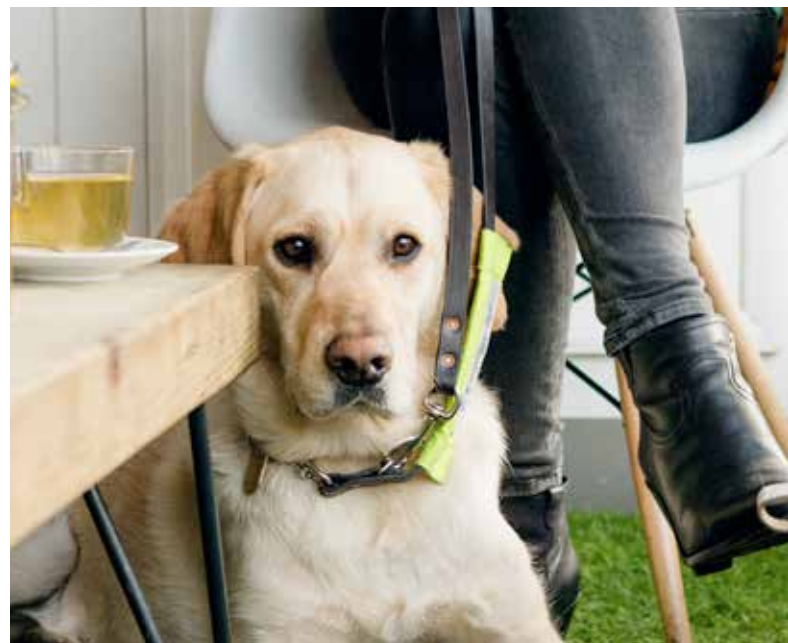
We can train a dog to our usual high standards in a shorter time. This is because each dog goes through fewer location changes and our staff work more closely together to tailor the training to the needs of each new guide dog owner.

Less time to wait for a new or replacement dog

Our guide dog owners are involved much earlier in the training programme. This helps us to provide a dog that suits their lifestyle and reduce the length of time to find them a suitable dog.

Cost savings

Greater efficiency in breeding and training will mean the cost of providing the guide dog service will be lower.



The matching process

In 2016, we matched 828 people with a guide dog – 15 less than 2015, due primarily to staffing changes in two locations and the challenge of matching the right dog with the right person at the right time. In spite of all our work in improving our working processes, there is always a waiting list for a guide dog and regrettably, we are not always able to partner people as quickly as we would like. The process of matching a person with sight loss with a guide dog is complex: the person and dog must be compatible in character, temperament, lifestyle and environment, and waiting times differ in different areas of the UK. In 2016, the average was nine months.

Last year we began work to develop two new pilot programmes: ‘Creating New Partnerships’ and ‘Supporting New Partnerships’. These programmes have been designed to test ways of improving the guide dog service once people with sight loss have been matched with their dogs. Six teams will be involved in these pilots which will each run for nine months.



2016 Achievements

- Guide Dogs is the largest breeder and trainer of working dogs in the world. In 2016, we bred 1,375 puppies (1,250 in 2015).
- We matched 828 people with a guide dog (843 in 2015). Of these, nearly half were first time guide dog owners.
- We had supported a total of 5,015 guide dog owners and their guide dogs by the end of the year (4,994 in 2015).
- We worked with other assistance dog organisations to provide 28 multi-skilled dogs for people with sight loss and additional needs.
- It cost £48.9 million to run the guide dog service in 2016 (£49.4 million in 2015).



Partnering the right dog with the right person is complex – they must be compatible in character, temperament and lifestyle.



A horrific car accident changed Kay's life forever. Now, she faces the new challenge of getting her life back to normal so she can work with her guide dog Jackie again.

In late 2016, Kay, her family and guide dog Jackie were on their way for a weekend away. As Kay stood by the car she was hit by a lorry. She suffered life threatening injuries, including two broken legs, and was placed in a coma, on life support.

When Kay was in hospital, Jackie would visit her and sit by the side of her bed, comforting Kay, completely calm in the unfamiliar surroundings. Kay said that she was inundated with doctors and nurses coming to visit her when Jackie was in the ward, wanting to say hello.

With Jackie to inspire her, Kay has come out fighting and is rebuilding her life. Kay is back home, but every day is a challenge. She can now walk 20 metres and is taking her recovery one step at a time. Kay has been with Jackie since 2014 and through her recovery Jackie has been a calm and loving presence.

Before her accident, Kay and her family had undertaken fundraising adventures for Guide Dogs and, despite her injuries, Kay is planning more in the future.



In all guide dog partnerships, a warm and close bond forms, but the one between Dianne and Darcy is extra special.

An extraordinarily close connection formed early on between Dianne and guide dog Darcy when Dianne fell and broke her pelvis – Darcy waited protectively by her side until help arrived.

Without any formal training, Darcy is able to sense when Dianne suffers from low blood sugar levels in the night that can put her life at risk due to her diabetes.

Not only that, but in 2016, Dianne was diagnosed with epilepsy and to everyone's amazement Darcy is able to sense a seizure and make sure that Dianne is safe. Even if they are out, Darcy leads Dianne to a safe haven.

"I may feel fine, but Darcy won't let me move from my chair and refuses to budge. I know to trust her and just wait until she lets me move again."

Darcy has been a lifeline to Dianne; she gives her the ability to travel regularly to London for work, go out on her own and now, with these extra skills, she gives her family the confidence that Dianne is always safe when Darcy is by her side.

Without any formal training, Darcy is able to sense when Dianne suffers from low blood sugar levels.



Justin, a 22-year-old DJ who lives in London with his parents, reveals how his guide dog Nugget helps him to lead a full and rewarding life.

A music fanatic from a young age, Justin hosts his own radio show and has performed DJ sets across London. Justin's long-term goal is to be a music producer.

Justin's sight loss has never stopped him pursuing his passion for music. From the piano to pulsing beats, he is determined to follow his dreams with his guide dog Nugget by his side.

Justin was born with retinal detachment and as a result is completely blind. But that has never held him back; from his fist tinkle of the ivories aged eight, Justin believes that his strong memory has helped him learn and play new instruments with relative ease.

Aged 13, Justin's friend introduced him to the world of dance music using CDJs (DJ decks). A few years later, he learned how to mix using voice-over; now he is creating and producing his own tracks.

After going down a storm with friends and family, Justin decided to set up his own radio station and play his music for everyone to enjoy. He began to get noticed and was soon booked to DJ at small house music gigs and nights in London.

Justin has always been hugely independent, and he didn't want to be reliant on his parents and friends to get around, so he decided to get a guide dog.

Justin said: "Having Nugget has given me the independence and confidence to get around London on my own without a worry, which is particularly great if I have friends to see. It's also given my parents peace of mind that I will be safe if Nugget is by my side.

Having a guide dog feels like having a best friend who is helping me live a normal life.

I've made lots of friends from the guide dog training process, and we take our guide dogs out for walks or to get some food all together."

Justin recently played a gig at London's XOYO and plans to continue DJ-ing and making music for his radio station.

His long-term goal is to be a music producer and for people to realise that a blind person can produce and play music to the same level as someone with sight.

Justin's long-term goal is to be a music producer and for people to realise that a blind person can produce and play music to the same level as someone with sight.





Some want a guide to learn a specific route; some want a guide on a regular basis. Others prefer their family and friends to be trained as guides.

Not all our guides have four legs – our sighted guides provide invaluable support to thousands of people with sight loss.

Through listening to many people with sight loss over the years, we know they need choice when it comes to getting around; a guide dog doesn't suit everyone.

In 2016, we set out to further develop our sighted guiding service, My Guide, making it more flexible to suit people's individual needs: some want a sighted guide for a short time to help them learn specific routes; some want to work with a guide on a regular basis; others prefer to have their family and friends trained as their guide.

Helping people with sight loss to feel part of life

Our My Guide training equips volunteers with the skills they need to become a sighted guide, helping people with sight loss get out of their homes to do the things they want to do. For some, that's taking part in local community events and activities; for others it might mean visits to the theatre, going to the gym or the local shops.

Through listening to many people with sight loss over the years, we know they need choice when it comes to getting around.

Standardising the service

We made several improvements to enable the service to run more effectively and efficiently. These included standardising the service, both for people with sight loss and for those who volunteer to be sighted guides. We also put in place our volunteer stewardship programme, which ensures our

volunteers are well supported and helps us make the most of every hour of their time.

To develop the service further, in 2016 we increased our number of sighted guides and recruited lead volunteers who support other volunteers and promote My Guide in the local community.



Continuous improvement

As the service has grown, the quality has been improved and 98 per cent of people who took part in our quality survey in 2016 said that support from a sighted guide enabled them to do the things they want to do.

Research conducted last year shows that it sometimes has taken us too long (approximately six months) to match a volunteer to a person with sight loss. It also told us that after a sighted guide volunteer has stopped supporting a person with sight loss, in some parts of the UK it can take longer than we would like to match them with another person with sight loss. This indicates we still face challenges in having volunteers available to meet demand in specific locations at a given time.

Social return on investment

Proving the value of the My Guide service

A key piece of work in 2016 was looking at the Social Return on Investment (SROI) of the My Guide service.

While it is quite simple for commercial companies to show how much profit they have made, it can be hard to quantify the value of a charity's work – how do you put a value on increased independence or a greater sense of wellbeing?

SROI is a way of calculating how valuable these things are to society – their 'social value' – and using monetary terms to represent them. It enables us to talk clearly about the impact our work has had.

For every £1 invested in the My Guide service £1.92 is created in social value.

The SROI analysis helped us to articulate the value of the service and to describe the benefits to those who use it. The SROI analysis provides strong evidence that the My Guide service does offer good value for money: for every £1 invested in the service, £1.92 is created in social value.

Wider benefits to society

It also shows that the My Guide service generates valuable benefits for volunteers and for the public purse: the biggest change for the state is reduced NHS costs associated with improved fitness and physical activity and the need for less mental health treatment, while the biggest change for My Guide volunteers is the pride and feelings of meaning and purpose associated with giving back.

2016 Achievements

- We supported 200 people with sight loss every month on average. (150 in 2015) – a seven per cent increase against our plan.
- We trained more than 3,200 people, equipping them with sighted guiding skills, so they can support someone in their community (4,300* in 2015).
- We provided Friends and Family training to 450 people to help them support their loved ones (400 in 2015).
- We worked with 30 partner organisations to help us reach more people with sight loss (55 in 2015).

*4,300 in 2015 included the number of commercial organisations we trained free of charge. In 2016, we charged a fee to provide training to commercial organisations and their numbers are not included in the 3,200 figure in 2016. This figure is the number of individuals trained free of charge.

Helping people with orientation and mobility

Many people with sight loss experience difficulties with their orientation (knowing where they are in a given environment) and their mobility (being able to move safely and confidently from place to place). And very often, when people first enquire about a guide dog, they do not have the required level of those two skills.

Our Orientation and Mobility Specialists help people with sight loss develop or relearn the skills and concepts they need to help them move around safely. Day in, day out, they work with people with sight loss, sometimes in partnership with other organisations, to help them understand their eye condition and to explore their individual barriers to getting around independently. Working together, often with the involvement of family members and carers, we agree what training and support they need and how best our specialist staff can offer it. This may include providing them with aids such as a long cane and teaching them techniques to help them become more spatially aware.

They listen to everyone's personal story and conduct assessments to gain an understanding of their current abilities and their aspirations for the future. This helps us determine which of our services will give them the support they need. If a guide dog seems to be the most suitable option, they may need help developing the knowledge, skills and confidence to benefit from one. If one of our other services seems a better fit, or a service offered by another organisation, we will support them to get the most from those too.

Our Orientation and Mobility Specialists listen to everyone's personal story to help determine which of our services will provide them with the support they need.

2016 Achievements

- We supported more than 2,000 people to understand their orientation and mobility requirements.
- We completed more than 1,200 mobility assessments.
- We provided assistance more than 4,500 times to people with sight loss and their friends and family, including assessing their mobility needs, long cane training, sessions to support independent living and training carers as sighted guides.
- We co-produced more than 900 training programmes, working with partner organisations.



£54.6 million

We spent £54.6 million on providing guide dogs and other adult services in 2016.

Derek lost his sight very rapidly and he began leaving home less and less – until My Guide volunteer Lynda came along.

When Derek's sight deteriorated over a short period of time, he spent more and more time inside his house. Ultimately, left with very little vision, he lost his confidence and a sense of isolation grew.

Then, through Guide Dogs, he met Lynda, a My Guide volunteer, and for both of them life took a dramatic turn for the better.

Lynda has helped Derek rediscover the world on new terms. Initially she helped build his confidence to walk a route taught by a trained professional, moving on to activities such as day trips to the seaside, t'ai-chi classes, computer courses and street gardening.

"Derek comes up with ideas," says Lynda, "I look them up on the internet and then off we go." Describing what she does for Derek, Lynda says: "I'm his enabler, helping him find the confidence to do the things he's capable of but needs help to start." And while they're out and about, the pair enjoy good conversation: "We talk about anything and everything," says Lynda. Lynda's own mother lost her sight in the last few years of her life and it was managing this very difficult stage that motivated Lynda to volunteer as a My Guide.

"Having gone through that I felt I understood the feelings a person experiencing sight loss can have and believed I could help," she says. Lynda feels she gets a lot from the partnership too, talking about the joy she feels when Derek tells her he walked to the shops to get the papers and fresh air.

When they first met, Lynda says, Derek only looked down at the ground. "Now," she explains, "he looks around and up." A subtle change, but one that sums up the trust Derek has placed in Lynda and the incredibly positive contribution she has made to his life – and he to hers.

I'm his enabler, helping him find the confidence to do the things he's capable of but needs help to start.



After a lifelong career in the hospitality trade which took him round the world, Renzo's horizons narrowed rapidly when he started losing his sight.

Having lived in several countries, including the USA and South Africa, Renzo, who is Italian, retired in south west London. Despite having spent much of his life travelling across the globe, Renzo became very isolated when his sight began to deteriorate, as none of his family and very few of his friends live in London. He lost confidence in going out using his white cane as he was assaulted twice while walking alone. As a result, he wouldn't go out any more and was reduced to walking in a secure car park at his home to keep up his fitness.

Renzo was referred to the My Guide service in February 2016. His goals were modest – they included going to his local shop for essentials, and visiting his local park to feel the sun on his skin in the summer months.

He lost confidence in going out using his white cane as he was assaulted twice while walking alone.

Renzo was matched to Fabien, a volunteer who lives within walking distance of Renzo. Fabien has been on a career break and chose to offer two to three hours a week to volunteer as a sighted guide. After he completed his My Guide training he was introduced to Renzo – a shared interest in travel makes them a good match.

Since then, Renzo and Fabien have had several outings – including getting out in the summer sunshine.

Renzo says he is “over the moon” when Fabien arrives to go out. “Even a little walk means a lot to me,” he says, “it’s the highlight of my week.”

Charlotte, the My Guide Service Officer for London, asked Renzo how his My Guide match was going. Renzo said it was “beyond belief, beautiful. Fabien is marvellous.”



Even a little walk means a lot to me; it's the highlight of my week.



Helping children with sight loss to reach their potential

Guide Dogs supports people with sight loss throughout their lives and in 2016 we took the decision to integrate Blind Children UK into Guide Dogs. From January 2017, all the services previously offered by Blind Children UK will be provided by Guide Dogs. This means that as a single charity we will be able to provide support for people with sight loss throughout their lives for as long as they need it. There is more information about the integration of Blind Children UK into Guide Dogs on page 29.

A range of services to help children and their families every step of the way

Our services support children and their families at all stages in their lives – from the challenges of getting an initial diagnosis, to finding the educational support that's right for them, to finding the most appropriate technology that enables them to study and play, to providing recreational activities for the whole family – right through their journey into adulthood.

Securing funding and reducing the cost of running the services

Our biggest challenge has been to secure funding that enables us to deliver services at a sustainable level. A private appeal aimed at major donors did not make the progress we had hoped. With more limited budgets, we were unable to promote our services to the same extent as in previous years; some of our services therefore supported fewer



30,000 children and young people in the UK have vision impairment. Early diagnosis and support are crucial if they're to fulfil their potential as adults. We're here to make sure that happens.



children and families than in 2015. However, overall, we succeeded in supporting a higher number of children, young people and their families in 2016: we helped 2,260 children and young people and their families 3,264 times through our range of different services (1,788 children in 2015).

Our focus in 2016 was looking at ways to reach more children, young people and their families in the most cost-effective way possible – and moving to a telephone service enabled us to do this. For three of our services – Education Support, Family Support and Access Technology – we offered support and advice by telephone and email.

Children and young people and their families can access one or any combination of our services, described in the following pages, at any stage in their life.

Family Support:

Emotional and practical help for all the family

A crucial part of our service is providing support not just to the child or young person but their family too. We work with families for as long as they need us, ensuring that the child is linked to the appropriate statutory agencies and that parents have the information they need to make informed decisions.

We worked hard to raise awareness of this specialist service by working jointly with a number of charities and voluntary organisations that support children and young people, including Childhood Eye Cancer Trust, MACS and the British Retinitis Pigmentosa Society.

We played an integral part in the launch of the 'Starting Point' leaflet – an initiative from the Vision 2020 Children and Young People's Group. The leaflets and posters are handed out to parents by ophthalmic practitioners and by the end of 2016 were available in more than 400 hospitals.



Movement Matters

Helping children to move around safely and independently

Children with vision impairment need to be taught basic skills that develop naturally in sighted children. Our Movement Matters habilitation service helps children develop vital movement, orientation and independence skills. This helps them get involved in sports, music and other activities and feel part of school life.

These life-changing skills are taught by our qualified Habilitation Specialists. 13 trainees passed the graduate diploma, 'Specialist Qualification in Habilitation and Disabilities of Sight' in 2016, taking our total to 47 at the end of the year.

Habilitation is the process of helping children develop movement, orientation and independence skills. It is vital they have access to this training as early as possible.

The focus in 2016 was to standardise the way we provide the service across the UK, including our service for babies and children under five. We invested time in improving our systems for monitoring the impact of Movement Matters to enable us to develop the service in the future.

We raised awareness of this vital service by running 130 habilitation training workshops for 713 professionals, as well as 19 parent guidance workshops. We also talked to 51 MPs and peers during the course of 2016 to promote the importance of habilitation training for children with sight loss.



Education Support

Our specialist Education Support Officers provide independent advice to help families make informed decisions about their child's education. They help families through the various assessments and explain statutory rights. There is no blanket response to any one situation and our support is based on the young person's individual need.

In 2016, as a result of the introduction of Education Health and Care Plans (EHCP) – replacing statements of Special Educational Needs (SEN) – there was a significant change in the type of support we were asked for. Parents required more detailed and in-depth advice – requiring more of our specialists' time.

Parents required more detailed and in-depth advice, requiring more of our specialists' time.

Our education specialists completed accredited training run by IPSEA (Independent Parental Special Education Advice) on the legal requirements of special educational needs.

Access Technology

Helping children study and play

We provide expert, impartial advice to help young people access a wealth of useful technology, including computer equipment and software, Braille devices and multi-sensory toys. 37 new children and their families were introduced to our services in 2016 via the Access Technology team. Parents and young people with

vision impairment can apply to us for grants towards technology and sensory items where no statutory funding exists.

178 people enquired about grants: we dealt with 77 applications, 67 of which received funding.

In 2016, we successfully streamlined our grants programme and standardised the way we process applications which has reduced the length of time from receipt of application to delivery of the technology.



CustomEyes®

Large print books

We work to open up the world of books for both education and pleasure to children and young people with sight loss. Under licence agreements with publishing houses, our CustomEyes® large print book service produces large print fiction, non-fiction and text books, in the font, size and paper colour to suit their specific eye condition.

We made improvements to our online ordering and membership platform. We ended 2016 with 208 new members.

Our aim is to keep expanding the number of titles in our library and in 2016, we added three new publishers, enabling us to add another 200 titles, bringing our total to over 4,000.

2016 Achievements

- **Family Support:** we worked with 380 families, target 370. (518 in 2015).
- **Habilitation Training:** we worked with 2,148 children and young people. (1,785 in 2015).
- **Education Support:** we supported 246 parents with their children's educational support, target 210. (376 in 2015).
- **Access Technology:** we supported 239 children and young people and their families to help them get the technology assistance they need.
- **Recreational Activities:** 252 children and young people attended a recreational event, target 250. (310 in 2015).
- **CustomEyes:** we distributed 4,216 large print books. (3,394 in 2015).

Recreational Activities:

Subsidised events to help develop confidence and self-esteem

Our Recreational Activities Team organises events throughout the UK at important family times such as Easter, summer, Diwali and Christmas. They include audio-described pantomime visits, exclusive sessions in sensory playgrounds and zoo visits with tactile experiences. We introduced 50 new families to the charity in 2016.

We offered most events free of charge to children with sight loss and one parent or guardian, asking for a contribution from other family members.



Integration of Blind Children UK into Guide Dogs.

Guide Dogs acquired National Blind Children's Society in 2013. This was in line with Guide Dogs' long-term goal of supporting people with sight loss at all stages in life.

Following research carried out amongst key stakeholders, the charity was relaunched and rebranded as Blind Children UK – as a separate charity and governed by its own Board of Trustees. The Executive Board and Board of Trustees of Guide Dogs felt this would be the best way of securing services for children and young people with sight loss into the future.

With the support of Guide Dogs, in the form of a loan, Blind Children UK was able to introduce new services and extend existing services more rapidly than would have been the case had the charity not been part of the Guide Dogs group.

The intention was for Blind Children UK to become financially independent of Guide Dogs. It was hoped that Blind Children UK would have been able to raise funds from a number of different income streams such as statutory trusts, corporates, grant-giving bodies and donors who specifically wish to support children's charities. While the fundraising strategy did succeed in growing income, it did not raise as much money as we projected.

The Executive Board and Board of Trustees closely monitored Blind Children UK's medium- and long-term financial projections and took the decision on 1 March 2016, to progress with the future merger of The Guide Dogs for the Blind Association with Blind Children UK. The decision was based on the need to raise money and deliver services in the most efficient way possible. Raising funds and delivering services under one brand will achieve significant cost savings.

This merger will have no impact on the children and young people who benefit from Blind Children UK's services. All the services previously offered by Blind Children UK will be delivered by Guide Dogs from 1 January 2017, giving seamless support from childhood into adulthood.



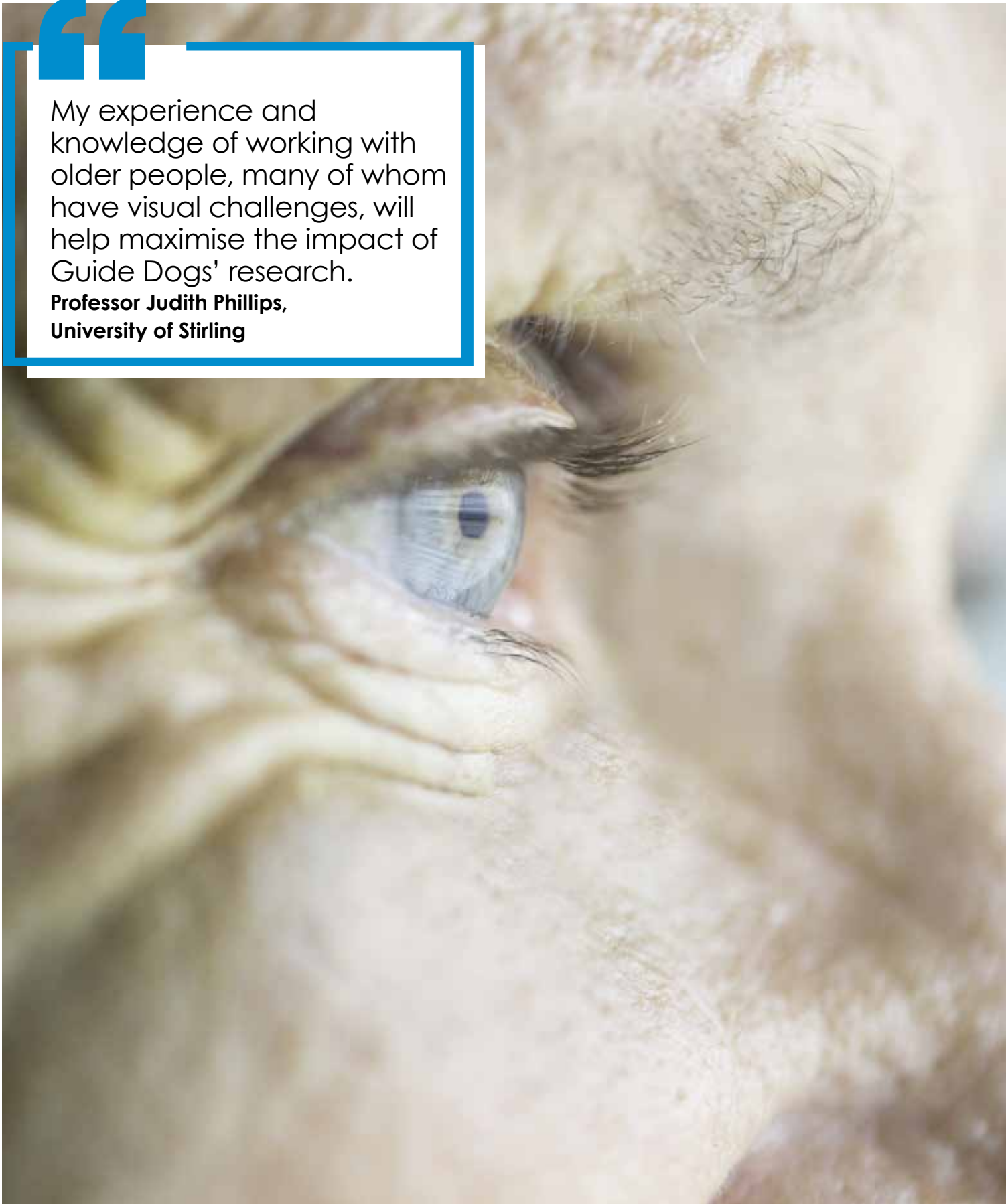
£3.2 million

We spent £3.2 million on providing children and young people's services in 2016.



My experience and knowledge of working with older people, many of whom have visual challenges, will help maximise the impact of Guide Dogs' research.

**Professor Judith Phillips,
University of Stirling**



Insight and innovation

Our world changes at a rapid pace, offering opportunities for change that can benefit people with sight loss. We invest in research and development to make sure Guide Dogs is a constructive and forward-thinking organisation that develops services based on what people with sight loss need and want.

In 2016, Professor Judith Phillips, Deputy Principal (Research) and Professor of Gerontology (study of ageing) at the University of Stirling, joined Guide Dogs to chair our Strategic Research Advisory Group (SRAG) which aims to ensure that the research Guide Dogs carries out is of the highest standard and continually helps improve our services to people with sight loss.

We gather evidence in fields from dog behaviour to the built environment, analyse it and use the findings to develop a clear strategy.

Demonstrating value

We provide a robust research and analysis service. We gather evidence in fields from dog behaviour to the built environment, analyse it and use the findings to develop a clear strategy for Guide Dogs, that will have the most positive impact on the lives of people with sight loss.

Amongst our important pieces of work in 2016 was demonstrating the social value of our My Guide service. We did this by calculating the social return on our investment (SROI) in the service. This work, which has been assured by Social Value UK, demonstrated that the My Guide service has clear positive impacts on service users, as well as generating benefits for volunteers and for the state. Overall, the social value we create through the My Guide service is almost double our investment. You can read more about this in the My Guide section on page 20.

Supporting technological innovations

We continued our partnership with Microsoft as part of the Cities Unlocked Programme – a major project to develop technology to make it easier for people with sight loss to make safe and enjoyable journeys around our towns and cities. Following successful trials of a soundscape prototype amongst people with sight loss in 2015 and 2016, Microsoft aims to prove its market viability and release this technology to the general public in 2017.

We have also built relationships with other technology providers and developers: we want to ensure that people with sight loss are at the centre of their thinking when they design and launch their products.

Nottingham University offered us a PhD opportunity, looking at the built environment and technology in relation to people with sight loss; the first year of this is now complete.



Sight loss and older people

Our in-house staff continued their research programme, gathering data from people with sight loss and other sources and using it to help make sure the services we offer are the right ones.

Together with Brunel University, we commissioned research into sight loss in older people to gain further insight into their needs and how we can support them in the future. The research concluded at the end of 2016 and we are analysing how to apply its results to what we do.



Canine research – ensuring the highest standards of care and welfare

Research that helps us ensure we work as efficiently as possible, maintaining the highest standards of care and welfare for our dogs, is a vital part of our work. Our canine research directly informs our day-to-day work with our dogs and pups.

Previous research projects carried out by the University of Nottingham highlighted the need for consistency in guide dog behaviour across working and social situations as well as the importance of compatibility between the guide dog and owner in their work, home and social environments. We carried out a study to better understand the importance of social behaviour in a guide dog and how it could help develop a matching tool. We discovered that social behaviour is considered to be as important as working ability and mobility for a successful match.

The next step in developing a matching tool will be to run a pilot study to measure dog personality at eight months and to compare this with the owner's expectations.

Socialising puppies

The way puppies develop in their early life is very important and we have devised a new way of 'socialising' them – helping them learn to interact with people while they are still 'in the nest' with their mother during their first few weeks. This is the first ever programme of its kind which is tailored to puppy development and scientifically proven to have lasting, positive effects on a dog's behaviour into adulthood.



This is the first programme of its kind which is scientifically proven to have lasting, positive effects on a dog's behaviour into adulthood.

£0.7 million

We spent £0.7 million on research and development in 2016.



United as campaigners,
we are a powerful force to
change the future for the
better for those living with
sight loss.

Emma Free, guide dog owner



As part of our Access all Areas campaign,
guide dog owners and their guide dogs
attended a parliamentary lobby in 2016.

Campaigning to break down barriers

We campaign to break down barriers and end discrimination against people with sight loss. In 2016, we campaigned on three key issues:

- To stop people with assistance dogs being refused access to services, places and vehicles.
- For audio-visual announcements to be compulsory on new buses.
- To end pavement parking.

Our campaigning work in 2016 was rated highly by MPs. We were consistently rated as one of the top two UK charities for effective campaigning, according to regular research conducted by NfP Synergy. We were also the charity mentioned the most spontaneously when MPs were asked who had most impressed them.

Access all Areas

Nowhere should be out of bounds because of sight loss

As many as 75 per cent of assistance dog owners surveyed have been refused access to places, vehicles or services because of their dog, despite this being against the law. For guide dog owners, being refused access to taxis is the most common access refusal, with 44 per cent experiencing this at least once in the last year. In 2016, Guide Dogs called for the Government to make disability awareness training mandatory for all UK drivers of taxis and private hire vehicles. Nearly 50,000 people signed our Action for Access petition and we engaged many parliamentarians: 185 MPs and 12

peers attended our parliamentary lobby – a record for us. We secured a Private Member’s Bill calling for compulsory disability equality training for all taxi and private hire drivers; the Transport Minister did not rule out introducing this, stating: “We should do more and we will do more.”



50,000 people signed our Action for Access petition. We called for compulsory disability equality training for all taxi and private hire drivers.

Talking Buses

Making bus travel a viable option

Buses play a vital role in enabling people with sight loss to live more independent lives. Being unsure if they have caught the right bus, or when their stop is coming up, puts many people off using them. In 2016, the Government introduced a Bus Services Bill to Parliament and we campaigned for an amendment requiring audio-visual announcement systems to be fitted to all new buses.

Our campaign activities included providing oral evidence to the Transport Select Committee and securing meetings with key decision makers, including the Prime Minister. Many peers and MPs mentioned Talking Buses during debates on the Bus Services Bill as a result of our briefings, and 140 MPs attended our Talking Buses stand at the 2016 party conferences. We also handed in the "Big 5" petition, compiled in 2015 to call on the five largest UK bus operators to install audio-visual systems.

As a result of our campaign, in October 2016 the Government tabled an amendment to the Bus Services Bill which would mean all new buses would have audio-visual systems.



At last I would know when to get off. I would make more journeys and use more than one service to visit family, friends and for a day out if I could be sure I would not get lost.

Guide dog owner, Ipswich



Pavement parking

Cars parked on pavements are dangerous for people with sight loss but the lack of clear legislation allows drivers to assume it is acceptable practice. As a result of our campaigning in 2015, the Government announced it was commissioning research into the viability of legislation on pavement parking.

In 2016, we prioritised the opportunities available for the Access All Areas and Talking Buses campaigns. Our limited resources meant we were not therefore able to progress the pavement parking campaign as planned.



2016 Achievements

Legislative change

As a result of our campaigning, in October 2016 the Government tabled an amendment to the Bus Services Bill which would mean all new buses would have audio-visual systems.

Inspiring public support

We received nearly 50,000 signatures to our Action for Access petition.

Engaging MPs and peers

185 MPs and 12 peers attended our lobby of Parliament – our highest number to date.

Raising access refusals in Parliament

We secured a Private Member's Bill calling for compulsory disability equality training for all taxi and private hire drivers.

Party conferences

140 MPs attended our Talking Buses stand at the 2016 party conferences.

Meeting key decision makers

Guide Dogs provided oral evidence to the Transport Select Committee and secured meetings with key decision makers, including the Prime Minister.

Raising awareness

Our work to raise the profile of our cause in the media plays an essential part in increasing understanding of sight loss and encouraging people to support Guide Dogs. In 2016, we planned to:

- Generate high profile coverage of Guide Dogs and issues affecting the lives of people with sight loss. Key to this were our relationships with BBC's Blue Peter and guide dog Iggy, and with ITV This Morning as guide dog Clover joined the show.
- Reach a new generation of supporters – particularly through our work on social media channels – and carry out a review of our messaging and storytelling.

- Develop Guide Dogs Week 2016 as a means of building our profile and raising funds.
- Protect our reputation and foster understanding of key issues, such as the public debate about fundraising practices.



Iggy in the Blue Peter studio



Not enough people know about our work. Investing in communications is essential if we are to reach more people with sight loss and increase understanding of our work.

Louise Robertshaw, Head of Communications and Campaigns, Guide Dogs



Puppy Clover on ITV This Morning

Generating high profile coverage

Our relationship with ITV This Morning went from strength to strength; as Clover went on to her guide dog training and left the show, we secured her half-sister, Luna, as the show's resident puppy. Our This Morning puppy now has nearly 0.7 million followers on social media. Blue Peter puppy Iggy completed her training and was matched with young guide dog owner Callum. The partnership starred on the programme, highlighting our commitment to working with young people with sight loss.



Seeing Clover the guide dog puppy on TV makes me so proud. It's amazing to think I'm part of a charity that can help educate millions of people about sight loss.

Emma Hockenhull, Marketing Communications Officer, Guide Dogs

Reaching new supporters

There were more than 2.2 million unique visitors to our website; we had more than 97,000 Twitter followers and 140,000 Facebook likes. We carried out a full review of our current communications and gained key insights from new research. We will use these in 2017 to build our brand and reach out to new supporters.

The planned upgrade of our website's content management system did not run to schedule and we need to complete this in 2017.

Developing Guide Dogs Week – Move it for Money

We developed a new call to action for Guide Dogs Week 2016 – Move it for Money. In 2016, Guide Dogs Week raised £0.75 million.

Protecting our reputation

We dealt with 112 media issues and in 2016 scored the highest trust ratings of any UK charity in the annual Harris Hill Charity Brand Index.

2016 Achievements

A trusted charity

Guide Dogs scored the highest trust ratings of any UK charity in the annual Harris Hill Charity Brand Index.

High profile media coverage

As guide dog puppy Clover went on to guide dog training, we secured her half-sister, Luna, as the show's next resident puppy. Blue Peter puppy Iggy completed training and was matched with young guide dog owner Callum. The partnership starred on the programme.

Online and social media

There were more than 2.2 million unique visitors to our website, up seven per cent on 2015. We had more than 97,000 Twitter followers (68,000 in 2015) and 140,000 Facebook likes (112,000 in 2015). Our This Morning puppy also has nearly 0.7 million followers on social media.

Guide Dogs Week

In 2016, thanks to our donors and volunteers, Guide Dogs Week raised £0.75 million.

£3.7 million

We spent £3.7 million on advocacy and awareness in 2016.



What do our volunteers do?

Our volunteers – we couldn't change lives without them.

We are very proud to have a network of 16,000 volunteers at Guide Dogs, carrying out more than 26,000 roles (many of them give their time and effort to more than one role). Guide Dogs has over 50 different volunteering opportunities and each year our amazing volunteers give around 19.5 million hours of their time that help us change the lives of adults and children with sight loss. Our volunteers bring skills, experience, dedication and boundless enthusiasm to every role they undertake – and without them we would not be able to provide our life-changing services.



16,000 Guide Dogs volunteers give around 19.5 million hours of their time each year to change the lives of people with sight loss.

Volunteers are involved in many different aspects of our work. In 2016:

- More than 8,000 volunteers supported our guide dog training programme – looking after our puppies, dogs-in-training, brood bitches and stud dogs, and working dogs who need a temporary home.
- Around 6,000 volunteers regularly raised money through events, collections and community activities. In 2016, they helped to raise more than £6.5 million.
- Volunteers supported more than 2,000 people with sight loss through My Guide partnerships.
- Volunteer Drivers transported our puppies, people and equipment, covering thousands of miles.
- Volunteer Speakers give talks to schools and community groups to raise awareness of our work and the needs of people living with sight loss.

Improving volunteering at Guide Dogs

We know we have work to do to make sure volunteers have the best possible experience at Guide Dogs. In 2016, we:

- Began to make changes in the way that we recruit volunteers to help ensure that each person's role is right for them and that they can start in their role quickly and safely.
- Continued to work on our digital upgrade to make it simpler for volunteers to communicate and to give them the best online support.
- Made progress on recruiting volunteers from different backgrounds. Each team created a diversity plan and we attracted younger volunteers by engaging with the Scouts, Step up to Serve, Student Volunteering Week and vinspired (the UK's leading voluntary charity for 14 – 25-year-olds).
- Began to consider our corporate volunteering offer. More and more companies now give their employees time off to work with charities and in 2017 and beyond we expect to see a broader base of volunteers coming from this sector.
- Obtained feedback from consultation groups and surveys to help measure the impact of volunteering at Guide Dogs.

Volunteer fundraiser and campaigner Mohammed has helped raise our profile in an area that had lower awareness of our work than other parts of the UK.

Now he's a Guide Dogs ambassador and has trained as a Guide Dogs Speaker so he can talk to schools and groups in his community. Mohammed has offered to mentor anyone who's considering applying for a dog by talking them through his experiences; he is determined that anyone who'd benefit from a guide dog gets the opportunity to have one.



I enjoy everything about volunteering – I enjoy meeting people and raising awareness of the important and fantastic services that Guide Dogs has to offer.

Mohammed, volunteer fundraiser and campaigner

Keeping our fundraising honest, open and respectful

We rely on the generosity of our supporters to raise money to enable us to continue our work. We are incredibly grateful for every single donation we receive. In 2016, we worked very hard to make sure our fundraising is open, honest and accountable to the public.

The new code of practice

Guide Dogs is registered with the Fundraising Regulator, the independent regulator of charitable fundraising, established in 2016, whose role is to strengthen the way charities are regulated. We follow the Regulator's code of practice which sets out standards members are expected to follow when raising money. Taking all reasonable steps to protect vulnerable people from unreasonably persistent approaches, and treating all donors fairly, enabling them to make informed decisions about any donation, are key principles of the new code of practice.

In April 2016 our Trustees commissioned a detailed fundraising compliance review by an independent consultant in order to achieve external assurance of the charity's fundraising practices. The report concluded that: "...Guide Dogs' fundraising operations are highly compliant with current regulations and best practice... There were many examples of Guide Dogs achieving best practice standards – often well in excess of what was required through the changed guidance or legislation."

Respecting our donors' preferences

We make sure all our marketing materials carry clear messages on how to opt out

of receiving them and we tell people how we will use their contact details. We have stringent policies on how we use people's personal information and keep it secure.

Working with professional agencies

We work with professional fundraising agencies and in 2016, we worked with Ethicall, Angel, Charity Link, HOME, One Sixty and Care 2 Give, each of whom are members of, or accredited to, a number of different schemes such as the Institute of Fundraising, Direct Marketing Association (DMA) and the Telephone Preference Service (TPS) Assured.

We give all our fundraisers thorough training on the Fundraising Regulator's Code of Practice. We monitor their work on an ongoing basis and in 2016 we conducted 800 mystery shopping visits and listened to more than 5,000 phone calls. We also record the number of complaints they receive. In 2016, the total was: Ethicall - 77; Angel - 0; Charity Link - 45; HOME - 69; One Sixty - 4; Care 2 Give - 2.

We work with Professional Fundraising Organisations – independent organisations which specialise in recruiting new donors for charities. In 2016, we worked with Hands on Payroll Giving, Payroll Giving in Action and StC Payroll Giving.

We work with Payroll Giving Agencies – registered charities who are regulated by HMRC, who receive donations and transfer donations from employers to charities. In 2016, we worked with CAF, Charities Trust, and Charitable Giving.

We respond quickly to resolve any complaints we receive about our fundraising. In 2016, Guide Dogs received 465 complaints – less than 0.000057% of the people who viewed our marketing communications or received calls.

How we raised our money in 2016

Direct Marketing

We follow the DMA's industry guidelines and run responsible direct marketing campaigns. We invite people to leave a legacy in their Will, make a regular or one-off donation, take part in a raffle or lottery, or sign up to our Sponsor a Puppy scheme. We also run TV and radio advertising campaigns throughout the year.

Face-to-face fundraising and telefundraising

We have in-house telefundraising and face-to-face teams and we also work with professional fundraising agencies. Carrying out face-to-face fundraising where we speak to people in the street, at their front doors or at events, is an effective way for us to tell people about our work and answer any questions.

High Value Partnerships

In 2016, the High Value Partnership team focused on strengthening links with trusts and national corporate partners. We maintained our relationships with a range of partners such as NFU Mutual, Petplan and Royal Canin through employee fundraising, sponsorship and cause related marketing – teaming up with companies to raise money for Guide Dogs in a way that is beneficial to both organisations. Our major donor programme focused largely on maintaining the National Breeding Centre Patrons' scheme and developing our relationships with our existing donors.

We also began offering professional training and consultancy to other organisations on a commercial basis, such as access audits, sight loss awareness training and toolkits for

specific sectors including the construction industry. We continued to identify opportunities to apply for statutory funding and grants which we can use to fund specific services for people with sight loss.

Community Fundraising

Guide Dogs has more than 400 supporter groups across the UK. They are integral to our fundraising. These thriving community groups organise a great variety of fundraising activities and increase our profile in their local area. In 2016, 51 new groups opened. More than 5,200 people took part in our Dogs Unite events (sponsored dog walks) and the number of people who competed in sporting challenges exceeded 1,700.

Information Commissioner's Office – ruling 2017

In 2017 Guide Dogs was one of 11 charities fined by the Information Commissioner's Office (ICO) which found that Guide Dogs had breached the Data Protection Act – up to and during 2015 – by not adequately explaining to donors all the ways in which their data could be used.

We believed we were following regulations outlined in the Data Protection Act as well as the guidelines from the Institute of Fundraising. We were disappointed by the outcome of the ICO investigation but we understand how important it is to our donors that we meet the highest standards when handling their data and engage in fundraising in a way which fully complies with all legislation. We responded immediately, by updating our practices, as soon as the ICO gave clear guidance on the matter. We apologised sincerely for any concern this caused our supporters.

Plans for the future – balancing caution with ambition

We are determined that our charity will be the best it can be, ensuring that every donation we receive is used to give the maximum benefit to people with sight loss.

We know that we already provide incredible services to support people with sight loss but in a rapidly changing world and challenging financial landscape, we know we need to adapt and continually improve to make sure we can do this long into the future.

We have identified four priority areas for future improvement during a three year period, 2017 – 2019:

1. Improving the guide dog service

Four of our 20 teams have been piloting a new, more efficient working model which we refer to as end-to-end working. This means that staff who are responsible for different stages in a dog's training – from puppyhood to fully-fledged working guide dog – and previously based in different locations – are now based in the same location.

To roll out this model to our other locations around the UK requires a significant investment in properties. We are not in a position to make this investment in 2017 but when funds become available, we will move our staff towards an integrated model, operating in facilities which are fit for purpose for both our staff and our dogs.

We have identified other areas we can work on to improve the quality of the service and reduce cost. By implementing the steps below we aim to reduce the cost of running the guide dog service by £3 - £4 million.

- **The right dog for the right customer at the right time.** We will place renewed emphasis on aligning and defining the roles of all staff employed in providing the guide dog service, irrespective of where they are based. We will ensure that everyone understands the role they play in providing the right dog for the right customer at the right time.
- **Improve training techniques.** We will standardise the way we train and handle our dogs based on positive reinforcement training – a training technique associated with successful learning in dog training. Positively reinforced behaviours have been shown to be stable and long-lasting. This type of training improves the outcome for the customer and the dogs' wellbeing.
- **Define a quality standard.** We will work on defining a quality standard with the aim of reducing the number of dogs who are withdrawn from the training programme and reducing the length of time people with sight loss have to wait for a new or replacement dog.
- **Review the care and welfare of working guide dogs.** We will review the way we support our guide dog owners with the care and welfare of their dogs, aiming to identify savings without losing sight of our customers' goals and independence needs.

2. Every pound is precious – making the best use of every donation

Everything we do must contribute to the services we provide and support positive outcomes for people living with sight loss. We are aiming to reduce the cost of supporting our services by a third. Over the next three years, we will review a number of areas – including business support, property, staff training, travel, volunteering and workforce planning, and identify ways that we can reduce costs and operate with greater efficiency.

We will analyse every opportunity to improve every aspect of support activity in each directorate, to free up frontline staff and maximise the use of donations.

We will stop any activity that does not add value for our customers and we will make changes to how we work to minimise any wasted time or money.

3. Creating the right environment for sustained success

We want Guide Dogs to become a place where everyone wants to improve every day. We will identify the building blocks we need to put in place to create a high-performing organisation. We will ensure our leaders are equipped to coach, mentor and challenge. We will ensure that every member of staff is supported and at the same time equipped to improve as individuals and together as teams.

4. Investing in our future

With the changes in fundraising legislation, we aim to diversify our income in areas where we believe there is room for growth – notably, corporate fundraising, mass participation events and high value donors. In our existing income streams – particularly legacies and Sponsor a Puppy – we will continue to invest in new communication channels to enable us to recruit new supporters. We also intend to grow community fundraising and Guide Dogs Week.

We will aim to secure funding from grant makers, trusts and statutory funders. To do this, the fundraising team will need detailed information about how we measure the impact of our services. The social return on investment model (SROI) will support this work.

Research tells us that there are low levels of relevance and awareness amongst potential and new supporters, as well as amongst people with sight loss. We will implement a communications plan to build a better understanding amongst the public about our work and the challenges people with sight loss face on a daily basis.

There have been significant delays to the launch of our upgraded website. Completing this remains a key priority in 2017. The upgraded website will be easier to use and we therefore expect to see increases in the number of people donating, volunteering and enquiring about our services.

5. Our baseline goals for 2017

Support for adults

We aim to:

- Partner **830** people with a guide dog.
- Create **1,775** My Guide partnerships.
- Provide **4,500** instances of orientation and mobility support.

My Guide. Our main focus for 2017 will be to continue to standardise the way we provide our sighted guiding service so that by 2018, all our teams across the UK offer a clearly defined, consistent service.

Person-centred approach. We will evaluate a person-centred approach which ensures our customers are at the heart of our planning. Two of our local teams will pilot this during 2017.

This new approach follows the guidelines in the Health and Social Care Act, which describes the actions that providers must take to make sure that each person receives person-centred care based on an assessment of their needs and preferences. The process empowers the customer to identify their goals and priorities and ensures they are fully involved in the planning of their support.

We will evaluate the pilots at the end of 2017 and review how we can roll this approach out to wider teams.

Support for children and young people

Our aim is to provide **3,255** instances of support to children and young people and their families.

To improve the way we provide all our children and young people's services, we have identified that we must first improve the enquiry process to ensure we are working in a person-centred way, so that we are correctly identifying and assessing our customers' needs. An individualised plan flows from this.

We will continue to review the way we provide our services to make sure they are delivered in the most effective, person-centred way possible. We will continue to build an online library of information leaflets and fact sheets for families and professionals and we will continue to invest in upskilling our staff.

Campaigning

In 2017, we aim to recruit **6,000 new campaigners** who will take action on our behalf. Our focus will continue to be on progressing our Access all Areas, Talking Buses and Pavement Parking campaigns. We will do this by continuing to grow and involve our campaigner base, so we can influence decision makers at all levels. We will attend the annual political party conferences and we will hold a high profile event in Parliament.

Financial performance

In 2016, net income totalled £4.8 million (2015: £0.3 million net income). Total funds decreased by £3.3 million (2015: £2.5 million decrease).

Our income growth plans continue to bear fruit which, along with close control over our expenditure, means we remain on track to bring the organisation to a more robust financial position. Our financial reserves policy ensures that we will be able to continue providing our services into the future.

Income

Income totalled £107.0 million in 2016, up £3.3 million on the prior year.

The major elements of our income are as follows:

- Legacy income in 2016 totalled £47.9 million, £3.6 million (8%) higher than in 2015, mainly as a result of a 5% increase in the number of residuary legacies notified to us during the year.
- Donor-based income includes all types of income that are made on a voluntary basis. It comprises our Sponsor a Puppy product; cash appeals; community fundraising and events. Income was up by £4.2 million (11%), reflecting our continuing investment in generating this form of income.

- Income from High Value Partnerships (including corporate and trust income) decreased by £4.7 million, as 2015 included a £4.7 million donation from the LIBOR fund. The latter is restricted to providing guide dogs for visually impaired veterans of the armed forces.

Income breakdown 2016		
	2016 £m	2015 £m
Legacies	47.9	44.3
Sponsor a Puppy	35.4	32.3
Raffles and lotteries	5.2	5.2
Cash appeals	2.9	2.7
High Value Partnerships	2.0	6.7
Community fundraising and events	7.8	7.7
Other	5.8	4.8
	107.0	103.7

Expenditure

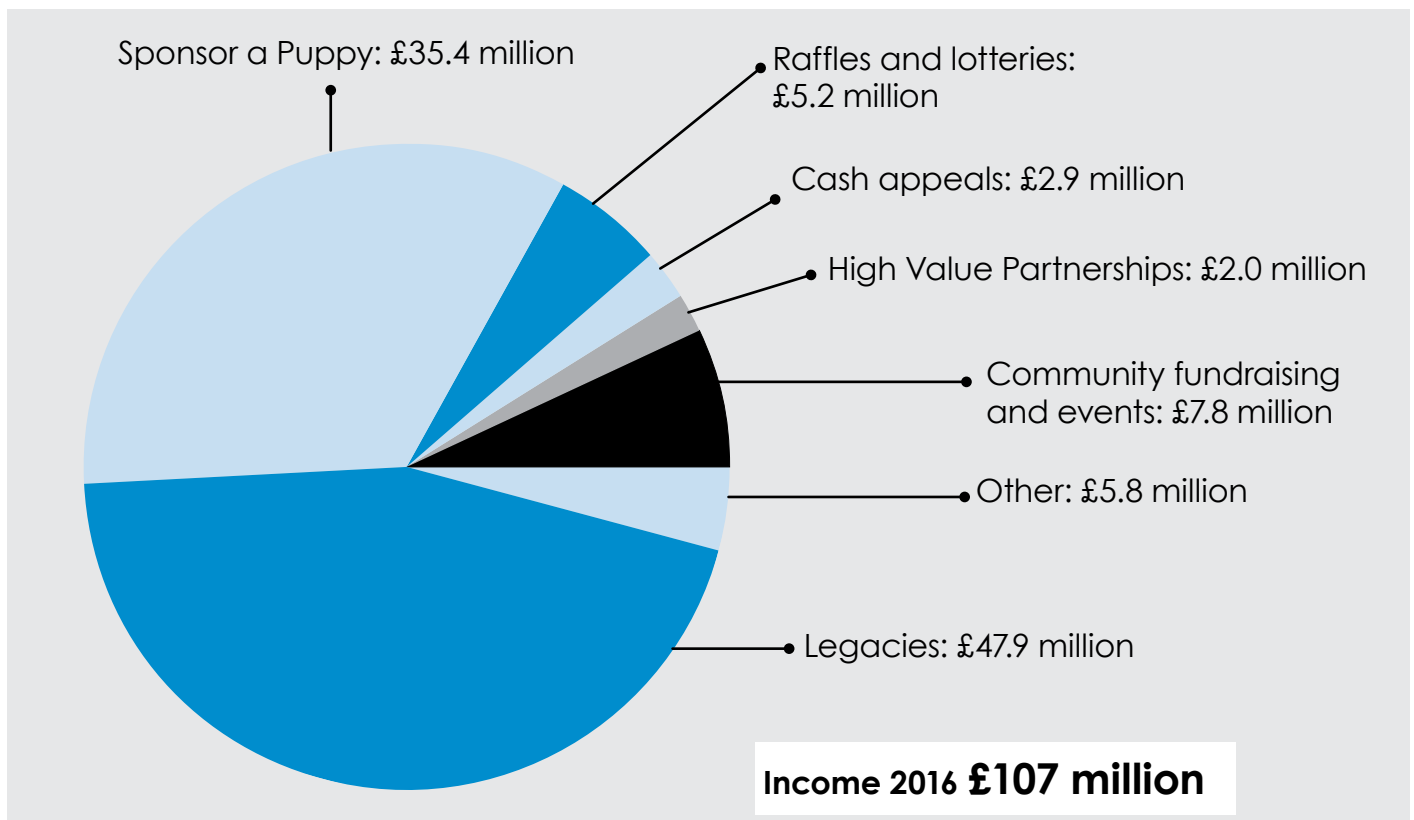
Expenditure in 2016 totalled £101.7 million, £2.7 million less than the prior year. Further information is shown in note 2 to the Financial Statements. Expenditure includes:

- **Cost of raising funds.** The additional investment in fundraising brought the total to £39.5 million (2015: £40.5 million). Over the last few years we have been successfully investing in signing up new regular-giving donors. The cost of doing this in any year is relatively high but the payback over the long term makes this an efficient method of raising funds. Because of the initial high cost, it distorts the in-year ratio of income earned to

fundraising expenditure incurred. A proper assessment of return can only be achieved by considering the impact over a period of several years.

- **Cost of providing guide dogs and other adult services.** At £54.6 million these were down £0.4 million on the prior year. Of the £54.6 million, £48.9 million (2015: £49.4 million) relates to the guide dog service. See breakdown opposite.

Cost of the guide dog service		
	2016 £m	2015 £m
Breeding	4.4	4.8
Puppy walking	5.2	5.4
Early training of dogs	14.5	14.3
Advanced training of dogs	9.5	10.4
Partnership training	2.9	2.7
Total cost of breeding and training	36.5	37.6
Ongoing partnership support	9.5	9.1
Retired and rehomed dogs	2.9	2.7
Total cost of the guide dog service	48.9	49.4



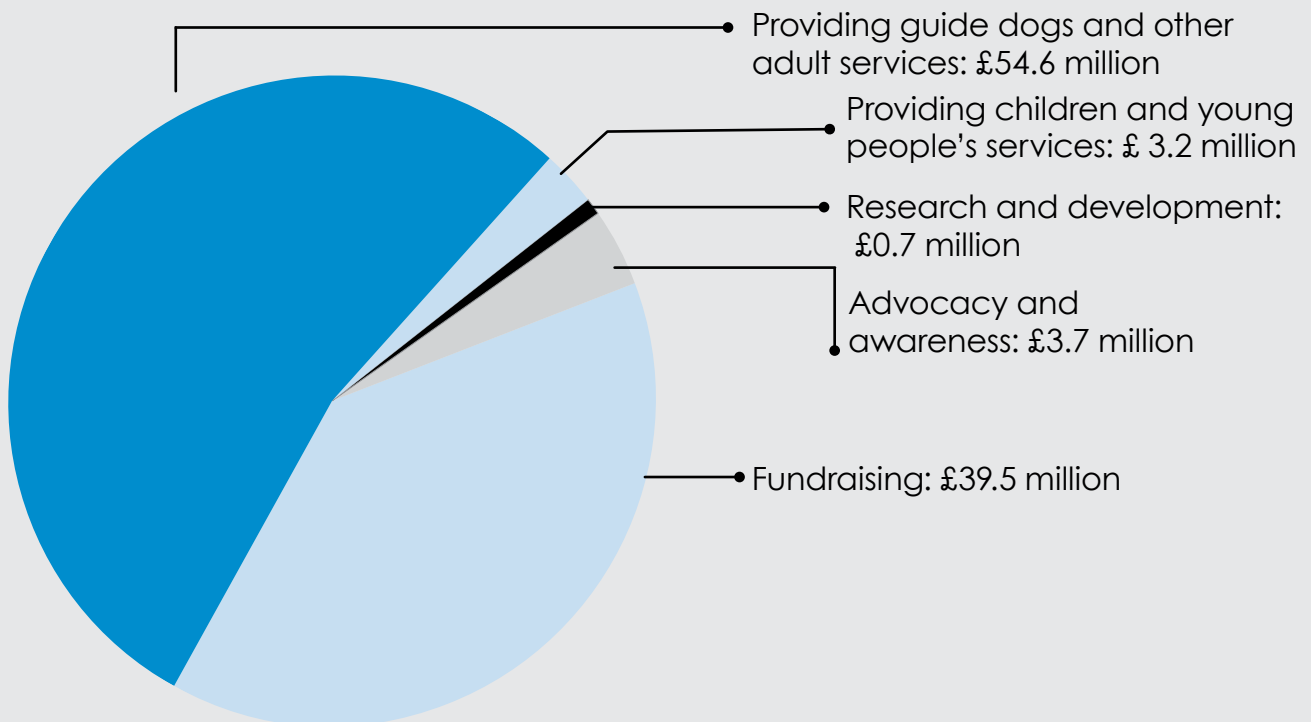
- **Cost of providing a guide dog.** The average cost of providing a guide dog, from its breeding through to its retirement, is £56,800 (2015: £54,600). This comprises two elements. The first is the average cost of breeding and training the dogs and partnerships that qualify during the year. This is about £44,600 per dog (2015: £42,300). The second element is the cost of supporting the partnership through the dog's working life. This totals about £12,200 per dog (2015: £12,300).

The remainder of the £54.6 million cost of the guide dog and other adult services – £5.7 million – represents the cost of the My Guide service (£2.1 million, 2015: £2.0 million), the cost of mobility and orientation services (£2.9 million, 2015: £1.6 million) and allocated support costs such as those relating to service development and infrastructure projects (£0.7 million, 2015: £2.7 million).

Cost of providing children and young people's services.

Our children's services were provided by Blind Children UK. At £3.2 million this was down £0.6 million on the prior year. Of the £3.2 million total expenditure (2015: £3.8 million), £2.4 million relates to the Movement Matters service (2015: £2.7 million), £0.6 million to family and educational support services (2015: £0.8 million), and the balance to CustomEyes large print books and access technology advice and grants.

- **Research and development costs.** In 2016, these totalled £0.7 million (2015: £0.5 million).
- **Advocacy and awareness costs.** In 2016, these totalled £3.7 million, £0.9 million less than in the prior year. The majority of these costs relate to awareness-raising; the cost of our very successful campaigning amounts to only 15% of the £3.7 million total (2015: 13% of £4.6 million total).



Expenditure 2016 £101.7 million

Net losses on investment assets

Our investment portfolio generated net capital losses of £0.5 million in 2016 (£1.0 million gain in 2015).

Net income/expenditure in the year

Net income totalled £4.8 million (2015: £0.3 million). Our overall aim is to operate at least at break even, but we recognise that in times of service expansion or general economic recession this may not always be achieved.

Other recognised gains and losses

Other actuarial gains and losses arose from the defined benefit pension scheme. Net actuarial losses of £8.1 million (2015: £2.8 million loss) were recognised. These arose primarily from a decline in the discount rate used to value the liability to pay pensions, countered by a strong performance by the scheme's investments. These two factors are linked as the scheme's trustee has adopted a strategy that uses investments to hedge against the impact of changes in discount and inflation rates.

Funds

Taking into account the above recognised gains and losses in the year, overall funds decreased by £3.3 million (2015: decreased by £2.5 million), to £106.4 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 funds that we can use that meet our charitable objectives. At the end of 2016 unrestricted funds amounted to £101.5 million (2014: £104.4 million). They comprise four types of reserve:

- **General funds.** At the end of 2016 general funds amounted to £65.4 million (2015: £62.8 million).
- **Designated funds,** which are funds that have been designated for specific purposes by the Board of Trustees. At the end of 2016 there was one designated fund: the **fixed assets fund.** This represents funds allocated to tangible fixed assets such as property, plant and equipment. Its balance decreased from £42.6 million to £39.8 million during the year, in line with the reduction in value of tangible fixed assets. During the year the **research fund,** which comprised funds designated to funding ophthalmic, canine and psycho-social research, was closed. The year-end balance on this fund was therefore zero (2015: £0.3 million). The closure of this reflects a decision that research should be funded directly out of general funds.
- The **revaluation reserve.** At the end of 2016 the revaluation reserve stood at £5.1 million (2015: £6.0 million).
- The **pension deficit reserve.** At the end of 2016 the pension deficit reserve was a negative at £8.8 million (2015: negative £7.3 million).

Restricted funds

These are unexpended funds that have been donated to Guide Dogs with specific conditions attached to their use. At 31 December 2016 these funds totalled £4.4 million (2015: £4.8 million). We anticipate these funds will be used over the next six or so years. The majority of these funds originated from the Government's LIBOR fund, and will be spent in providing guide dogs to visually impaired veterans of the armed forces.

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. At 31 December 2016 these funds totalled £0.5 million (2015: £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 we can meet financial commitments as they fall due.

Our reserves policy takes into consideration the nature of our most costly activity – the guide dog service – which requires us to commit expenditure effectively 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. We use a rolling five-year plan to model how we will fund the delivery of our strategy and ensure reserves remain at an appropriate level.

We have a single reserves measure: cash resources. Our financial reserves policy mandates that the Group holds a minimum level of cash resources to ensure that we will be able to discharge our financial commitments as they fall due over the course of the five-year plan. The Board of Trustees (the 'Board') has agreed that the Group should aim to ensure that cash resources should exceed a minimum of £30 million at all times, both currently and

as anticipated in the future. This level is determined by considering the potential extent and rapidity of a decline in our income and the speed with which we can make accommodating changes to our expenditure plans.

We have no wish to hold excessive cash resources: funds are donated to provide support to people with sight loss, not to hold in reserve. We therefore closely monitor current and projected levels of cash resources, and amend our fundraising or service delivery plans if levels become, or are expected to become, too high.

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

	2016 £m	2015 £m
Investments	45.0	34.0
Cash at bank and in hand	7.7	9.5
Less endowment funds	(0.5)	(0.5)
Less funds restricted to non-core activity	–	–
Net Cash Resources	52.2	43.0

The level of cash resources at the end of 2016 is above our agreed minimum of £30 million and we do not consider it to be excessive. We therefore consider that the Group has adequate resources to meet our financial commitments for the foreseeable future.

Tangible fixed assets

The movements in tangible fixed assets during the year are summarised in Note 5 to the Financial Statements. No major investment has taken place in 2016, and none is planned for 2017.

Investment policy

Guide Dogs' investment policy is:

1. To protect the value of our investments while seeking an appropriate return. In order to achieve this outcome at appropriately low levels of risk and volatility, we select investments that seek to produce a return of LIBOR plus 4% per annum over three-year rolling periods.
2. Not to invest directly in any company with a significant interest in any activity that runs contrary to Guide Dogs' charitable objectives and mission.

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

The investment portfolio is managed on an unconstrained basis in two segments, by Standard Life Investments and Newton Investment Management, under the control of Guide Dogs' Investment Committee. The two managers were selected for their contrasting styles, in order to diversify overall risk. Their performance is reviewed against target on a quarterly basis, and against the performance of comparable funds approximately annually, by the Investment Committee.

At the beginning of the year investments were valued at £34.0 million. During the year an additional £11.5 million was invested, and investment losses of £0.5 million were incurred. As a result, the portfolio was valued at £45.0 million at the end of the year.

Guide Dogs' pension schemes

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

The defined benefit scheme was closed 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, valued the deficit at 31 December 2016 at £8.8 million (2015: £7.3 million). The £1.5 million increase in the deficit results from net £8.1m of actuarial and experience losses and £0.1m of net interest, countered by the £6.7 million additional payment from Guide Dogs toward the elimination of the deficit.

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

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

Risk management and internal control

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

The Board regularly monitors performance against the objectives set out in the five-year business plan, including management of significant risks. The Board also ensures that systems for internal control are in place. These systems are reviewed as part of an internal audit programme. The systems are designed to safeguard the charity's assets, ensure that proper accounting records are maintained and provide reliable financial information.

Key elements of Guide Dogs' control systems include the following:

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

and assess new and current major business risks. We prioritise them in terms of impact and probability of occurrence and then identify and implement efficient controls to manage them and monitor their effect.

Throughout 2016 we continued to monitor significant risks, including:

- Compliance management, financial and brand risks arising from fundraising regulatory changes.
- Funding risks for our defined benefit pension scheme.
- Safeguarding risks relating to our work with young people and vulnerable adults.
- Risks relating to the recruitment and retention of qualified and skilled staff and volunteers.

This report was approved by the Board of Trustees on 6 June 2017 and signed on its behalf by:



Chairman: James Hambro

How Guide Dogs is structured, governed and managed

The Board of Trustees

The members of the Board of Trustees (the 'Board') of The Guide Dogs for the Blind Association (Guide Dogs) who are both Directors of the company and Trustees of the charity as at 6 June 2017 were:

James Hambro – Chairman
Pat Stafford BA (Hons) – Vice Chairman
David Anderson BVMS, MVM, MRCVS
Amanda Ariss BA (Hons), MA (Dist)
David J Bagley FCA, CF
Clare Black BSc (Hons)
Mike Hughes
Dr Mike Nussbaum BSc, PhD, Honorary
Doctor of the Open University
Polly Williams ACA, BA (Hons)
John Wriighthouse BSc (Hons), MA, FCIPD

Mike Hughes and Dr Mike Nussbaum are guide dog owners.

Election of Trustees

Our Trustees are elected by the members of Guide Dogs at our Annual General Meeting or appointed by the Board to fill vacancies that arise during the year. They are recruited through a sub-committee of the Board with clear terms of reference, and we look for candidates who can bring a range of relevant skills to the charity. We actively seek applicants from diverse backgrounds, particularly people with sight loss.

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. Exceptionally, they may serve a fourth and final term if there is a specific need, agreed by the Board.

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

The Trustees have overall responsibility for Guide Dogs' activities and are advised by the Chief Executive and the Executive Board.

We have three committees:

The Audit Committee, chaired by Polly Williams.

The Investment Committee, chaired by Bruce Gordon (independent member).

The Remuneration Committee, chaired by Pat Stafford.

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 line with the Charity Commission's guidelines.

Trustees of the Board and independent committee members do not receive any remuneration for their services to Guide Dogs.

Our Trustees' responsibilities

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

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

- 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 enable them to ensure that the financial statements comply with the Companies Act 2006. They 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.

In so far as the Trustees 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 Attendance of Board and Committee Meetings 2016

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

	Trustee Board Meetings	Away Day	Audit Committee	Remuneration Committee	Investment Committee	
Jamie Hambro (Chair)	4 (4)	1 (1)		4 (4)		
Pat Stafford (Vice Chair)	3 (4)	1 (1)		3 (4) Ch		
David Anderson	3 (4)	1 (1)				
Amanda Ariss ^	3 (4)	1 (1)		1 (4)		
David Bagley	3 (4)	1 (1)				4 (4)
Clare Black	2 (4)	1 (1)	3 (4)		3 (4)	
John Everitt *	1 (1)		0 (1)			
Mike Hughes	3 (4)	1 (1)				
Amar Latif *	0 (1)					
Mike Nussbaum	3 (4)	1 (1)		3 (4)		
Polly Williams	4 (4)	1 (1)	4 (4) Ch			
John Wraithouse	4 (4)	0 (1)		4 (4)		
Elaine Carr ◇			4 (4)			
John Hilbourne ◇			4 (4)			
Bruce Gordon ◇						4 (4) Ch
Anton Eser ◇						3 (3)

* John Everitt resigned on 1 April 2016

* Amar Latif resigned on 7 April 2016

^ Period of leave from October 2016

◇ Denotes independent member

Managing Guide Dogs – our Executive Board

Guide Dogs' Executive Officers are the Chief Executive and the Executive Board. Together, they are accountable for our vision and strategy. The Executive Board is 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 a highly effective leadership team in these senior roles. The members of the Executive Board as at 6 June 2017 were:

Steve Vaid, Acting Chief Executive
 Jayne George, Director of Fundraising and Marketing
 Mike Holt, Director of People and Business Services
 Tim Lowth, Director of Finance, Planning and Performance
 Wendy Rankin, Acting Director of Mobility Services

Our policy on executive pay

Guide Dogs is committed to greater transparency about voluntary sector pay and supports the recommendations in the National Council of Voluntary Organisations' (NCVO) Report of the Enquiry into Charity Senior Executive Pay. To reflect this, we are publishing information on our pay policy and the pay of our chief officers in this annual report and on our website.

The current pay and terms and conditions for our Executive Officers were introduced in 2011 and are determined by our Remuneration Committee. This pay policy forms part of the contracts of employment of our Chief Executive and members of our Executive Board.

The policy aims to:

- Develop and sustain a culture of high performance standards from the top of Guide Dogs.
- Recruit and retain talented people to maintain or improve Guide Dogs' already high standards of performance and lead the organisation through the challenging changes we are facing.
- Recognise Executive Officers for their personal contributions.

A number of principles underpin the Board's approach to Executive Officers' pay:

- The amount paid should reflect the market for comparable jobs in comparable organisations, the performance of the organisation and the skills and contribution of the individual performing the role.
- Increases to pay are 'at risk' because they depend on delivering results; this means it is a performance-related pay scheme.
- Performance is defined in a rounded way, including not only achievement of annual targets but also leadership and other behaviours, as well as success in developing Guide Dogs' services in the longer term.

Salary ranges

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

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

Other benefits

Benefits for Executive Officers are in line with those available to all staff. This includes a flexible benefits allowance of up to 3% of their salary.

Employer's pension contributions are conditional on employee contributions and the same as equivalent contribution levels for all staff.

Across Guide Dogs as a whole, the ratio between median salary and the highest salary at the end of 2016 was 1: 5.68.

Executive Board: remuneration in 2016

The table below shows the Total Remuneration* of the Executive Board. This includes salary, allowances in lieu of pension scheme participation, benefits in kind, and pension contributions.

Name	Role	Remuneration
Richard Leaman	Group Chief Executive until 31.10.2016	£124,492
Steve Vaid	Director of Mobility Services to 31.10.2016; Acting Chief Executive from 1.11.2016	£112,288
Jayne George	Director of Fundraising and Marketing	£125,970
Tim Lowth	Director of Finance, Planning and Performance	£95,202
Mike Holt	Director of People and Business Services	£99,029
Wendy Rankin	Acting Director of Mobility Services from 1.11.2016.	£10,637

In addition to the Total Remuneration shown above, Richard Leaman received £116,703, of which £74,208 was a contractual payment in lieu of notice.

*As defined in guidance issued by the NCVO.

Employee involvement and employing people with disabilities

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

Guide Dogs 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.

Related parties

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

- Blind Children UK is a charity providing services to children and young people with vision impairment and their families.
- The Guide Dogs for the Blind Association (Trading Company) Limited is the charity's trading subsidiary.

- Guide Dogs UK Limited, GDBA Community Care Services Limited, GDBA (Pension Fund Trustee) Limited, Guide Dogs Limited and Blind Children UK (Trading) Limited (formerly NBCS Blind Limited) were dormant during 2016.

The financial performance of these subsidiaries is disclosed in Note 13 to the Financial Statements.

The Charity's activities

A review of the charity's activities, future developments and risks are included in the Strategic Report.

Provision of information to Auditor

Each person who is a Trustee at the date of approval of this report confirms that:

- So far as the Trustee is aware, there is no relevant audit information of which the company's auditor is unaware.
- He/she has taken all the steps that he/she ought to have taken as a Trustee in order to make himself/herself 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 s.485 of the Companies Act 2006, a resolution is to be proposed at the Annual General Meeting for reappointment of Deloitte LLP as auditor of the Company.

This report was approved by the Board on 6 June 2017 and signed on its behalf by:



Chairman: James Hambro

Corporate information

The Guide Dogs for the Blind Association (Guide Dogs) operates under a registered charity (Number 209617 in England and Wales and number SC038979 in Scotland) and was incorporated as a company limited by guarantee (registered in England and Wales number 291646) on 30 August 1934. Its Central Office which is also its Registered Office, is Hillfields, Burghfield Common, Reading Berkshire RG7 3YG.

Guide Dogs is governed by its Articles of Association, which were last amended on 20 July 2013.

Guide Dogs is a company limited by guarantee and does not have a share capital. In the event of the company being wound up each member of the company undertakes to contribute such amount as may be required (not exceeding £1) towards the costs of dissolution and liabilities of the Association.

Public benefit

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

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

Principal Advisors

Auditor

Deloitte LLP
2 New Street Square
London EC4A 3BZ

Bankers

HSBC Bank plc
25 High Street
Windsor SL4 1LN

Barclays
90-93 Broad Street
Reading RG1 2AP

Investment Fund Managers

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

Standard Life Investments Ltd

1 George Street
Edinburgh EH2 2LL

We have audited the financial statements of The Guide Dogs for the Blind Association for the year ended 31 December 2016 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Company Balance Sheets, the Consolidated Cash Flow Statement, the Accounting Policies and the related notes 1 to 17. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 charity'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 the 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.

Respective responsibilities of Trustees and Auditor

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under section 44(1) (c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- Give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 December 2016 and of the group's incoming resources and application of resources, including the income and expenditure, for the year then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- Have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Opinion on other matter 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 Strategic Report and the Trustees' Annual Report for the financial year for which the financial statements are prepared, is consistent with the financial statements; and
- The Strategic Report and the Trustees' Annual Report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report and the Trustees' Annual Report.

Matters on which we are required to report by exception

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

- The parent charitable company has not kept proper and adequate accounting records or returns adequate for our audit have not been received from branches not visited by us; or
- The parent charitable company's financial statements are not in agreement with the accounting records or 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.

Signature:



Reza Motazedi (Senior statutory auditor)
for and on behalf of Deloitte LLP
Statutory Auditor
London.

Date 28/6/17 2017

Deloitte LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006 and consequently to act as the auditor of a registered charity.

**Consolidated Statement of financial activities
Incorporating an income and expenditure account
For the year ended 31 December 2016**

	Notes	Unrestricted Funds £m	Restricted Funds £m	Endowment Funds £m	Total 2016	Total 2015 £m
Income and endowments from:	1					
Donations and legacies		88.2	10.2	-	98.4	95.3
Charitable activities		1.1	-	-	1.1	0.9
Other trading activities		6.7	-	-	6.7	6.6
Investments		0.7	-	-	0.7	0.9
Other income		0.1	-	-	0.1	-
Total income		96.8	10.2	-	107.0	103.7
Expenditure on:	2					
Raising funds		39.5	-	-	39.5	40.5
Charitable activities						
Provision of guide dogs and other adult mobility services		44.4	10.2	-	54.6	55.0
Provision of other children's services		2.8	0.4	-	3.2	3.8
Research and development		0.7	-	-	0.7	0.5
Advocacy and awareness		3.7	-	-	3.7	4.6
Total charity expenditure		51.6	10.6	-	62.2	63.9
Total		91.1	10.6	-	101.7	104.4
Net (losses)/ gains on investments		(0.5)	-	-	(0.5)	1.0
Net income/(expenditure) for the year		5.2	(0.4)	-	4.8	0.3
Other recognised gains and losses:						
Actuarial (loss)/gain on defined benefit pension scheme		(8.1)	-	-	(8.1)	(2.8)
Net movement in funds		(2.9)	(0.4)	-	(3.3)	(2.5)
Reconciliation of funds:						
Fund balance brought forward at 1 January		104.4	4.8	0.5	109.7	112.2
Fund balances carried forward at 31 December		101.5	4.4	0.5	106.4	109.7

All results are derived from continuing operations.

The parent charity, The Guide Dogs for the Blind Association has gross income of £103.5 million (2015: £99.9 million) and a result of £3.4 million loss (2015: £7.3 million loss) for the year.

The net decrease in funds for the financial year under the historical cost accounting convention, adjusted for the revaluation of fixed assets but excluding the movement in market value of Investments, is £3.8 million (2015: net decrease £3.0 million) (Note 5).

The accounting policies and notes on pages 67 to 85 form part of these financial statements

Consolidated and charity balance sheets at 31 December 2016

	Notes	Group 2016 £m	Group 2015 £m	Charity 2016 £m	Charity 2015 £m
Fixed assets					
Tangible assets	5	39.8	42.6	39.8	42.6
Investments	6	45.0	34.0	45.5	34.5
		84.8	76.6	85.3	77.1
Current assets					
Stocks	7	0.5	0.4	0.1	0.1
Debtors	8	30.6	39.4	30.8	39.6
Cash at bank and in hand		7.7	9.5	7.0	8.4
		38.8	49.3	37.9	48.1
Creditors					
Amounts falling due within one year	9	(8.2)	(8.7)	(8.1)	(8.2)
Net current assets					
		30.6	40.6	29.8	39.9
Total assets less current liabilities					
		115.4	117.2	115.1	117.0
Creditors					
Amounts falling due after more than one year	10	(0.2)	(0.2)	(0.2)	(0.2)
Net assets excluding pension deficit					
		115.2	117.0	114.9	116.8
Pension fund deficit	14	(8.8)	(7.3)	(8.8)	(7.3)
Net assets					
		106.4	109.7	106.1	109.5
Unrestricted Funds					
General funds		65.4	62.8	65.1	62.7
Designated funds		39.8	42.9	39.8	42.9
Revaluation reserve		5.1	6.0	5.1	6.0
Pension deficit reserve		(8.8)	(7.3)	(8.8)	(7.3)
Total unrestricted funds					
		101.5	104.4	101.2	104.3
Restricted funds					
Endowment funds		4.4	4.8	4.4	4.7
		0.5	0.5	0.5	0.5
Total funds					
	11,15	106.4	109.7	106.1	109.5

The Financial Statements of The Guide Dogs for the Blind Association (registered company number 291646) were approved by the Board of Trustees on 6 June 2017 and signed on its behalf by:



Chairman:



Trustee:

The accounting policies and notes on pages 67 to 85 form part of these financial statements

Consolidated cash flow statement for the year ended 31 December 2016

	Notes	2016 £m	2015 £m
Net cash outflow from operating activities	16	<u>9.8</u>	<u>(16.6)</u>
Return on investment and servicing of finance			
Investment income received		<u>0.7</u>	<u>0.9</u>
Capital expenditure and financial investment			
Payments for tangible fixed assets		(0.9)	(2.2)
Proceeds from sale of tangible fixed assets		0.1	0.3
Net divestment from investment portfolio		<u>(11.5)</u>	<u>23.2</u>
		<u>(12.3)</u>	<u>21.3</u>
Increase/(decrease) in cash in the year		<u>(1.8)</u>	<u>5.6</u>
Net cash at 1 January		9.5	3.9
Increase/(decrease) in the year		<u>(1.8)</u>	<u>5.6</u>
Net cash at 31 December		<u>7.7</u>	<u>9.5</u>

The accounting policies and notes on pages 67 to 85 form part of these financial statements

Accounting policies

Company and charitable status

Guide Dogs, a public benefit entity, is incorporated in England and Wales as a company limited by guarantee not having share capital. There are currently 10 Trustees who are also the members of the company. Each member has undertaken to contribute the assets in the event of winding up a sum not exceeding £1. The charity is a registered charity. The registered office is given on page 60.

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

a. Basis of accounting

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

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

b. Preparation of the accounts on a going concern basis

Guide Dogs reported a total cash outflow of £1.4 million for the year and £1.8 million on a group basis.

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

c. Group financial statements

The group accounts consolidate the accounts of the charity and its subsidiary undertakings. As provided by Section 408 of the Companies Act 2006, no separate income and expenditure account is presented for the charity. Acquisitions are accounted for under the acquisition method.

d. Incoming resources

Incoming resources are recognised when their receipt become probable.

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

Accounting policies

accordance with the Charities SORP (FRS 102), general volunteer time is not recognised and refer to the trustees' annual 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) Investment income is accounted for on an accruals basis.
- iv) Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

e. Resources expended

Expenditure is accounted for on an accruals basis.

- i) Grants payable are recognised when a legal or operationally binding commitment has been made to make the grant payment.
- ii) The costs of charitable activities and generating funds include relevant direct costs incurred and the direct costs of staff employed on the activity, together with a share of overheads and support costs calculated in proportion to the number of staff employed in this area. 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.

f. Allocation of support costs

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

g. Operating leases

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

h. Tangible fixed assets

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

Accounting policies

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

Software development costs are expensed.

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

i. Financial instruments

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

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

j. Critical accounting judgements and key sources of estimation uncertainty

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

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

The Group's key areas of judgement relate to the timing of recognition of legacies receivable, and the actuarial assumptions adopted in calculating the defined benefit pensions liability.

k. Investments

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

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

Accounting policies

value of the investment portfolio throughout the year.

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

l. Stocks

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

m. Pension costs

Guide Dogs sponsors two pension schemes:

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

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

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

n. Fund accounting

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

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

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

o. Taxation

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

Notes to the financial statements for the year ended 31 December 2016

1. Incoming resources

	2016 £m	2015 £m
Income from		
Donations and legacies		
Community fundraising	7.8	7.7
Donor based fundraising	40.7	36.6
Corporate and trust income	2.0	6.7
Legacies	47.9	44.3
	98.4	95.3
Charitable activities		
Sale of rehabilitation services under contract	0.6	0.6
Ancillary trading	0.5	0.3
	1.1	0.9
Other trading activities		
Raffles and draws	3.2	3.6
Lotteries	2.0	1.6
Other	1.5	1.4
	6.7	6.6
Investment income	0.7	0.9
Other income – gain on sale of tangible assets	0.1	-
Total	107.0	103.7

Notes to the financial statements for the year ended 31 December 2016

2. Total Expenditure

	Direct Costs £m	Support Costs £m	Total 2016 £m	Total 2015 £m
Expenditure on raising donations and legacies				
Community fundraising	4.3	1.1	5.4	5.7
Donor based fundraising	23.2	0.8	24.0	24.4
Corporate and trust income	1.1	0.3	1.4	1.5
Fundraising development and administration	2.1	0.4	2.5	1.9
Legacy marketing and administration	1.8	0.2	2.0	2.0
	32.5	2.8	35.3	35.5
Expenditure on trading activities				
Cost of goods sold and other costs	1.5	-	1.5	1.0
Raffles and draws	2.1	-	2.1	2.9
Lotteries	0.4	-	0.4	0.8
	4.0	-	4.0	4.7
Investment management fees	0.2	-	0.2	0.3
Expenditure on raising funds	36.7	2.8	39.5	40.5
Charitable expenditure				
Provision of guide dogs and other adult mobility services	44.6	10.0	54.6	55.0
Provision of children's services	3.0	0.2	3.2	3.8
Research and development	0.6	0.1	0.7	0.5
Advocacy and awareness	3.1	0.6	3.7	4.6
	51.3	10.9	62.2	63.9
Total expenditure	88.0	13.7	101.7	104.4

Resources expended include:

	2016	2015
Operating lease charges		
Other – land and buildings	0.7	0.8
Depreciation charged in the year	3.7	3.7
	£'000	£'000
Fees payable to the charity's auditor		
The audit of the charity's annual financial statements	61.5	62.2
The audit of the charity's subsidiaries pursuant to legislation	10.5	14.2

Notes to the financial statements for the year ended 31 December 2016

Support Cost allocation

	Raising Funds	Provision of guide dog and other adult mobility services	Provision of children's services	Research and development	Advocacy and awareness	Total
	£m	£m	£m	£m	£m	£m
Governance	0.1	0.6	-	-	-	0.7
Finance	0.4	1.4	-	-	0.1	1.9
Information Technology	0.6	2.2	-	-	0.1	2.9
Human resources	0.5	2.1	-	-	0.1	2.7
Marketing & communications	0.4	1.3	-	-	0.1	1.8
Central property costs	0.3	1.3	-	-	0.1	1.7
Other central costs	0.5	1.1	0.2	0.1	0.1	2.0
Total	2.8	10.0	0.2	0.1	0.6	13.7

3. Research commissioned – Grants payable

Research and development comprises strategic, market, consumer and scientific research and technology development. Total research and development expenditure including grants amounted to £0.2 million in 2016 (2015: £0.5 million). No new grants were made in 2016 (one grant for £35,000 to Brunel University London was made in 2015).

4. Trustees and employees

The trustees and persons connected with them have not received, obtained or waived any remuneration or other financial benefits for the year directly or indirectly from Guide Dogs (2015: £nil). Travelling and subsistence expenses were reimbursed in respect of 7 trustees, totalling £3,723 (2015: 9; £9,123).

Staff costs

	2016 £m	2015 £m
Wages and salaries	40.3	38.8
Social security costs	3.9	3.7
Other pension costs excluding pension scheme actuarial loss (see Note 14)	2.5	2.7
Sub total	46.7	45.2
Other staff related costs	3.5	6.5
Total	50.2	51.7

Notes to the financial statements for the year ended 31 December 2016

The average number of persons employed during the year ended 31 December 2016 is shown below on full time equivalent basis:

	2016 No.	2015 No.
Fundraising and legacies	217	176
Provision of guide dogs and other adult mobility services	840	846
Provision of other children's services	76	87
Research and development	6	7
Advocacy and awareness	47	51
Management, administration and clerical (indirect)	171	175
	1,357	1,342

Pension contributions were paid into Guide Dogs' defined contribution scheme for 1,408 employees (2015: 1,370 employees).

Number of employees with emoluments (excluding one-off redundancy payments) exceeding £60,000:

	2016 No.	2015 No.
£60,001 to £70,000	7	8
£70,001 to £80,000	8	5
£80,001 to £90,000	1	2
£90,001 to £100,000	1	1
£100,001 to £110,000	2	2
£130,001 to £140,000	1	-
£140,001 to £150,000	-	1
	20	19

Pension contributions were paid into the Guide Dogs' defined contribution scheme for the year on behalf of 15 (2015: 15) of the employees with emoluments in excess of £60,000.

Notes to the financial statements for the year ended 31 December 2016

5. Tangible fixed assets

Group and Charity	Freehold properties	Leasehold properties	Furniture Equipment, vehicles and computers	Total
	£m	£m	£m	£m
Cost or valuation				
As at 1 January 2016	52.1	1.0	13.2	66.3
Additions	-	-	0.9	0.9
Disposals	-	-	(0.8)	(0.8)
At 31 December 2016	52.1	1.0	13.3	66.4
Depreciation				
As at 1 January 2016	14.9	0.7	8.1	23.7
Provision for year	1.7	0.1	1.9	3.7
Disposals	-	-	(0.8)	(0.8)
At 31 December 2016	16.6	0.8	9.2	26.6
Net book value 31 December 2016	35.5	0.2	4.1	39.8
Net book value 31 December 2015	37.2	0.3	5.1	42.6

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

The Central Office freehold property was valued by external valuers, Alder King Property Consultants, as at 6 March 2006 on the basis of Existing Use Value in accordance with the Royal Institution of Chartered Surveyors Appraisal and Valuation Standards Manual. The external valuer did not consider there to be any significant difference between Existing Use Value and the Open Market Value as at the date of the valuation.

The external valuer responsible for the inspection and preparation of the valuation was Mr R Wheeler BSc FRICS. The depreciated historical cost of the property prior to revaluation review was £2.5 million.

The discount rate used in the calculation to arrive at the Value in Use was 4.5%.

The charity's freehold property depreciation charge for the year on a historical cost basis would have been £2.2 million (2015: £2.2 million) compared with the actual charge of £1.7 million (2015: £1.7 million) based on revalued amounts.

Notes to the financial statements for the year ended 31 December 2016

6. Investments

a) Movement in investments during the year

	Group 2016 £m	Group 2015 £m	Charity 2016 £m	Charity 2015 £m
Market value at 1 January	34.0	56.2	34.5	56.7
Net divestment	11.5	(23.2)	11.5	(23.2)
Net (loss)/gain on revaluation	(0.5)	1.0	(0.5)	1.0
Market value 31 December	<u>45.0</u>	<u>34.0</u>	<u>45.5</u>	<u>34.5</u>

b) Analysis of investments of market value

	Group 2016 £m	Group 2015 £m	Charity 2016 £m	Charity 2015 £m
Listed investments – United Kingdom	45.0	34.0	45.0	34.0
Investments in subsidiaries	-	-	0.5	0.5
	<u>45.0</u>	<u>34.0</u>	<u>45.5</u>	<u>34.5</u>

c) Analysis of investment cost

	Group 2016 £m	Group 2015 £m	Charity 2016 £m	Charity 2015 £m
Listed investments – United Kingdom	40.0	28.1	40.0	28.1
Investments in subsidiaries	-	-	0.5	0.5
	<u>40.0</u>	<u>28.1</u>	<u>40.5</u>	<u>28.6</u>

At 31 December 2016 the listed investments included holdings in Standard Life Investment's Global Absolute Return Strategies Fund valued at £23.9 million (2015: £21.3 million), and BNY Mellon Newton Real Return Fund valued at £20.6 million (2015: £12.2million). There was also a holding valued at £0.5 million (2015: £0.5 million) in Standard Life Investment's Global Equity unit trust representing the Association's Endowment Funds.

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

7. Stocks

	Group 2016 £m	Group 2015 £m	Charity 2016 £m	Charity 2015 £m
Equipment	0.1	0.1	0.1	0.1
Trading Stock	0.4	0.3	-	-
	<u>0.5</u>	<u>0.4</u>	<u>0.1</u>	<u>0.1</u>

Notes to the financial statements for the year ended 31 December 2016

8. Debtors

	Group 2016 £m	Group 2015 £m	Charity 2016 £m	Charity 2015 £m
Tax recoverable	0.7	5.1	0.6	5.0
Other debtors	0.1	0.1	0.1	0.1
Trade debtors	0.2	4.9	0.2	4.8
Due from subsidiary undertakings	-	-	0.4	0.6
Accrued legacy income	28.4	27.5	28.3	27.4
Other accrued income	-	0.4	-	0.4
Other prepayments	1.2	1.4	1.2	1.3
	30.6	39.4	30.8	39.6

Included in other debtors are amounts falling due after more than one year. They include a non-interest bearing equity loan to an employee for housing assistance amounting to £50,000 (2015: £50,000) and a loan of £62,500 (2015: £73,000), repayable over 20 years, to Sight Concern Worcestershire (formerly The Worcestershire Association for the Blind) for the development of a resource centre.

9. Creditors: amounts falling due within one year

	Group 2016 £m	Group 2015 £m	Charity 2016 £m	Charity 2015 £m
Trade creditors	2.3	3.0	2.3	3.0
Other creditors	0.4	0.6	0.4	0.5
Tax and social security	1.0	1.0	0.9	0.9
Accruals and deferred income	4.5	4.1	4.5	3.8
	8.2	8.7	8.1	8.2

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

	Group 2016 £m	Group 2015 £m	Charity 2016 £m	Charity 2015 £m
Unfunded pension obligations	0.1	0.1	0.1	0.1
Contracted research grants	0.1	0.1	0.1	0.1
	0.2	0.2	0.2	0.2

The unfunded pension obligations are in respect of four (2015: four) retired members of staff.

Notes to the financial statements for the year ended 31 December 2016

11. Fund balances

Group	1 January 2016 £m	Income £m	Expenditure £m	Investment Gains £m	Other Losses £m	31 December 2016 £m
Unrestricted funds	104.4	96.6	(90.9)	(0.5)	(8.1)	101.5
Restricted funds	4.8	10.2	(10.6)	-	-	4.4
Endowment funds	0.5	-	-	-	-	0.5
Total funds	109.7	106.8	(101.5)	(0.5)	(8.1)	106.4

Charity	1 January 2016 £m	Income £m	Expenditure £m	Investment Gains £m	Other Losses £m	31 December 2016 £m
Unrestricted funds	104.3	93.3	(87.8)	(0.5)	(8.1)	101.2
Restricted funds	4.7	10.0	(10.3)	-	-	4.4
Endowment funds	0.5	-	-	-	-	0.5
Total funds	109.5	103.3	(98.1)	(0.5)	(8.1)	106.1

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

Further detail on specific restricted funds is included on page 86.

Analysis of revaluation reserve (included within unrestricted funds)

	Group 2016 £m	Group 2015 £m	Charity 2016 £m	Charity 2015 £m
Revaluation of investment portfolio	5.0	5.9	5.0	5.9
Revaluation of properties for use by charity	0.1	0.1	0.1	0.1
	5.1	6.0	5.1	6.0

Notes to the financial statements for the year ended 31 December 2016

12. Commitments

Obligations under operating leases

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

Group:	2016	2015
	£m	£m
Within one year	0.6	0.8
Between one and five years	0.3	0.5
	<hr/>	<hr/>
	0.9	1.3
	<hr/>	<hr/>

13. Subsidiaries

The Association owns the whole of the issued share capital, or is the sole member of: The Guide Dogs for the Blind Association (Trading Company) Limited (company registration number 1596945), Blind Children UK (company registration number 3133018, registered charity in England and Wales charity number 209617 and in Scotland number SCO42089), GDBA Community Care Services Limited (company registration number 2735518), Guide Dogs Limited (company registration number 2332629), Guide Dogs UK Limited (company registration number 3252696) and GDBA (Pension Fund Trustee) Limited (company registration number 1870871). Blind Children UK owns the whole of the issued share capital of Blind Children UK (Trading) Limited (company registration number 4245581). Of these only the following traded on their own account in 2016:

- Blind Children UK, provides services to blind and partially sighted children, and their families.
- The Guide Dogs for the Blind Association (Trading Company) Limited is the charity's trading subsidiary.

All companies in the group are domiciled in the United Kingdom and have their registered office at Hillfields, Burghfield Common, Reading, Berkshire RG7 3YG.

Notes to the financial statements for the year ended 31 December 2016

A summary of the trading results and net assets for the year ended 31 December 2016 is shown below:

	Blind Children UK 2016 £m	Trading Company 2016 £m	Total 2016 £m	Total 2015 £m
Incoming resources/turnover	4.9	1.4	6.3	12.5
Cost of generating funds/cost of sales	(1.6)	(0.6)	(2.2)	(2.9)
Gross profit	3.3	0.8	4.1	9.6
Other operating income	-	0.1	0.1	0.1
Distribution, selling and administration expenses	-	(0.7)	(0.7)	(0.6)
Cost of charitable activities	(3.3)	-	(3.3)	(4.0)
Operating profit/(loss) for the financial year	-	0.2	0.2	5.1
Gift Aid donation to charity	-	(0.2)	(0.2)	(0.3)
Result for the year	-	-	-	4.8
Reserves at start of year	0.2	0.5	0.7	(4.1)
Reserves at end of year	0.2	0.5	0.7	0.7
Current assets	0.2	1.0	1.2	1.4
Current liabilities	-	(0.5)	(0.5)	(0.7)
Net assets/(liabilities) at end of year	0.2	0.5	0.7	0.7

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

Blind Children UK's income includes a £2.8 million grant from Guide Dogs.

14. Pension costs

Composition of the scheme

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

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

Contributions to the Scheme are assessed in accordance with the advice of a qualified actuary. Deficit contributions of £4.0m are expected for 2017 in accordance with the Scheme's current Recovery Plan.

The preliminary results of the actuarial valuation of the Scheme as at 31 December 2015 have been updated to 31 December 2016 by a qualified independent actuary.

Notes to the financial statements for the year ended 31 December 2016

Assumptions

The major assumptions used by the actuary were:

	2016	2015
Discount rate	2.70%	3.85%
Rate of increase in salaries	n/a	n/a
Rate of increase in payment of pensions (RPI max 5%)	3.10%	3.05%
Inflation assumption (RPI)	3.25%	3.20%
Inflation assumption (OP)	2.25%	2.20%
Life expectancies on retirement at age 60		
Retiring today – males	26.8	26.7
Retiring today – females	29.0	28.9
Retiring in 20 years – males	28.2	28.1
Retiring in 20 years - females	30.6	30.5
Cash commutation	100% of members commute 25%	100% of members commute 25%

Balance sheet

The assets in the plan were:

	2016 £m	2015 £m
Equities	86.9	70.4
Properties	15.4	14.9
Bonds	110.5	76.9
Hedge Funds	64.5	70.4
Insured Pensions	0.5	0.5
Cash	22.4	8.0
Total market value of assets	300.2	241.1
Present value of plan liability	(309.0)	(248.4)
Net pension deficit	(8.8)	(7.3)

Notes to the financial statements for the year ended 31 December 2016

Analysis of the amount charged to the Statement of Financial Activities

	2016 £m	2015 £m
Net interest (cost) on the defined benefit obligation	(0.2)	(0.2)
Total amount charged with outgoing resources	(0.2)	(0.2)
Experience gains / (losses) arising on the plan's assets	61.1	(6.9)
Experience (losses)/gains arising on the plan's liabilities	(5.9)	4.2
Actuarial (losses)	(63.3)	(0.2)
Actuarial (losses)	(8.1)	(2.8)
Total amount (charged) to the Statement of Financial Activities	(8.3)	(3.0)

Reconciliation of present value of plan liabilities and assets

	2016 £m	2015 £m
Change in present value liabilities		
Present value of plan liabilities at start of year	248.4	258.6
Interest on pension liabilities	9.2	9.8
Actuarial (gain)/ loss	63.3	0.1
Experience (gains) / losses	5.9	(4.2)
Benefits paid	(17.8)	(15.9)
Present value of plan liabilities at the end of year	309.0	248.4

Change in plan assets

Fair value of plan assets at start of year	241.1	247.7
Interest income	9.1	9.5
Return on scheme assets excluding interest income	61.1	(6.9)
Employer's contributions	6.7	6.7
Benefits paid	(17.8)	(15.9)
Fair value of plan assets at end of year	300.2	241.1

Notes to the financial statements for the year ended 31 December 2016

5 year history

History of funding position and experience gains and losses

	2016 £m	2015 £m	2014 £m	2013 £m	2012 £m
Defined benefit obligation	(309.0)	(248.4)	(258.6)	(233.2)	(226.7)
Scheme assets	300.2	241.1	247.7	211.0	195.7
Surplus / (deficit)	(8.8)	(7.3)	(10.9)	(22.2)	(31.0)
Actual return less expected return on plan assets					
amount	61.1	(6.9)	22.9	2.2	5.6
percentage of plan assets	20.4%	2.8%	9.3%	1.1%	2.9%
Experience gains / (losses) on plan liabilities					
amount	(5.9)	4.2	-	0.4	(2.0)
Percentage of the present value of plan liabilities	1.9%	1.7%	0.0%	0.2%	0.9%
Total gain / (loss) recognised in statement of total recognised gains and losses					
amount	(8.1)	(2.8)	(0.3)	0.4	0.2
Percentage of the present value of the plan liabilities	2.6%	1.15	0.1%	0.2%	0.1%

15. Analysis of net assets between funds

Group	General funds £m	Designated funds £m	Restricted funds £m	Endowment funds £m	Total 2016 £m	Total 2015 £m
Tangible fixed assets	-	39.8	-	-	39.8	42.6
Fixed asset investments	44.5	-	-	0.5	45.0	34.0
Bank balances	8.5	-	-	-	8.5	9.5
Pension fund	(8.8)	-	-	-	(8.8)	(7.3)
Other assets and liabilities	17.5	-	4.4	-	21.9	30.9
	61.7	39.8	4.4	0.5	106.4	109.7

Notes to the financial statements for the year ended 31 December 2016

Charity	General funds £m	Designated funds £m	Restricted funds £m	Endowment funds £m	Total 2016 £m	Total 2015 £m
Tangible fixed assets	-	39.8	-	-	39.8	42.6
Fixed asset investments	45.0	-	-	0.5	45.5	34.5
Bank balances	7.8	-	-	-	7.8	8.4
Pension fund	(8.8)	-	-	-	(8.8)	(7.3)
Other assets and liabilities	17.4	-	4.4	-	21.8	31.3
	61.4	39.8	4.4	0.5	106.1	109.5

16. Notes to Cash flow statement

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

	2016 £m	2015 £m
Net income for the financial year	4.8	0.3
Investment losses/(gains)	0.5	(1.0)
Investment income	(0.7)	(0.9)
Depreciation	3.7	3.7
Net gain on disposal of tangible fixed assets	(0.1)	(0.2)
Increase in stocks	(0.1)	(0.2)
Decrease/(Increase) in debtors	8.8	(11.1)
(Decrease) in creditors	(0.5)	(0.8)
Pension fund non-cash movement	(6.6)	(6.4)
Net cash inflow/(outflow) from operating activities	9.8	(16.6)

Notes to the financial statements for the year ended 31 December 2016

Note 17 Comparative Consolidated statement of financial activities incorporating an income and expenditure account for the year ended 31 December 2016

	Notes	Unrestricted Funds £m	Restricted Funds £m	Endowment Funds £m	Total 2015 £m
Income from:	1				
Donations and legacies		83.1	12.2	-	95.3
Charitable activities		0.9	-	-	0.9
Other trading activities		6.6	-	-	6.6
Investment income		0.9	-	-	0.9
Other income – property gain		-	-	-	-
Total income		91.5	12.2	-	103.7
Expenditure on:					
Raising funds		40.5	-	-	40.5
Charitable activities					
Provision of guide dogs and other adult mobility services		47.9	7.1	-	55.0
Provision of other children's services		3.4	0.4	-	3.8
Research and development		0.5	-	-	0.5
Advocacy and awareness		4.6	-	-	4.6
Total charitable expenditure		56.4	7.5	-	63.9
Total expenditure	2	96.9	7.5	-	104.4
Net gains on investment assets		1.0	-	-	1.0
Net (expenditure)/income for the year		(4.4)	4.7	-	0.3
Other recognised gains and losses:					
Actuarial (loss)/gain on defined benefit pension scheme		(2.8)	-	-	(2.8)
Net (decrease)/increase in funds		(7.2)	4.7	-	(2.5)
Restated Fund balance at 1 January		111.6	0.1	0.5	112.2
Fund balances at 31 December		104.4	4.8	0.5	109.7

Major gifts and donations

None of our work is possible without the support of so many. We give our most sincere thanks to anyone who helped in any way during 2016. In particular, our special thanks go to the following donors.

Restricted Funds include (amongst others) the following grants.

Funder	Grant in respect of	Unspent at 31 Dec 2015 £	Incoming resources £	Outgoing resources £	Unspent at 31 Dec 2016 £
Big Lottery Fund Awards for all NI	Supporting Familles – NI	-	135,543	60,134	75,409
People's Postcode Trust Small Grants	My Guide Scotland	10,701	(10,368)	333	-
RS MacDonald Foundation	My Guide Scotland	-	18,667	18,667	-
Blind Children UK Department of Health Innovation Excellence and Strategic Development Fund	Children and Young People's Habilitation Service	-	97,740	97,740	-

We are also grateful to The Muriel Jones Foundation who gave us a donation to use in an unrestricted manner.



Thank you



Thank you

An enormous thank you to all our supporters who do amazing things to raise money to help us transform lives.

From cake sales and tea parties, to hula hoop dancing and sponsored dog walks, from marathon running and walking challenges, to parachute jumping and swimming in icy seas, to fancy dress competitions and quiz nights, our wonderful supporters are never short of fundraising ideas.

We are incredibly grateful for everyone's support.

Every pound raised makes a difference to the lives of people living with sight loss.





Get in touch

To apply for a guide dog or enquire about another service, or if you have sight loss and need advice about how we might help you,

please contact us:

www.guidedogs.org.uk
info@guidedogs.org.uk

