

Guide Dogs
Report and Financial Statements 2018

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Our challenge

Sight loss is life-changing. It can lead to depression, loneliness, high unemployment and financial insecurity.

There are around two million people in the UK living with sight loss, and this figure is expected to double by 2050.

But despite the devastation caused by sight loss, 70% of adults receive no support within the first 12 months of diagnosis.

At Guide Dogs we are determined to find new ways of reaching and supporting the increasing number of people living with sight loss, as well as their friends and families.

More than 30,000

Children and young people are severely sight impaired.

1 in 5

People aged 75 and over is living with sight loss.

43%

Of people who lose their sight go on to suffer depression.

2 million

People are living with sight loss in the UK and the number is set to double by 2050.

58%

The waiting list for a guide dog has grown by 58% since 2010.

Only 1 in 4

Blind or partially sighted people of working age is employed.

1 in 5

Children have an undetected problem with their vision.

360,000

People are registered blind or partially sighted.

250

People a day start to lose their sight.

46%

Of people have given up hobbies and interests because of their sight loss.

97%

Of guide dog owners face issues with street obstructions.

50%

Of people with sight loss feel cut off from people and things around them.

Message from the Chairman



Rising incidence of sight loss

More than two million people in the UK are estimated to be living with sight loss which is severe enough to have a significant impact on their daily lives. As we get older we are increasingly likely to experience sight loss: One in nine people aged 60 and older lives with sight loss, rising to one in five aged 75 and over. At the other end of the age spectrum, the number is also increasing due to more premature babies surviving with poor vision due to brain injury, even if their eyes have not been damaged by retinopathy of prematurity.

In addition, sight loss is strongly linked with medical conditions such as diabetes and lifestyle factors including obesity — the rates of which are both increasing. Of the 3.5 million people in the UK with diabetes, the majority will have developed some form of retinopathy within 20 years of being diagnosed. Together with an ageing population, this means that the number of people living with sight loss is set to double to over four million in the next 30 years.

Against this backdrop, the challenge is immense for Guide Dogs as we see increasing demand for the breadth of specialist services we provide, exacerbated by a continuing strain on public expenditure in providing sufficient support to allow those diagnosed with sight loss to live full lives.

Guide Dogs at the forefront of meeting the challenge

Our ambitious new five-year strategy, *By My Side*, documents our plans of how we intend to meet this increased demand, by expanding our service provision to reach and support many more of our beneficiaries over the years to come. This includes increased investment in our core guide dog service to reduce waiting times and the extension of our companion dog service to adults with sight loss which, in combination, will reduce the cost of each trained dog as we bring more of our puppies into service. Importantly, we want to help more people who either do not currently need or do not want a guide dog, so we are expanding our children and young people's services and our broader orientation and mobility provision.

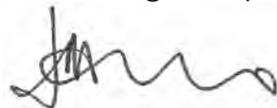
Investment in digital technologies is key to our strategy, allowing us to transform the way we deliver some of our services and interact with those who need us. Moreover, by working collaboratively with technology innovators, we will continue to play a pioneering role in making society more inclusive. One such programme in 2018 was our collaborative initiative with Microsoft, Pointr Labs and LNER (London North Eastern Railway). This complex project involved trialling new technologies with the goal of making rail travel truly accessible for vision impaired travellers.

More widely, with so much focus on the development of 'smart cities', our work with local authorities, the built environment, retail and travel and transport organisations is of great significance. We strive to drive social transformation by influencing planners in the design of the cities and services of the future to ensure they are inclusive and are designed with the needs of people with sight loss in mind.

Within the health sector, The Health and Social Care Transformation funding announced by the Department of Health in 2018 was welcome news. It presents Guide Dogs with opportunities to link with a wide range of health and social care professionals to help influence how high quality care and treatment for people living with sight loss can be delivered in the future, including referral pathways to our services.

Political uncertainty and an unpredictable economy are putting extra pressure on the charitable sector. Competition for donations remains high while demands on charities show no sign of decreasing. Fundraising is the lifeblood of our charity and to achieve our ambitious targets, the need to raise the necessary income remains key to providing more services. If we cannot raise the funding, we will have to scale back our plans.

Thank you to everyone who has supported Guide Dogs this year.



James Hambro
Chairman

Message from the Chief Executive



Launch of five-year strategy By My Side

In May 2018, I was delighted to launch our five-year strategy. Called By My Side, it sets out how we can best reach and support thousands more people living with sight loss than we do today.

The cornerstone of this strategy is to deliver more life-changing services – be that increasing the number of our wonderful dogs in service, or expanding and developing our Skills, Information and Support Services, some of which will be delivered online and by telephone.

Performance

I am proud of the progress we made in 2018. Highlights include supporting about 4,900 guide dog and buddy dog owners; growing our My Guide service by introducing a sighted volunteer guide to over 3,000 vision impaired people; helping at least 4,000 people with orientation and mobility skills; and a further 4,000 vision impaired children and young people. In addition, over 125,000 accessed advice online.

Apart from our work to support beneficiaries directly, we strived to make society more inclusive for everyone. Our campaigning work saw the Government announce a pause on new shared space schemes, recommit to tackling inconsiderate parking, and unveil £2 million of funding for audio visual announcements to be installed on all buses.

We will not see the growth in our current guide dog partnerships until we complete the investment in our future capacity over the next few years which will enable us to have more dogs in service by 2023. This is a planned situation while our strategic plans come to fruition while also reflecting the fact that more of our longer-serving staff

are reaching retirement age. As a result we are now recruiting many more trainees to complete the three-year training to become Guide Dog Mobility Instructors. We are also rolling out our new guide dog training method – Standardised Training for Excellent Partnerships (STEP) – to all teams, and investing in our property infrastructure.

We reviewed our current operating model of four guide dog training schools and 20 mobility teams located across the UK, and determined that by moving towards a model of eight regional centres – five in England and one in Wales, N Ireland and Scotland – supported by 15 community teams, we would be able to operate more efficiently and deliver a wider range of services.

We acquired RNIB's site in Bristol, progressed plans to redevelop our Redbridge and Leamington guide dog training schools, and began the search for a suitable site in the north east of England. These initiatives mean that we will be well placed to make a meaningful improvement to our current capacity, as well as reduce the waiting time for a guide dog.

We can only achieve our ambition if we have the income to support it. Thanks to the generosity of our donors and supporters as well as corporations, trusts and foundations, we raised £117.7 million in 2018. Expenditure totalled £106.3 million. The net income was £10.2 million.

During the first three years of our strategic plan, the surplus generated will diminish as the funds are used to develop the next generation of facilities and increase our capacity.

Our volunteers and staff

We could not provide our life-changing services without the remarkable support of our 16,000 volunteers and 1,500 members of staff. We thank all of you.

As we grow our services, we predict we will need 6,000 more volunteers by 2023. In 2018 we prepared the groundwork for our

volunteering strategy which sets out how we will continue to build loyalty, grow volunteer involvement in core areas such as fundraising and delivering frontline services, as well as how we will attract volunteers in new areas such as corporate volunteering and the youth volunteering market.

The media attention during 2018 on the charity sector highlighted cases of charities falling short of expected standards on issues such as safeguarding of vulnerable people, and diversity and inclusion. We are committed to ensuring the safety of our beneficiaries and in this regard, our staff and volunteers are given clear guidance on the standards of behaviour and conduct required of them at all times when they are in contact with beneficiaries and vulnerable groups. This guidance is regularly reviewed by the Board of Trustees.

Measuring impact

Throughout the year I spent much of my time meeting and talking to people living with sight loss, their families and those who love and care for them. Hearing first-hand about the impact our work is having on their lives is unquestionably gratifying. Whether it is a parent feeling more confident about their child's future, the joy of a person being partnered with a guide dog for the first time, or someone getting on with everyday life thanks to the support we have given them, I know our support changes lives.

Reflecting on 2018 I am proud of what we achieved but I know there is still much to do. We are always looking ahead, ready to explore new opportunities to make sure that those living with sight loss can feel independent, get the most out of everyday life and feel confident about their future.

I am so grateful to the thousands of people who believe in our work and give their time, expertise and money to support us. Thank you.



Tom Wright CBE
Chief Executive

Highlights of the year

Last year was incredibly busy for Guide Dogs. Here are some of our achievements and noteworthy moments from 2018 made possible by the hard work and dedication of our staff, volunteers and supporters.

Launch of 2018-2023 strategy

We launched our 2018-2023 strategy in May. Called *By My Side*, it sets out how we will reach and support more than 500,000 people living with sight loss by 2023.

Roll out of STEP (Standardised Training for Excellent Partnerships)

After a successful trial programme with four of our mobility teams, we began to roll out the standard use of marker training in conjunction with positive reinforcement, building on our expertise developed over nearly 90 years and on best practice from around the world. This is now leading to shorter training times and higher success rates, although in the short term it is reducing our output as we need to take staff 'offline' to train them.

Establishment of regional centres

We acquired RNIB's former property in Bristol, which enables us to increase our capacity to support significantly more people living in south west England.

Generating a surplus and building an investment pot

We plan to make a significant investment in future years to modernise our older regional centres and equip them with modern indoor training facilities. In generating a surplus in 2018, we are laying the foundations to start this work and to launch capital appeals in 2019 for the redevelopment of old sites at Redbridge and Leamington Spa which date back to the 1940s.

Success in influencing the Government's Inclusive Transport Strategy

The work of our campaigns team helped secure £2 million of funding for audio visual announcements to be installed on all buses.

Success of Donate an Hour for Guide Dogs Week

Nearly 1,000 supporters donated an hour of their time in October for Guide Dogs Week at collections and events as well as organising hundreds of fundraising activities, and demonstrated that giving a little time can make a big difference.





Partnership with People's Postcode Lottery

In 2018, players of People's Postcode Lottery raised significant funding for Guide Dogs, launching our long-term relationship. The funding is supporting a litter of nine guide dog puppies from birth, through training, their working lives as guide dogs and finally in retirement. The funds also contributed to three new programmes under development.



Points of Light award honouring outstanding volunteers

Guide dog owner Amit Patel received the prestigious Point of Light award honouring volunteers who are making a change in their community. Amit won for using his experience with guide dog Kika to challenge public attitudes towards disability.



10,000th puppy born

Our 10,000th puppy was born since the National Breeding Centre opened in 2011. We named him David after David Walliams, the popular actor, comedian, presenter and author. David has supported our large print books for children with sight loss, so this was the perfect way to show our appreciation.



Collaboration with Jaguar

We were excited to collaborate with Jaguar on the launch of their new electric vehicle – the I-PACE which is fitted with an Acoustic Vehicle Alerting System – meaning these cars can be heard by people with sight loss, unlike other electric and hybrid vehicles which are often silent.

People Awards recognises outstanding contributions

In November we recognised the incredible achievements of our staff, volunteers, guide dog owners and other beneficiaries, at our People Awards in our Atherton Training School, Manchester. Maggie Moore won the Inspirational Guide Dog Owner of the Year award.

Meeting hero Marcus Rashford

We made a dream come true for football-mad and buddy dog owner Rainbow. We arranged for him to meet his hero Manchester United and England player Marcus Rashford. Marcus said he looked forward to seeing Rainbow play for the England Blind Football team in the future.

Celebrating 60 years of Blue Peter

For many, guide dogs are synonymous with Blue Peter, and last year Calum and guide dog Iggy helped celebrate the programme's 60th anniversary.

75th anniversary of Forward

Guide Dogs' magazine Forward began as an annual publication in 1943. Since then, both the magazine and Guide Dogs have been through many changes. What remains the same, however, are the inspirational, heart-warming stories of all our beneficiaries.

First Christmas Wishes concert hosted by Aled Jones

We held our first Christmas Wishes concert in Coventry Cathedral with a packed programme of special guests and performances. It was a chance to celebrate the wishes and dreams that we were able to make real in 2018 for people living with sight loss.

A STEP change

In 2018, we continued the test phase of our Standardised Training for Excellent Partnerships (STEP) training model.

This new way of training our dogs accelerates learning, and makes for happier, more confident dogs. Plus, it takes 20% less time on average using the STEP method.





Guide Dogs has been training dogs since the 1930s and ever since those early days we have continuously evolved our techniques in line with improved knowledge and research.

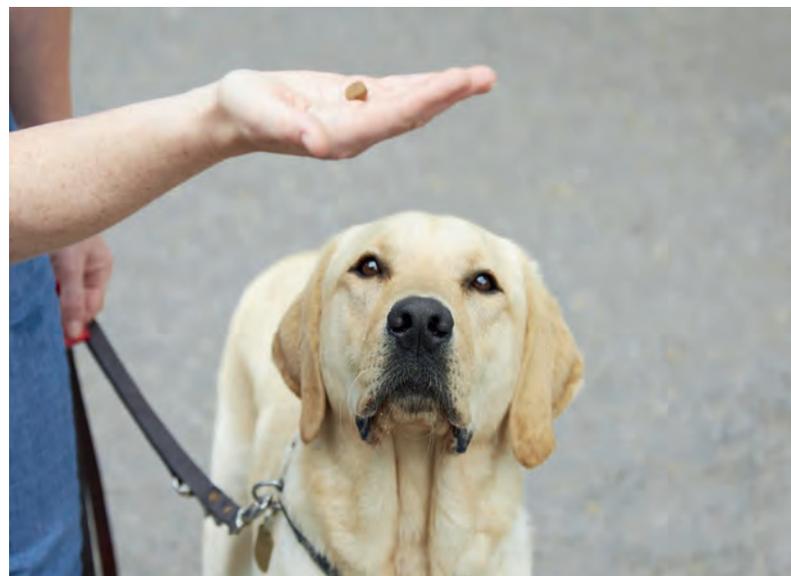
Positive reinforcement training – where a dog is rewarded for behaving correctly – has long been a key component of our training methods and is integral to our Standardised Training for Excellent Partnerships (STEP) programme.

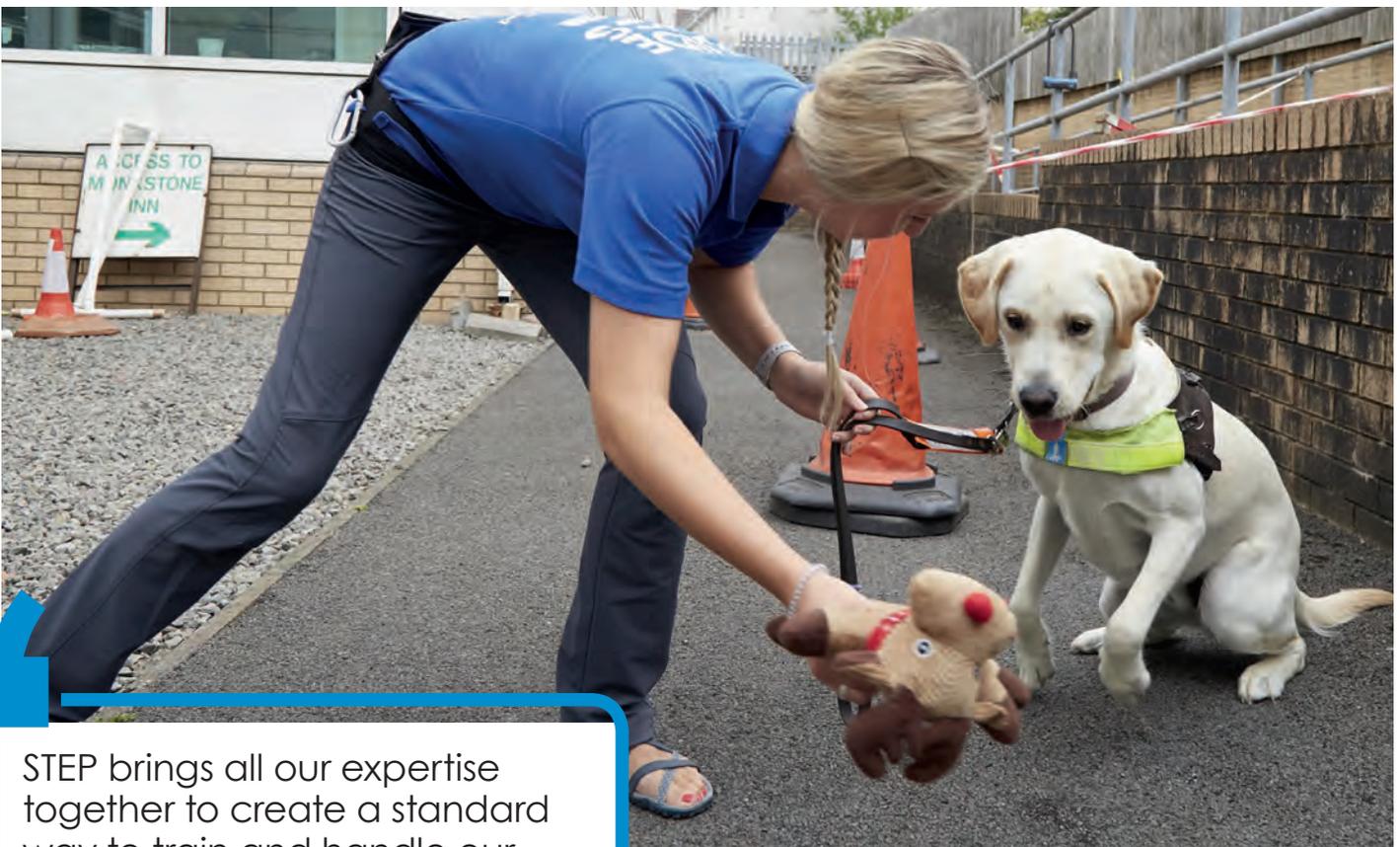
STEP brings all our expertise together to create a standard way for staff, volunteers and guide dog owners to train and handle our dogs. Tasks are taught in dog-friendly 'steps', building the unique bond of trust to produce dogs who are relaxed and engaged with their work.

How does STEP work?

STEP uses marker training to improve communication with our dogs and help them be more relaxed and engaged.

STEP takes a holistic approach to training so the dog has a consistent experience with every person it works with. We also adapted the training we give to our guide dog owners so that they are better equipped to solve problems and progress their dog's training further.





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Results

In 2018 the four community teams who began trialling STEP rolled out the programme in their areas. They immediately saw the benefits of using this model – for the dogs, staff, and for guide dog owners. Guide dog owner Nicola says:

“I trained with my new dog Willow using STEP. We trusted each other really quickly and I think that was down to the structure of the training. It's made the whole process quicker, less stressful and a lot more rewarding for both of us... I have a two-way conversation with my dog. It's given me the knowledge to carry out training on my own and solve problems if they come along.”

Six further teams will start the programme in 2019. To support this expansion, we will recruit more STEP trainers, and the whole organisation will complete an eLearning module.

Many people are not aware of the scale and magnitude of our guide dog operation. At any time, we are responsible for more than 8,000 dogs – at all stages in their lives.

During an average year we are responsible for around:

370 dogs who are breeding stock.

1,350 puppies who go on to puppy walking – the first stage in their training.

950 dogs who go on to advanced training.

25 dogs who go to other assistance dogs' charities.

In 2018, we supported:

4,756 guide dog partnerships.

144 buddy dogs.

800 dogs who are enjoying their retirement.

Dedication. Passion. Inspiration.



Every day we see countless examples of the dedication and passion of our wonderful staff and loyal community of volunteers, working tirelessly to transform lives.

At the same time, we are continually inspired by the extraordinary children and adults we support who show determination and resilience in overcoming obstacles. They are proof that sight loss should not be a barrier to leading an independent and full life.



Anna's story

15-year-old Anna was born without eyes, but she has not let this hold her back. She excels at school, has taught Braille to children in Nepal, and is an inspiration to us all. This is her story.

In her early years, Anna was supported by her local authority in Blackpool and given training in orientation skills and use of a long cane, but this was limited to school time only. When Anna was 11, the local authority contacted Guide Dogs in the hope there could be additional support available.

Anna's determination to be independent

In 2015, Anna – who now wears prosthetic eyes - met Guide Dogs Habilitation Specialist, Emma. What struck Emma immediately was Anna's desire not to be treated differently to anyone else. "Anna always wanted to be independent," says Emma, "and she didn't want to let vision impairment get in her way. We set about learning routes – beginning with the journey to and from school, which built her orientation, memory and concentration skills.

"Anna wanted to be with her friends and do what they did, so we soon progressed to learning the routes to the local café and to the fish and chip shop so that she could bring tea home for her mum and brother. And as a top student with her classwork, Anna soon learned the route to the library so that she could listen to audio books."

While Emma and Anna were working together, Guide Dog Mobility Instructor, Nichola joined them to assess if Anna might be suited to a guide dog.

"I could see that Anna really wanted to be as independent as possible, and that a guide dog might allow her to do this — if she could learn some more skills such as new routes and how to handle and be responsible for a dog," says Nichola. The search for a suitable dog began!

Travelling halfway across the world to Nepal

Excelling in every aspect of school life, in June 2018 Anna was one of six students to be selected as a school ambassador to go on a 10-day trip to Nepal, to work with children in Kathmandu. The other ambassadors taught English, and Anna taught Braille.

"The trip to Nepal was an incredible experience," says Anna. "The confidence that Guide Dogs helped me build up and the skills I gained through working with Emma made the 17-hour journey possible and stress-free. I really enjoyed working with children in Kathmandu, but feeding and washing the elephants in Chitwan National Park was by far the highlight of the trip.



Meeting guide dog Venice

“Shortly before the trip to Nepal my mum got a call from Guide Dogs letting her know that there was a potential match for me! The dog is a five-year-old black labrador called Venice. I went to meet her a few times to make sure we were right for each other.

“Venice has a cheeky and mischievous streak, but when the harness is on, she knows it's time to work. Every morning she's ready to go to school with me and patiently waits next to my desk for the class to finish. We make a great team and have developed a strong bond. She guides me around obstacles and the days of bumping into things are long gone – I trust her immensely.

“One morning the main gate to school was shut and I didn't know where to go – I asked Venice to find the door and she safely guided me to the right entrance! Nichola still works with me to learn and practise different routes in the local area and use the commands I know in various orders.

“I'm very excited about what's to come for Venice and me!

“Even though I have been partnered with a guide dog, I still regularly meet with Emma, to learn independent living skills. We will soon start learning how to use a microwave and cook different meals.

“I've come a long way with my independence and confidence since I started working with Guide Dogs, but I know this is only the beginning!”

I'm confident using my cane, but have so much more independence thanks to Venice. I no longer feel I need to rely on others to go places. She's an amazing guide and friend!



Maggie - Inspirational Guide Dog Owner of the Year

Our guide dog owners are often the biggest force for change. None more so than Maggie Moore who took the initiative to set up a guide dog movement in Turkey.

Broken pavements, dangerous street furniture and drivers who don't give way to pedestrians added to the enormity of the task.

When Maggie's husband, Richard, was posted to Turkey as Britain's Ambassador, Maggie and her guide dog Star naturally accompanied him. Arriving there they were shocked to find that there were no other guide dogs in Turkey.

Maggie set out to encourage the public and diplomats from several countries to investigate the possibility of starting a guide dog programme in Turkey. Planning such a significant venture in a country with no previous experience of guide dogs was a daunting task when you consider there are no access rights for guide dogs or disabled people, and most towns and cities are plagued with street dogs.



No fundraising schemes, no instructors, no guide dogs in Turkey

Maggie had a huge challenge ahead of her. There was nothing in place: no puppy walkers or dogs identified with the right qualities to become guide dogs, no Guide Dog Mobility Instructors and no fundraising schemes. Add to this a street environment that is positively hostile to disabled people, broken pavements, unguarded building sites, dangerous street furniture and drivers who have no intention of giving way to any pedestrians, and you can understand the enormity of the task.

Inspiring others

Maggie started by inspiring the diplomatic community, especially those with knowledge of guide dogs from their home countries, to support her in starting a guide dog programme.

Several puppies started their guide dog careers in the embassies of Holland, Australia, Ireland and elsewhere.

Maggie worked so hard to encourage people to volunteer to help her get the programme set up. There were difficulties along the way but Maggie never wavered in her determination. She remained focussed, never losing sight of the end goal.

By the end of her four-year term in Turkey in December 2017 Maggie had established a fundraising structure, plans for a breeding scheme, a thriving puppy walking programme, a Turkish-led volunteer committee, two trainers with several dogs in training and two working guide dogs.

Her sheer determination and hard work earned her the title of Inspirational Guide Dog Owner of the Year in 2018.



Changing more lives

We are best known for partnering vision impaired people with guide dogs but our work encompasses so much more.

For example, our sighted guide service, My Guide, helps thousands of people each year get out of their homes and take part in everyday life.

Agatha, who started losing her sight 20 years ago, explains how being partnered with My Guide volunteer Hannah has enriched her life.

Retinitis pigmentosa diagnosis

Agatha, a former theatre employee, was in her early 40s when she started having trouble seeing on darker evenings. She was diagnosed with retinitis pigmentosa. The symptoms vary but, in Agatha's case, it gives her limited central vision with no peripheral vision.

Giving up the things she loved

Nearly 20 years later, Agatha has had to give up driving her beloved sports car as her vision got worse. She has experienced many difficulties using public transport by herself and avoids going out at night.

Agatha also deeply misses being able to see the bright colours she loves, so she uses a colour scanner to help her pick out clothes and shoes, and label matching items. Despite this, she's determined not to let sight loss prevent her doing the things she enjoys.

The turning point – meeting My Guide Hannah

The turning point was when Agatha contacted Guide Dogs in 2017, after her brother suggested that she apply for a guide dog to help her get out more. Justin from our London Community Team visited her to understand her needs and explain the ways we could support her.

Agatha recalls: "The reality is, I wasn't sure if a guide dog was for me, but I was surprised to discover Guide Dogs also offers the My Guide service. I really liked the concept of a sighted guide coming around every couple of weeks to take me out.

It all happened far quicker than I expected. I was matched with My Guide volunteer Hannah within a month."

Their first meeting was a great success and the rest is history!

"What interested me about Guide Dogs is that it's bigger and broader than just providing a guide dog for someone," says Hannah. "I loved the idea of the social interaction and knowing I could make a real difference to one person's life."

Agatha and Hannah's story



Life takes on new meaning

Hannah visits Agatha every fortnight. They visit the cinema together, go clothes or jewellery shopping, and chat over lunch. With Hannah by her side, Agatha is now more confident to travel on buses and trains.

Agatha says: "The first time Hannah and I met, we hit it off straight away as we have so many interests in common, from football to politics. She also introduced me to a few shops that I didn't know about, as we both love a bargain.

"The My Guide service has enriched my life – I wouldn't be able to go to so many places if it wasn't for Hannah. She never makes me feel self-conscious about my lack of sight and I love her to pieces!"

Hannah has found the experience equally rewarding and says she's learned a lot from her newfound friend. She says: "When we're together, Agatha likes to hold my arm, but she values her independence and doesn't let sight loss stop her from leading a full life. She's an inspiration."



Paul's story



Only one in four blind or partially sighted people of working age is employed. This alarmingly low statistic is partly due to a lack of understanding from employers about adjustments that can be made in the workplace to enable vision impaired staff to give their best.

Oxfordshire resident Paul was diagnosed in 1980 with choroideremia, a condition characterised by progressive vision loss, tunnel vision and a decrease in the ability to see details.

Paul began working as Team Supervisor in the Highways Enquiries Team, Oxfordshire County Council in 2011. His sight continued to deteriorate – travelling by bus became more and more difficult as did navigating around people and obstacles in the workplace itself. In 2013 we successfully matched him with guide dog, Molly.

A guide dog in the office

Not only did Paul have to contend with deteriorating sight, he also had the challenge of introducing a working dog to an office environment.

“If you are severely visually impaired, the challenges in the workplace are not always obvious to the employer or even to me,” says Paul. “Guide Dogs visited my office and spoke to the team about how they could support me.

“For example, they suggested my desk should be at the end of the row with enough space around it to accommodate Molly. They explained the ‘do’s and ‘don’t’s’ of having a guide dog in the office, making it clear that Molly was not a pet asking to be stroked – despite her cute expression suggesting otherwise!

“They also helped me get to know my office better and the routes around it. And when there is a significant change to the office environment, or new colleagues join, it’s invaluable to know Guide Dogs is on hand to carry out a refresher session.”

Paul’s manager, Dave Clack, says: “Guide Dogs helped our team to understand workplace protocol around guide dogs. Because of this initial training, we have included it in our induction process for all staff so they’re aware of a guide dog’s role and the proper behaviour towards Molly.

“We have all benefited from having Molly in the room and we all now have a much better awareness of the needs of people with visual impairments and the support that we can give them in the workplace.”



Paul and guide dog Molly with Guide Dogs Diversity and Inclusion Champion Joel Young



Guide Dogs positively promotes inclusive workplaces and offers training and expert advice to help organisations better support employees with sight loss.

Inclusivity in the workplace

Guide Dogs Diversity and Inclusion Champion Joel Young says: "The support of Oxfordshire County Council has been invaluable to Paul. They allowed him time off to learn routes to and from work as part of his guide dog training.

"An inclusive workplace enables a diverse range of people to work together effectively, where everyone feels valued and is able to perform to their full potential.

"Often reasonable adjustments need not cost a lot and generally simple solutions are the best. That's why it's vital we raise awareness with businesses and their employees of the support available to them."

With our help and advice, guide dog owner Paul's employers now have a much better awareness of the needs of staff with vision impairment.

Reasonable adjustments employers can make

- Provide sight loss awareness training to recruiting managers.
- Before a vision impaired person joins the organisation, discuss with them what adjustments in the workplace they would find beneficial.
- Offer sighted guide training to colleagues who work closely with vision impaired staff.
- Consider where a person with a guide dog could sit. Ensure there is enough space surrounding the desk to ensure the dog is comfortable.
- Consider removing the need to hold a driving licence in the person specification of a recruitment advertisement.

Helping children

to reach their potential



There are around 30,000 children and young people with vision impairment in the UK and many are not getting the support they need. Their parents often find it difficult to envisage a future for their child.

Ethan's story

Ethan's mum noticed a deterioration in his vision when he was just five years old. He was diagnosed with a brain tumour on his pituitary gland and optic nerve and then had to endure 18 gruelling months of chemotherapy.

Between hospital appointments, Ethan worked with the local authority to learn long cane skills. Once he had learned specific routes, he was introduced to Guide Dogs Habilitation Specialist, Emma who assessed his suitability for a guide dog. "It was a pleasure to work with Ethan," says Emma. "I could see he was a quick learner and had developed impeccable cane skills."

Introducing a guide dog called Chaz

With little remaining vision, Ethan felt unable to go out with his friends and his confidence was low. But all that changed when Guide Dogs Mobility Instructor Nichola introduced him to Chaz – a gentle, sweet-natured black labrador.

"Ethan is an extraordinary person – he does not feel sorry for himself and takes all his setbacks in his stride."

"I was sure that a guide dog would help him to be independent and would also boost his confidence." says Nichola.

Ethan's hard work paid off when he began learning routes with Chaz.

Nichola explains: "After we helped Chaz settle into his new home we turned our attention to school life. There is often a lot of noise in schools which can be stressful for guide dogs.

"Chaz initially struggled to adapt to the clapping in assembly each morning," says Ethan, "but with Nichola's help, he soon mastered that. Then, we went on to learning the routes around school."

Ethan is very close to his great grandma and grandad, and one of the first routes he was determined to learn was the route to their home. "Watching the pride on Ethan's face when he walked down the street with Chaz is something I will never forget," says Emma.



Selected as deputy head boy of his school

With Chaz by his side, Ethan began to socialise with his friends. If this wasn't reason enough to celebrate, Ethan put himself forward to be the deputy head boy of his school. He was interviewed by the head teacher and had to make a speech to his peers, after which they were asked to vote for their favourite candidate. After successfully completing all the stages Ethan was offered the role of deputy head boy.

Nichola says: "Throughout everything Ethan has had to endure, he has remained polite, positive and motivated where it would have been easy to become disheartened. He has been a pleasure to get to know and I have no doubt Ethan and Chaz will achieve great things together."



Caitlin's story

Caitlin Leigh is no ordinary teenage girl. Her two passions in life are music and judo – she has written and performed her own songs to hundreds of people and has her own YouTube channel.

And she has been invited to train with the British judo visually impaired team as part of the Para-Potential Programme.

Surprisingly, Caitlin also has a severe vision impairment – she was born with congenital glaucoma and underwent almost 50 operations in her first five years. Her mum Claire vividly remembers the day Caitlin was diagnosed: “It was completely unexpected – and when she had major surgery at only five days old, it was really frightening.”

Feeling excluded

Growing up with a serious vision impairment hasn't been easy. Starting school was particularly challenging as she lacked the confidence to join in with activities, and it was time consuming to get lesson materials adapted. “The kids in primary school treated me differently,” she says. “I didn't get invited to sleepovers or to go out with them because their parents felt uncomfortable and didn't know what to do.”

Guide Dogs was appointed by the local authority to support Caitlin from the age of five, starting with using mental mapping to find her way around school, and eventually progressing to long cane training. We also provided CustomEyes® books so she could read her favourite stories in large print.

She avoided going to busy places and meeting up with friends. So I helped her come to terms with her sight loss and realise she can still do things other teenagers do – she just has to do them in a slightly different way.

Claire says: "It wasn't until Guide Dogs became involved with Caitlin that we realised how much more they could offer than just the guide dog. We've been to their family experience days and they've made us aware of additional education support that Caitlin could receive. They really have been a lifeline."

Performing in front of 300 people

Caitlin developed an interest in music and judo from an early age. She loves writing songs and playing piano as a way of expressing her feelings and thoughts, and the highlight was performing in front of 300 people at her music school. And she's just as happy competing in judo contests against both sighted and vision-impaired opponents. Caitlin won gold at the first national visually impaired judo competition in London in 2018 and, one day, she hopes to compete at a Paralympic Games.

Claire smiles and says: "People can't believe how much drive and determination Caitlin has – she just wants to have a go at everything."

Despite this, as Caitlin reached her teenage years she was still experiencing confidence issues, and needed some extra support to develop her independence. Luckily, help was at hand from Guide Dogs Habilitation Specialist, Emma.

Rising confidence

Emma explains: "When I first met Caitlin she was self-conscious about using her cane and wasn't taking it out with her. She avoided going to busy places, going out in the dark, and meeting up with friends. So I helped her come to terms with her sight loss and realise she can still do the things other teenagers do – she just has to do them in a slightly different way."

Emma and Caitlin have been practising cane training on the walk to her music lesson once a week, as well as travelling into town to meet friends. This includes using zebra crossings and identifying landmarks to help orientate herself. "In the school holidays we work on independent living skills such as baking, using an oven, and washing up," Emma adds. "These are just some of the skills Caitlin will need as she gets older."

Caitlin says: "I definitely feel more confident since I started working with Emma. I wouldn't have gone out at night if it wasn't for her. And the mobility skills have helped improved my judo performance too."





I have no vision and hate walking into the road with my guide dog, but when there is a car parked on the pavement, I have no choice.

Campaigning. Influencing.

Breaking down

barriers.

Guide Dogs strives for a world where guide dog owners and people with sight loss feel fully able to participate in society. We campaign on issues such as pavement parking and inaccessible street design, and work directly with influencers and politicians to give people with sight loss better access to public transport, town centres and other services.

In 2018, we:

- Campaigned for the issue of unsafe pavement parking to be brought back onto the Government's agenda; further progress on this issue was made in Scotland.
- Lobbied at local and national level to prevent guide dog owners being illegally refused access to minicabs and taxis.
- Called for inclusive street design which achieved cut-through with policy makers.

78%

Of MPs considered Guide Dogs effective at campaigning, and rated our stand at the political party conferences the most impressive of any charity exhibiting.

Campaigns Ambassadors

In 2018, we launched our Campaigns Ambassadors programme. We worked with 14 guide dog owners and volunteers to upskill them in campaigning techniques. They got involved in everything from writing campaign emails and blogs, to acting as spokespeople on national news, meeting MPs, and petitioning on the streets.

Our Guiding the Future young campaigners group launched its first campaign, 'In The Bag', calling on shops to improve their support for blind and partially sighted customers.

We could not have achieved any of our campaign successes in 2018 without the support of our network of volunteer campaigners who took 30,450 campaigning activities for us. From signing petitions and sharing posts on social media, to writing to their MP and collecting signatures on our behalf, our volunteer campaigners help us to drive change.





Clutter Street

Unsafe pavement parking

To raise awareness of the dangers of pavement parking, we created 'Clutter Street' – a real-life streetscape with street clutter and a life-sized car parked on the pavement, and installed it in Parliament's Upper Waiting Hall. We lobbied 156 MPs, calling on them to change the law on pavement parking, and delivered thousands of personal messages to them from their constituents.

Open letter to Downing Street

We toured Conservative, Labour, Liberal Democrats and SNP party conferences with our '(Un)Fairground' exhibition stand – with a game of whack-a-mole – which highlighted the problems with councils' existing powers to control pavement parking. One MP commented it was 'the most impressive exhibition [they'd] seen'.

Our campaign was covered by Sky News, The Times and Channel 5 News as we challenged the Government's 1,000 days of delay in taking action to tackle pavement parking. We delivered an open letter, signed by 19 other organisations and over 17,000 supporters, to Downing Street. This continued pressure pushed the Government to review the issue, and we currently anticipate its published research.

Preventing access refusals to minicabs and taxis

We are concerned about the rising number of taxis and minicabs refusing entry to guide dogs and other assistance dogs. In the last year, 75% of assistance dog owners told us they had been refused access to a taxi, private hire vehicle, shop or restaurant because of their dog.

We toured the country in 2018 with our Access All Areas campaign, including the Institute of Licencing Taxi Conferences and the Local Government Association conference. The purpose was to engage with councillors and licencing officers, calling on them to adopt our policies to prevent access refusals for guide dog owners.

Nearly 2,000 supporters completed our Access All Areas quiz and sent letters to their MPs highlighting why they want action on access refusals.



Exhibition stand with 'whack-a-mole'



Fundraising to improve lives

A heart-felt thank you to everyone who donated to Guide Dogs, fundraised for us or supported us in other ways during 2018.

Our supporters have ensured we can continue to provide our life-changing services, develop new ways of supporting people with sight loss and campaigning for their rights.



In this difficult fundraising environment, fuelled by fears over Brexit and changes to data protection legislation, Guide Dogs' fundraising performed well in 2018. Fundraised income rose by £9 million to £114.3 million.

Gifts in wills

Gifts in wills are our biggest source of income. We raised over £47 million in 2018 from donors who left us a gift in their will. Gifts in wills enable us to continue to improve and develop our services and undertake innovative, wide-ranging programmes to help transform the lives of people living with sight loss every day.

Committed giving

Regular donations from individual supporters enable us to plan for the future, helping us to meet the growing need for our services. One of the most popular ways to make a regular donation is to sponsor a puppy. Through regular updates, donors can follow the journey of some of our pups as they progress through training to become working guide dogs.

A growing number of supporters enjoy playing our lotteries or taking part in our prize raffles, which together raised £7.3 million in 2018.



Philanthropy and Partnerships

We work with companies, trusts, foundations and individual philanthropists to raise vital funds and support for Guide Dogs, enabling us to transform lives every day. In 2018, we began a new relationship with the players of People's Postcode Lottery. The funding is supporting a litter of nine guide dog puppies from birth, through training, their working lives as guide dogs and finally in retirement. The funds also contributed to three new programmes under development. We secured our Charity of the Year partnership with Toyota GB for a third year. We saw continued growth from our trusts and foundations portfolio and aim to develop and expand our relationships further in 2019.

We also received generous and significant support from many individual philanthropists who are committed to Guide Dogs' vision, purpose and values. In 2018 we reviewed

our philanthropic programme and the recognition opportunities we are able to offer individuals, and look forward to significantly expanding this area of work in 2019.

Fundraising in the community

We are indebted to the passionate and dedicated volunteers in our 442 local supporter groups, who do so much to raise awareness of our work and raise funds in their local communities.

Through their tireless work, our established fundraising events such as Guide Dogs Week and the Great Guide Dogs Tea Party – and the thousands of people who took part in an array of sporting challenges – we raised £8.5 million in 2018.

The local groups organised close to 2,900 collections and in 2018 for the first time, we introduced contactless payment, making it easier than ever to donate to Guide Dogs.





Transforming

tomorrow's train journeys

Travelling by rail can be a stressful experience. Difficulties in finding the platform, their allocated seat, the onboard facilities or the correct side of the train to alight from, are just some of the challenges vision impaired travellers face.

We work in collaboration with others to influence the design of technology solutions to help shape the future of rail travel.

In 2018, we led a research programme to trial a technology solution that would help vision impaired travellers navigate their way through a mainline station as well as onboard the train, and in so doing, greatly enhance their travel experience.

The research

In 2018 we partnered with Microsoft, Pointr Lab and LNER (London North Eastern Railway) to demonstrate how Microsoft's Soundscape technology and Pointr Lab's indoor location solution could improve the travel experience of people with sight loss.

The trial involved eight vision impaired volunteers making an end-to-end journey from London Kings Cross station to Peterborough station.

They began their journey outside the station, then navigated their way to the platform and found their seat on the train. Once on the train, they had to understand the layout and the facilities offered on board the train. Finally, they had to get off the train and find the exit at Peterborough.

Participants were observed during the journey and interviewed afterwards to evaluate their travel experience.

The technology solution – outdoor and indoor navigation

- Microsoft Soundscape is a technology app that enables people to explore the environment around them through a 3D audio experience. It is a wayfinding experience designed for **outdoor** navigation.
- **Indoor** navigation needs to be treated differently to outdoor navigation due to its enclosed, concentrated environment. There needs to be a greater level of precision to ensure safety.
- Pointr Lab's **indoor location** solution enables users to find points of interest in an indoor environment, share locations, independently navigate and become orientated.

The participants' conclusions

All participants understood how the technology could benefit them while travelling and all agreed there is clear potential to improve wellbeing and enhance the traveller's experience. Using the technology:

- Provided more information which helped them to map their location and gave them more choices related to their travel.
- Allowed them to carry out mental mapping with a lot less 'strain on the brain'.
- Enabled them to identify a point of interest, which helped them work out where they were.
- Made it easier to master the layout of a big station.

What next?

We are excited by the results of this research and hope it will be a catalyst for further development and research into how technology can play a part in achieving a more inclusive and accessible transport system.

We hope in the future this innovation will empower and encourage more vision impaired people to travel by rail, increase their wellbeing and confidence.

**Tom Wright, Guide Dogs
Chief Executive**

Investing in our future

A close-up, profile view of a man with short brown hair, wearing a dark blue quilted jacket and white earbuds. He is smiling broadly, showing his teeth, and pointing his right index finger upwards. The background is a soft, out-of-focus natural setting.

We are best known for the essential partnerships we create between people and their guide dogs and this will always be at the core of what we do. But we do so much more.

**By My Side strategy:
Over the next five years, we aim to develop and expand our range of services so we can help thousands more people with different needs feel confident, get the most out of everyday life and look to a positive future.**

Many people are unaware of the complexities and differing needs we cater to. From babies born with serious eye conditions, to people becoming severely vision impaired in adulthood, to octogenarians gradually losing their sight over time, their needs are many and varied.

The following seven programmes will enable us to achieve our By My Side five-year strategy and support half a million people by 2023.

1. Provide more services for our customers

Person-centred planning

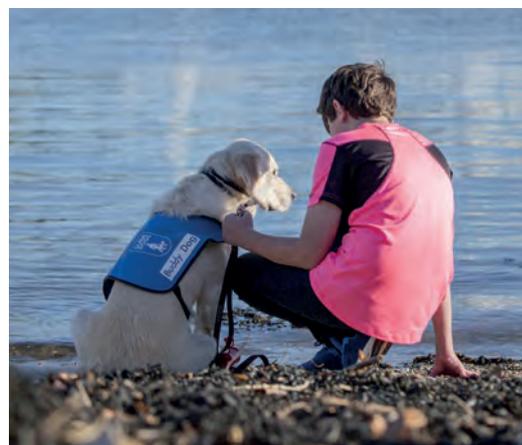
Our person-centred approach aims to empower more people with low vision or blindness, and their family and friends, to function well in a highly visual world, by ensuring they have the skills, information and support they need, at every stage in their life. Whatever their need, it all starts with a person-centred plan. We work to create an action plan together that will support them to achieve their ambitions throughout their lifetime.



Canine services

We aim to increase the number of working guide dog partnerships to 5,400 by 2023, up from 4,800. We will do this by recruiting more Guide Dog Mobility Instructor trainees each year, improving the training we give to Puppy Supervisors and Puppy Walkers and completing the rollout of our Standardised Training for Excellent Partnerships (STEP) training model.

In addition, our objective is to help more people with vision impairment by using some of the puppies we breed each year who are unsuccessful in their training as guide dogs, in a broader range of roles. These may include **buddy dogs** (for children) and **companion dogs** (for adults) that can help build confidence and self-esteem but are not trained to provide tasks, as required by assistance dogs.



By 2023, we aim to have 7,000 dogs in service.

Skills, Information and Support Services

We are less well known for our Skills, Information and Support Services but if we are to significantly expand our reach and cater to differing needs, growing and developing these services is essential to our strategy.

This group of services includes our already-established sighted guide service, My Guide, our children and young people's services, and our advice and support services. In 2019, we will lay the foundation for our online advice service — an interactive information service which will answer questions in real time.



2. Develop UK-wide regional centres to support our community-based network of experts providing life-changing services

Over the next five years, this programme will invest in the Guide Dogs' estate to modernise our older training facilities at Redbridge and Leamington Spa, and grow our capacity with new centres in Bristol and Leeds. Our new network of facilities will:

- Be accessible to people with sight loss and incorporate best practice inclusivity and technology standards.
- Be fully equipped for our standardised training methodology (STEP).
- Be located in areas where we can create opportunities to engage volunteers and local communities.

- Offer the best-in-class accommodation for dogs-in-training and incorporate our increasingly prevalent model of boarding our dogs-in-training with volunteers.
- Provide inspiring places for our teams to deliver Skills, Information and Support Services.

3. Raise awareness of our work

We know from research that awareness of Guide Dogs is dropping and that vision impairment as a charitable cause is one which the public does not find as engaging as other causes. We want to get people to think differently about sight loss and to build emotional engagement. A heightened awareness of our work and our cause will help us reach more people with sight loss, recruit more volunteers and supporters, and increase our income.

4. Transform how we use technology

We will invest significantly in our technology infrastructure to help the organisation operate more efficiently. This includes introducing a single database and developing new digital platforms that will be more engaging and user-friendly to our supporters and beneficiaries.



5. Make sure our volunteers and staff feel supported and engaged

Volunteers are an integral part of our strategy. Without their dedicated support, we will not be able to provide our life-changing services. As we expand the support we offer, we predict we will need 6,000 more volunteers by 2023.

Our volunteering strategy will launch in 2019 and details how we will:

- Ensure volunteers have consistently enjoyable and rewarding volunteering experiences by improving training and communications, and recognising their skills and expertise.
- Attract volunteers from diverse backgrounds to better reflect the different communities we serve.
- Appeal to volunteers in new areas such as corporate volunteering and the youth volunteering market.

6. Improve our performance by becoming more efficient and productive

We will ensure Guide Dogs is truly efficient, utilising technology to free up resources and improve the way we deliver our services. This will include the use of robust and centralised data to inform decision-making, ensuring we always follow best practice and make every pound count.

7. Grow and diversify our income

With an unpredictable fundraising environment likely to remain in the short term, we will work hard to diversify our income by raising money from different sources. We will continue to develop and enhance the supporter experience across our legacy, Sponsor a Puppy, regular giving and lottery programmes. We will work hard to engage new audiences by increasing our digital reach and developing fundraising initiatives to appeal to new audiences, to help generate awareness of our growing range of services for people with sight loss.

Our Philanthropy and Partnerships team will continue to build its Corporate Partner, Major Donor and Trust and Foundation portfolios and will launch a private capital appeal in 2019 to support our major building development programme.

We will strengthen our supporter group network through more recruitment campaigns such as Donate an Hour, Guide Dogs Week, The Great Guide Dogs Tea Party and Fundraise-for-us initiatives.



Our capital appeal

In 2019, Guide Dogs will initiate a capital appeal to support our programme to develop our regional centres across the UK.

The appeal will seek support and funds to build a number of new regional centres in locations in the south east, the midlands and the north east.

It will also raise funds to re-develop existing locations across the Guide Dogs network. Each re-developed location with improved facilities will enable us to provide more life-changing services and reach more people with sight loss, their families and their communities.

We believe the regional model will significantly enhance our impact in the sight loss community and we will be seeking support from all people and organisations connected with Guide Dogs now and in the future.

Financial performance

In 2018 net income totalled £10.2 million (2017: £2.1 million). Net Movement in funds was £9.6 million (2017: (£7.1 million)).

Our continued focus on sustained income growth and achieving greater cost control means that we have delivered a strong set of financial results for 2018, that will go towards supporting the delivery of our By My Side Strategy.

Income

Income totalled £117.7 million in 2018, up £9.0 million (8%) on 2017. The major elements of our income are as follows:

- Community fundraising income was £8.5 million in 2018, £0.1m (1%) higher than 2017.
- Donor-based income includes all types of income that are made on a voluntary basis. It comprises our Sponsor a Puppy product and cash appeals. Income was £46.8 million, up by £3.0 million (7%) on 2018, reflecting our sustained investment in generating this form of income.
- Legacy income in 2018 totalled £47.4 million, £3.7 million (8%) higher than in 2017, reflecting a 2% increase in the number of legacies notified to us during the year and a 7% increase in the average value of legacy cases notified.
- Income from Corporate and Trust income increased by £2.1 million to £4.3 million, which included £1.1 million received from the ongoing relationship with the Peoples Postcode Lottery.
- Other income, which includes income from Charitable Activities, Other Trading Activities, Investments and the profit on the sale of Teignmouth, increased by £0.1 million from £10.6 million in 2017 to £10.7 million in 2018.

Expenditure

Expenditure in 2018 totalled £106.3 million (2017: £106.7 million). Further information is shown in note 2 to the financial statements. Expenditure includes:

• Costs of raising funds

During 2018 we revised our fundraising plans and investment levels, to what is needed to meet the financial needs of our new organisational strategy, By My Side. The total cost of raising funds in 2018 reduced by £5 million to £39.5 million (2017: £44.5 million), largely due to reducing our investment in regular giving donor recruitment, made possible due to sustained investment in signing up regular giving donors in recent years.

• Costs of providing guide dog services

£49.9 million (2017: £49.7 million) relates to the guide dog service which includes breeding, puppy walking, training, ongoing partnership support and support of retired and rehomed dogs. Allocated support costs, as defined in the notes to our accounts, were £8.3 million (2017: £9.0 million).

• Costs of providing other adult mobility services

£5.3 million was spent on other adult services (2017: £4.8 million). Allocated support costs were £1.2 million (2017: £1.1 million)

• Costs of providing children services

In 2018 £4.8 million (2017: £4.1 million) was spent on children's services. £3.6 million (2017: £3.2 million) relates to the Movement Matters service, £0.7 million (2017: £0.6 million) to family and educational support services, and the balance to CustomEyes® large print books.

• Research and development costs

In 2018, these totalled £1.1 million (2017: £0.3 million) an increase of £0.8 million mainly due to supporting the Innovate UK initiative.

- **Advocacy and awareness costs**

In 2018 these totalled £5.7 million, £2.4 million higher than 2017. The majority of these costs relate to awareness-raising including the development of our new brand identity, to support the planned increase in customer reach through our By My Side strategy.

Net gains and losses on investment assets

Our investment portfolio generated net capital losses of £1.2 million in 2018 (£0.1 million gain in 2017).

Net income/expenditure in the year

Net income totalled £10.2 million (2017: £2.1 million). This has been achieved through strong commercial management and a sound financial strategy of growing fundraising at the same time as driving efficiencies in our cost base. To deliver the By My Side strategy we have planned a significant level of investment over the next three years.

Other recognised gains and losses

Other actuarial gains and losses arose from the defined benefit pension scheme. Net actuarial losses of £0.6 million (2017: £5.0 million gain) were recognised. These arose from lower asset returns compared to expected, a rise in the discount rate used to value the liability to pay pensions, higher inflation and the impact of the asset ceiling. These 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 increased by £9.6 million (2017: increased by £7.1 million), to £123.1 million. These funds comprise three elements: unrestricted funds, restricted funds and endowment funds. Each of these categories is described as follows:

Unrestricted funds

Unrestricted funds are those funds that we can use for any activity that meets our charitable objects. At the end of 2018 unrestricted funds amounted to £117.6 million (2017: £108.1 million). They comprise four types of reserve:

- **General funds.** At the end of 2018 general funds amounted to £72.7 million (2017: £69.2 million).
- **Designated funds** are funds that have been designated for specific purposes by the Board of Trustees. At the end of 2018 there were three designated funds: (1) The fixed assets fund representing the historical cost of tangible assets such as property, plant and equipment £32.7 million, (2017 £34.5 million); (2) Peoples Postcode Lottery (PPL) fund representing funds allocated to, but not restricted to, activity agreed with the PPL, £1.1 million, (2017 nil) and; (3) Strategic development fund representing funds allocated to the development of the By My Side strategy, £8.0 million, (2017 nil.)
- The **revaluation reserve.** At the end of 2018 the revaluation reserve is £3.1 million (2017: £4.5 million). Which includes £2.9 million (2017: £2.5 million) relating to fixed assets.
- The **pension deficit reserve.** At the end of 2018 the pension deficit reserve was nil (2017: nil).

Restricted funds

These are unexpended funds that have been donated to Guide Dogs with specific conditions attached to their use. At 31 December 2018 these funds totalled £5.0 million (2017: £4.9 million). The majority of these funds originated from the Government's LIBOR fund, and will be spent over the next five years in providing guide dogs to vision 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 2018 these funds totalled £0.5 million (2017: £0.5 million).

Financial reserves policy

Our financial reserves policy seeks to ensure that reserves are maintained at a level that enables the Guide Dogs Group ('the Group') to manage financial risk and short term income volatility, allowing us to sustain optimal levels of service over the long term, while ensuring that financial commitments can be met as they fall due. Holding reserves also allows us to implement new strategic priorities and to invest in new opportunities that help us to achieve our goals.

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

Cash resources are the most important part of our reserves policy. Our financial reserves policy mandates that the Group holds a minimum level of cash resources to ensure that we can discharge our financial commitments as they fall due over the course of the five-year plan. The Board of Trustees (the 'Board') has agreed that the Group should aim to maintain cash resources above £35 million. This level is determined by considering the need to provide short-term protection against downward fluctuations in annual income or capital receipts, such as legacies; the need to protect the charity from investment risk, the need to support medium strategic investment and to provide a financial cushion in the event of extreme circumstances affecting the charity's ability to operate.

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

At 31 December 2018, cash resources stood at £52.5 million (2017: £53.3 million), made up as follows:

	2018 £m	2017 £m
Investments	51.0	49.7
Cash at bank and in hand	11.1	4.1
Less endowment funds	(0.5)	(0.5)
Less People's Postcode Lottery designated funds	(1.1)	-
Less strategic designated funds	(8.0)	-
Net cash resources	52.5	53.3

Cash resources at the year-end were above the approved threshold. Guide Dogs has embarked on our By My Side strategy which has significant investment over the next five years, peaking in 2021 in order to extend reach and relevancy to our core beneficiaries, supporters and people. Therefore, there has been a requirement

to build reserves to fund this investment. Based on this, we consider that we have adequate resources to meet our financial commitments for the foreseeable future.

Tangible fixed assets

The movements in tangible fixed assets during the year are summarised in Note 5 to the financial statements. No major investment has taken place in 2018.

Investment policy

Our investment policy is:

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

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

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

At the beginning of the year investments were valued at £49.7 million. During the year £2.5 million was added to the portfolio from operational surpluses and one-off gains, which were reduced by the investment losses of £1.2 million in the year. As a result, the portfolio was valued at £51.0 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.

We closed the defined benefit scheme to new entrants on 31 March 2011, and to future accrual on 31 December 2012. A valuation of this scheme for accounting purposes, under FRS 102, at 31 December 2018 showed no deficit (2017: no deficit).

The latest completed full actuarial valuation of the scheme was at 31 December 2017. This showed a surplus of £1.3 million calculated on a funding basis. Discretionary annual payments of £1.0 million through to 2022 have been agreed with the scheme's trustees. We are working with the scheme's trustees to manage and reduce the financial risks inherent in the scheme's funding arrangements.

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

Risk management and internal control

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

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

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

Key elements of our control systems include the following:

- The Board meets at least four times a year. A number of matters are specifically reserved for its approval.
- There is a clear organisational structure with appropriate levels of accountability and reporting lines. The Board approves the delegation of financial authority to the Chief Executive.
- An out-sourced internal audit function, directed by the Audit Committee undertakes a rolling review of the design and operational effectiveness of controls over activities, based upon the risks inherent in those activities.
- The risk management framework is used to identify and assess new and current major business risks. We prioritise them in terms of impact and probability of occurrence and then identify and implement efficient controls to manage them and monitor their effect.
- A Risk and Ethics Panel looks at all aspects of risk across the organisation. The Panel is responsible for monitoring and mitigating risk and reporting on it.

Monitoring risks

Throughout 2018 we continued to monitor significant risks including:

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

Fundraising responsibly

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

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

- We are transparent about how we raise funds.
- We treat donors and supporters respectfully and fairly.
- We explain clearly how to opt out of receiving fundraising communications.
- We adhere to data protection laws and explain clearly how we use, store and secure personal details.
- We take all reasonable steps to protect vulnerable people from persistent requests to donate. Any staff member or third party agency who contacts supporters receives regular training on how they should address and deal with vulnerable people. Our safeguarding team takes follow-up action on any calls that raise concern.
- As an organisational member of Dementia Friends, Guide Dogs has access to resources and information which help our staff and third party fundraisers to understand dementia and how it may affect a person.
- We ensure that any volunteer, third party or professional agency who fundraises on our behalf has had proper training and adheres to our standards and procedures.
- We monitor the work of all third party fundraisers by carrying out mystery shopping visits and by listening to telephone calls to make sure they meet our quality standards.
- We have robust procedures in place for handling complaints. We respond quickly and efficiently to resolve any complaints we receive about our fundraising. In 2018 we received 396 complaints (2017: 521) which represents a fall of 24% compared to 2017.
- In 2018, 74% (2017: 70%) of the total proceeds from Guide Dogs Lotteries were applied for the unrestricted purposes of the charity, whose core objective is to provide mobility services to people who are blind or partially sighted. The remaining 26% (2017: 30%) of the total proceeds covers prizes and the administrative costs of running the lotteries.
- Guide Dogs also ran a Lottery draw in collaboration with the People's Postcode Lottery in 2018, of which 32% of the proceeds were applied for the unrestricted purposes of the charity.

Structure and governance

The Board of Trustees

The members of the Board of Trustees (the 'Board') of The Guide Dogs for the Blind Association (Guide Dogs) who are both Directors of the company and Trustees of the charity during 2018 and as at 4 June 2019 were:

James Hambro – Chairman

Patricia 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)

Catherine Crofts Bsc, CIM, CAM – appointed 6 June 2018

Robert Deakin BA (Hons) Economics, Chartered Engineers (CEng) ,FIET – appointed on 6 June 2018

Michael Hughes – resigned on 19 July 2018

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

Polly Shute – appointed on 6 June 2018

Ranjit Sondhi – appointed on 6 June 2018

Polly Williams ACA, BA (Hons)

John Wriighthouse BSc (Hons), MA, FCIPD

Dr Michael Nussbaum is a guide dog owner.

Catherine Crofts is waiting for a replacement guide dog.

Election of Trustees

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

applications, particularly from people with a vision impairment.

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

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

Governance

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

- The Audit Committee, chaired by Polly Williams, Trustee. Elaine Carr and Nicholas Coleman (appointed on 6 June 2018) are independent members. John Hilbourne (retired on 24 April 2018).
- The Investment Committee, chaired by Bruce Gordon (non-Trustee). Anton Eser resigned as independent member on 15 May 2018.
- The Remuneration Committee, chaired by Pat Stafford, Trustee.

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

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

Specific responsibilities

The Trustees, who are also Directors for Guide Dogs for the purpose of Company Law, are responsible for preparing the Trustees' Annual Report and Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- Select suitable accounting policies and then apply them consistently.
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable UK Accounting Standards have been followed subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.
- Observe the methods and principles in the charities Statement of Recommended Practice (SORP).

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and ensure that the financial statements comply with the Companies Act 2006. Trustees are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

As far as we are aware:

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

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

Trustee attendance of Board and Committee meetings 2018

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

	Trustee Board Meetings	Away Day	Audit Committee	Remuneration Committee	Investment Committee
James Hambro (Chairman)	7 (7)	1 (1)			
Pat Stafford (Vice Chair)	6 (7)	0 (1)		3 (3)	
David Anderson	5 (7)	1 (1)			
Amanda Ariss	6 (7)	0 (1)		3 (3)	
David Bagley	5 (7)	1 (1)			4 (4)
Clare Black	5 (7)	0 (1)	3 (4)		4 (4)
Catherine Crofts	2 (2)	1 (1)			
Robert Deakin	2 (2)	1 (1)			
Michael Hughes	1 (3)				
Michael Nussbaum	3 (7)	0 (1)		1 (3)	
Ranjit Sondhi	0 (2)	1 (1)			
Polly Shute	2 (2)	1 (1)			
Polly Williams	7 (7)	0 (1)	4 (4) Ch		
John Wraithouse	5 (7)	1 (1)		3 (3)	
Elaine Carr ♦			4 (4)		
Nicholas Coleman♦			2 (2)		
John Hilbourne ♦			2 (2)		
Bruce Gordon ♦					4 (4) Ch
Anton Eser ♦					0 (1)
♦ Denotes a Committee Member who is not a Trustee					

Managing Guide Dogs: our Executive Directors

Guide Dogs' Executive Directors are the Chief Executive and the Executive Directors. Together, they are accountable for Guide Dogs' vision and strategy. The Executive Directors are responsible for the day-to-day management of Guide Dogs, acting under delegated authority given to them by the Board. It is important for Guide Dogs to have an effective leadership team in place. The Executive Directors in post during 2018 and as at 4 June 2019 were:

Name	Date of appointment/ resignation
Guy Butler Transformation Director	Appointed 7 January 2019
Deirdre Evans Chief Financial Officer	Appointed 30 May 2018
Emma Foulds Director of Marketing	Appointed 17 September 2018
Jayne George Director of Fundraising and Marketing	Resigned on 31 January 2018
Mike Holt Director of People and Performance	Retired on 31 December 2018
Maria Novell Director of Fundraising	Appointed 1 January 2018
Wendy Rankin Director of Mobility Services	Appointed 6 August 2018
Steve Vaid Chief Operating Officer	Resigned 28 September 2018
David Warren Interim Chief Finance Officer	Appointment ended 30 June 2018
Transformation Director	Appointed between 1 July & 28 November 2018
Katie Wery Acting Director of People and Performance	Appointed 1 December 2018

Our policy on executive pay

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

The policy aims to:

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

- Recruit and retain talented people to maintain or improve Guide Dogs' already high performance and lead the organisation to achieve our new strategy.
- Recognise Executive Directors for their personal contributions.

There are a number of principles that underpin the Board's approach to Executive Directors' pay:

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

Salary ranges

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

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

Across Guide Dogs as a whole, the ratio between median salary and the highest salary at the end of 2018 was 1 : 6.41 (2017: 1 : 4.71). The total basic salaries for the key management personnel of the Charity for the financial year ended 31 December 2018 are as follows:

Name	Period	Basic Salary
Deirdre Evans Chief Financial Officer	From 30 May	75,004
Emma Foulds Director of Marketing	From 17 September	18,996
Mike Holt Director of People and Performance	12 months	93,526
Maria Novell Director of Fundraising	12 months	94,583
Wendy Rankin Director of Mobility Services	From 6 August 2018	35,146
Steve Vaid Chief Operating Officer	Up to 28 September 2018	81,375
Katie Wery Acting Director of People and Performance	From 1 December 2018	5,662
Tom Wright Chief Executive Officer	12 months	170,000

Pension contributions, employer's National Insurance, flexible benefits and bonuses totalled £132,930.

Other benefits

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

Employee involvement

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

Guide Dogs is a Disability Confident Employer.

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

Disability Confident works with employers to:

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

Related parties

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

- The Guide Dogs for the Blind Association (Trading Company) Limited is the charity's trading subsidiary.
- Blind Children UK is a charity which raises funds to provide services to children and young people with vision impairment and their families. In 2018 Blind Children UK made a restricted grant of its liquid funds to Guide Dogs for use in providing these services.
- Guide Dogs UK Limited, GDBA Community Care Services Limited, GDBA (Pension Fund Trustee) Limited, Guide Dogs Limited and Blind Children UK (Trading) Limited were dormant during 2018.

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

Provision of information to Auditor

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

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

Re-appointment of Auditor

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

Corporate information

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

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

Public benefit

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

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

Principal Advisors

Auditor

Deloitte LLP
1 New Street Square
London EC4A 3BZ
United Kingdom.

Bankers

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

HSBC Bank plc
25 High Street
Windsor
Berkshire SL4 1LN

Investment Fund Managers

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

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

The Trustees Report including the Strategic Report and the Directors' report was approved by the Board on 4 June 2019 and signed on its behalf by:



Chairman: James Hambro

Report on the audit of the financial statements

Opinion

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

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 December 2018 and of the group's and parent charitable company's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006.

We have audited the financial statements which comprise:

- the consolidated statement of financial activities incorporating an income and expenditure account;
- the consolidated and charity balance sheets;
- the consolidated cash flow statement;
- the related notes 1 to 17.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the group and of the parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

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

We have nothing to report in respect of these matters.

Other information

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

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

We have nothing to report in respect of these matters.

Responsibilities of Trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purpose of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and the Companies Act 2006 and

report in accordance with those Acts and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

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

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

Matters on which we are required to report by exception

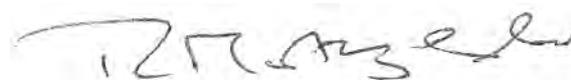
Under the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate and proper accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charitable company's trustees, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Reza Motazed (Senior statutory auditor)
For and behalf of Deloitte LLP
Statutory Auditor
London
United Kingdom
June 2019

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

Accounts

Consolidated statement of financial activities incorporating an income and expenditure account for the year ended 31 December 2018

	Notes	Unrestricted Funds £m	Restricted Funds £m	Endowment Funds £m	Total 2018 £m	Total 2017 £m
Income and endowment from:	1					
Donations and legacies		97.5	9.5	-	107.0	98.1
Charitable activities		1.1	-	-	1.1	1.1
Other trading activities		7.3	-	-	7.3	7.2
Investments		0.9	-	-	0.9	0.8
Other income		1.4	-	-	1.4	1.5
Total Income		108.2	9.5	-	117.7	108.7
Expenditure on:	2					
Raising funds		39.5	-	-	39.5	44.5
Charitable activities						
Provision of guide dogs' services		41.5	8.4	-	49.9	49.7
Provision of other adult mobility services		5.3	-	-	5.3	4.8
Provision of other children's services		3.8	1.0	-	4.8	4.1
Research and development		1.1	-	-	1.1	0.3
Advocacy and awareness		5.7	-	-	5.7	3.3
Total charity expenditure		57.4	9.4	-	66.8	62.2
Total		96.9	9.4	-	106.3	106.7
Net (loss)/gain on investments		(1.2)	-	-	(1.2)	0.1
Net Income for the year		10.1	0.1	-	10.2	2.1
Other recognised gains and losses						
Actuarial (loss) / gain on defined benefit pension scheme		(0.6)	-	-	(0.6)	5.0
Net movements in funds		9.5	0.1	-	9.6	7.1
Reconciliation of Funds						
Fund balance brought forward at 1 January		108.1	4.9	0.5	113.5	106.4
Fund balances carried forward at 31 December		117.6	5.0	0.5	123.1	113.5

Notes to be updated

All results are derived from continuing operations with the exception of £1.3m other income which was from the sale of a property. There are no other recognised gains or losses.

The accounting policies and notes on pages 58 to 79 form part of these financial statements.

Consolidated and charity balance sheets at 31 December 2018

		Group 2018 £m	Group 2017 £m	Charity 2018 £m	Charity 2017 £m
Fixed assets					
Tangible assets	5	35.6	36.9	35.6	36.9
Investments	6	51.0	49.7	51.5	50.2
		<u>86.6</u>	<u>86.6</u>	<u>87.1</u>	<u>87.1</u>
Current assets					
Stocks	7	0.4	0.3	0.1	0.1
Debtors	8	34.5	31.4	34.9	31.0
Cash at bank and in hand		11.1	4.1	10.1	3.9
		<u>46.0</u>	<u>35.8</u>	<u>45.1</u>	<u>35.0</u>
Creditors					
Amounts falling due within one year	9	(9.4)	(8.8)	(9.3)	(8.7)
Net current assets					
		<u>36.6</u>	<u>27.0</u>	<u>35.8</u>	<u>26.3</u>
Total assets less current liabilities					
		123.2	113.6	122.9	113.4
Creditors					
Amounts falling due after more than one year	10	(0.1)	(0.1)	(0.1)	(0.1)
Net assets					
		<u>123.1</u>	<u>113.5</u>	<u>122.8</u>	<u>113.3</u>
Unrestricted Funds					
General funds		72.7	69.2	72.4	69.0
Designated funds		41.8	34.4	41.8	34.4
Revaluation reserve		3.1	4.5	3.1	4.5
Total unrestricted funds					
		117.6	108.1	117.3	107.9
Restricted funds					
Endowment funds		5.0	4.9	5.0	4.9
Total funds					
	11,15	<u>123.1</u>	<u>113.5</u>	<u>122.8</u>	<u>113.3</u>

The parent charity, The Guide Dogs for the Blind Association has gross income of £116.5 million (2017: £107.5 million) and a result of £9.5m gain (2017: £7.3 million gain) for the year. As provided by Section 408 of the Companies Act 2006, no separate income and expenditure account is presented for the parent charity.

The Financial Statements of The Guide Dogs for the Blind Association (registered company number 00291646) were approved by the Board of Trustees on 4 June 2019 and signed on its behalf by:



Chairman:



Trustee:

The accounting policies and notes on pages 58 to 79 form part of these financial statements

Consolidated cash flow statement for the year ended 31 December 2018

	Notes	2018 £m	2017 £m
Net cash outflow from operating activities	16	<u>9.1</u>	<u>(0.7)</u>
Return on investment and servicing of finance			
Investment income received		<u>0.9</u>	<u>0.8</u>
Capital expenditure and financial investment			
Payments for tangible fixed assets		(2.5)	(1.2)
Proceeds from sale of tangible fixed assets		2.0	2.1
Net investment / (divestment) from investment portfolio		(2.5)	(4.6)
		<u>(3.0)</u>	<u>(3.7)</u>
Increase/(Decrease) in cash in the year		<u>7.0</u>	<u>(3.6)</u>
Net cash at 1 January		4.1	7.7
Increase/(decrease) in the year		<u>7.0</u>	<u>(3.6)</u>
Net cash at 31 December		<u>11.1</u>	<u>4.1</u>

Notes to the financial statements for the year ended 31 December 2018

Company and charitable status

The Guide Dogs for the Blind Association (Guide Dogs), a public benefit entity, is incorporated in England and Wales as a company limited by guarantee not having share capital. There are currently 13 Trustees who are also the members of the company. Each member has undertaken to contribute to the assets in the event of winding up a sum not exceeding £1. Guide Dogs is a registered charity. The registered office and charity registration numbers are given on page 44.

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

a. Basis of accounting

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

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

b. Preparation of the accounts on a going concern basis

Guide Dogs reported a total cash inflow of £6.2 million for the year (2017: £3.0 million outflow) and an inflow of £7.0 million (2017: £3.6 million outflow) on a group basis.

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

c. Group financial statements

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

d. Incoming resources

Incoming resources are recognised when their receipt become probable.

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

Notes to the financial statements for the year ended 31 December 2018

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

e. Resources expended

Expenditure is accounted for on an accruals basis.

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

f. Allocation of support costs

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

g. Operating leases

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

Notes to the financial statements for the year ended 31 December 2018

h. Tangible fixed assets

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

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

Software development costs are expensed.

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

i. Financial instruments

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

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

j. Critical accounting judgements and key sources of estimation uncertainty

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

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

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

Notes to the financial statements for the year ended 31 December 2018

k. Investments

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

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

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

l. Stocks

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

m. Pension costs

Guide Dogs sponsors two pension schemes:

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

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

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

n. Fund accounting

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

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

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

Notes to the financial statements for the year ended 31 December 2018

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 2018

1. Incoming resources

	2018 £m	2017 £m
Income from		
Donations and legacies		
Community fundraising	8.5	8.4
Donor based fundraising	46.8	43.8
Corporate and trust income	4.3	2.2
Legacies	47.4	43.7
	107.0	98.1
Charitable activities		
Sale of rehabilitation services under contract	0.8	0.8
Ancillary trading	0.3	0.3
	1.1	1.1
Other trading activities		
Raffles and draws	3.1	3.3
Lotteries	2.8	2.4
Other	1.4	1.5
	7.3	7.2
Investment income	0.9	0.8
Other income – gain on sale of tangible assets	1.4	1.5
Total	117.7	108.7

Notes to the financial statements for the year ended 31 December 2018

2. Total expenditure

	Direct Costs £m	Support Costs £m	Total 2018 £m	Total 2017 £m
Expenditure on raising donations and legacies				
Community fundraising	4.6	1.1	5.7	5.9
Donor based fundraising	22.3	0.9	23.2	29.3
Corporate and trust income	1.3	0.3	1.6	1.8
Fundraising development and administration	1.5	0.3	1.8	1.9
Legacy marketing and administration	3.2	0.2	3.4	1.1
	32.9	2.8	35.7	40.0
Expenditure on trading activities				
Cost of goods sold and other costs	1.4	0.1	1.5	1.5
Raffles and draws	1.4	-	1.4	2.2
Lotteries	0.5	-	0.5	0.5
	3.3	0.1	3.4	4.2
Investment management fees	0.4	-	0.4	0.3
Expenditure on raising funds	36.6	2.9	39.5	44.5
Charitable expenditure				
Provision of guide dogs services	41.6	8.3	49.9	49.7
Provision of other adult mobility services	4.1	1.2	5.3	4.8
Provision of children's services	3.9	0.9	4.8	4.1
Research and development	1.0	0.1	1.1	0.3
Advocacy and awareness	5.1	0.6	5.7	3.3
	55.7	11.1	66.8	62.2
Total expenditure	92.3	14.0	106.3	106.7

Notes to the financial statements for the year ended 31 December 2018

2017 Comparatives

	Direct Costs £m	Support Costs £m	Total 2017 £m
Expenditure on raising donations and legacies			
Community fundraising	4.8	1.1	5.9
Donor based fundraising	28.6	0.7	29.3
Corporate and trust income	1.5	0.3	1.8
Fundraising development and administration	1.5	0.4	1.9
Legacy marketing and administration	0.8	0.3	1.1
	37.2	2.8	40.0
Expenditure on trading activities			
Cost of goods sold and other costs	1.4	0.1	1.5
Raffles and draws	2.2	-	2.2
Lotteries	0.5	-	0.5
	4.1	0.1	4.2
Investment management fees	0.3	-	0.3
Expenditure on raising funds	41.6	2.9	44.5
Charitable expenditure			
Provision of guide dogs services	40.7	9.0	49.7
Provision of other adult mobility services	3.7	1.1	4.8
Provision of children's services	3.2	0.9	4.1
Research and development	0.2	0.1	0.3
Advocacy and awareness	2.8	0.5	3.3
	50.6	11.6	62.2
Total expenditure	92.2	14.5	106.7
Resources expended include:		2018	2017
		£m	£m
Operating lease charges			
Other – land and buildings		0.9	0.8
Depreciation charged in the year		3.2	3.5
		£'000	£'000
Fees payable to the charity's auditor (inclusive of VAT)			
The audit of the charity's annual financial statements		68.7	64.9
The audit of the charity's subsidiaries pursuant to legislation		11.6	10.0

Notes to the financial statements for the year ended 31 December 2018

Support cost allocation

	Raising Funds	Provision of guide dog services	Provision of other adult mobility services	Provision of children's services	Research and development	Advocacy and awareness	Total 2018
	£m	£m	£m	£m	£m	£m	£m
Governance	0.1	0.2	-	-	-	-	0.3
Finance	0.4	1.1	0.2	0.1	-	0.1	1.9
Information Technology	0.7	2.1	0.3	0.2	0.1	0.1	3.5
Human resources	0.6	1.7	0.2	0.2	-	0.2	2.9
Marketing & communications	0.2	0.4	0.1	0.1	-	-	0.8
Central property costs	0.3	0.9	0.1	0.1	-	0.1	1.5
Other central costs	0.6	1.9	0.3	0.2	-	0.1	3.1
Total	2.9	8.3	1.2	0.9	0.1	0.6	14.0

2017 Comparatives	Raising Funds	Provision of guide dog services	Provision of other adult mobility services	Provision of children's services	Research and development	Advocacy and awareness	Total 2017
	£m	£m	£m	£m	£m	£m	£m
Governance	0.1	0.5	0.1	-	-	-	0.7
Finance	0.4	1.2	0.2	0.1	-	0.1	2.0
Information Technology	0.6	2.0	0.2	0.2	0.1	0.1	3.2
Human resources	0.5	1.5	0.2	0.2	-	0.1	2.5
Marketing & communications	0.3	0.9	0.1	0.1	-	-	1.4
Central property costs	0.4	1.0	0.1	0.1	-	0.1	1.7
Other central costs	0.6	1.9	0.2	0.2	-	0.1	3.0
Total	2.9	9.0	1.1	0.9	0.1	0.5	14.5

3. Research commissioned – grants payable

Research and development comprises strategic, market, consumer and scientific research and technology development. Total research and development expenditure of £1.1m includes grants amounting to £nil in 2018 (2017: £6k). No new grants were made in 2018 (2017: £38k).

Notes to the financial statements for the year ended 31 December 2018

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 (2017: £nil). Travelling and subsistence expenses were reimbursed in respect of 7 trustees, totalling £2,453 (2017: £4,217).

Staff costs

	2018 £m	2017 £m
Wages and salaries	41.9	41.2
Social security costs	3.9	4.7
Other pension costs excluding pension scheme actuarial loss (see Note 14)	2.7	2.5
Sub total	48.5	48.4
Other staff related costs	5.7	6.3
Total	54.2	54.7

The average number of persons employed during the year ended 31 December 2018 is shown below on full time equivalent basis:

	2018 No.	2017 No.
Fundraising and legacies	245	244
Provision of guide dogs services	715	747
Provision of other adult services	102	93
Provision of other children's services	83	80
Research and development	10	6
Advocacy and awareness	50	39
Management, administration and clerical (indirect)	149	173
	1,354	1,382

Pension contributions were paid into Guide Dogs' defined contribution scheme for 1,482 employees (2017: 1,468 employees).

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

	2018 No.	2017 No.
£60,001 to £70,000	4	8
£70,001 to £80,000	11	4
£80,001 to £90,000	3	5
£90,001 to £100,000	3	1
£100,001 to £110,000	-	-
£130,001 to £140,000	-	1
£170,001 to £180,000	1	-
	22	19

Notes to the financial statements for the year ended 31 December 2018

Pension contributions were paid into the Guide Dogs' defined contribution scheme for the year on behalf of 21 (2017: 18) of the employees with emoluments in excess of £60,000.

The key management personnel of the parent Charity and the Group are listed on page 41. The total remuneration (including pension contributions and employers' national insurance) of the key management personnel of the Charity for the year totalled £926k (2017: £609k).

No staff are employed directly by subsidiary companies.

5. Tangible fixed assets

	Freehold properties	Leasehold properties	Furniture equipment, vehicles and computers	Total
	£m	£m	£m	£m
Group and Charity				
Cost or valuation				
As 1 January 2018	50.4	1.0	13.5	64.9
Additions	0.9	0.0	1.6	2.5
Disposals	(2.6)	0.0	(1.1)	(3.7)
At 31 December 2018	48.7	1.0	14.0	63.7
Depreciation				
As 1 January 2018	17.2	0.8	10.0	28.0
Provision for year	1.6	0.0	1.6	3.2
Disposals	(2.1)	0.0	(1.0)	(3.1)
At 31 December 2018	16.7	0.8	10.6	28.1
Net book value 31 December 2018	32.0	0.2	3.4	35.6
Net book value 31 December 2017	33.2	0.2	3.5	36.9

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

The charity's freehold property depreciation charge for the year on a historical cost basis would have been £2.0 million (2017: £2.1 million) compared with the actual charge of £1.6 million (2017: £1.8 million) based on revalued amounts.

Notes to the financial statements for the year ended 31 December 2018

6. Investments

a. Movement in Investments during the year

	Group 2018 £m	Group 2017 £m	Charity 2018 £m	Charity 2017 £m
Market value of 1 January	49.7	45.0	50.2	45.5
New Investment	2.5	4.6	2.5	4.6
Net (loss)/gain on revaluation	(1.2)	0.1	(1.2)	0.1
Market value at 31 December	51.0	49.7	51.5	50.2

b. Analysis of Investments of market value

	Group 2018 £m	Group 2017 £m	Charity 2018 £m	Charity 2017 £m
Listed investments	51.0	49.7	51.0	49.7
-United Kingdom				
Investments in subsidiaries	-	-	0.5	0.5
	51.0	49.7	51.5	50.2

c. Analysis of Investment Cost

	Group 2018 £m	Group 2017 £m	Charity 2018 £m	Charity 2017 £m
Unlisted investments	50.8	47.7	50.8	47.7
United Kingdom				
Investments in subsidiaries	-	-	0.5	0.5
	50.8	47.7	51.3	48.2

At 31 December 2018 the listed investments included holdings in Invesco Perpetual's Global Absolute Return Strategies Fund valued at £17.2 million (2017: £15.8 million) and BNY Mellon Newton Real Return Fund valued at £33.8 million (2017: £33.9 million). The Invesco Perpetual holding includes £0.5 million (2017: £0.5 million) representing Guide Dogs' Endowment Funds.

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

7. Stocks

	Group 2018 £m	Group 2017 £m	Charity 2018 £m	Charity 2017 £m
Equipment	0.1	0.1	0.1	0.1
Trading stock	0.3	0.2	-	-
	0.4	0.3	0.1	0.1

Notes to the financial statements for the year ended 31 December 2018

8. Debtors

	Group 2018 £m	Group 2017 £m	Charity 2018 £m	Charity 2017 £m
Tax recoverable	1.9	2.2	1.9	2.2
Other debtors	0.1	0.1	0.1	0.1
Trade debtors	0.2	0.2	0.2	0.2
Due from subsidiary undertakings	-	-	0.4	(0.4)
Accrued legacy income	30.6	27.5	30.6	27.5
Other accrued income	0.1	0.1	0.1	0.1
Other prepayments	1.6	1.3	1.6	1.3
	34.5	31.4	34.9	31.0
	34.5	31.4	34.9	31.0

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 (2017: £50,000) and a loan of £37,500 (2017: £50,000), 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 2018 £m	Group 2017 £m	Charity 2018 £m	Charity 2017 £m
Trade creditors	4.1	2.7	4.1	2.7
Other creditors	0.5	0.4	0.5	0.4
Tax and social security	1.0	1.8	1.0	1.7
Accruals and deferred income	3.8	3.9	3.7	3.9
	9.4	8.8	9.3	8.7
	9.4	8.8	9.3	8.7

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

	Group 2018 £m	Group 2017 £m	Charity 2018 £m	Charity 2017 £m
Unfunded pension obligations	0.1	0.1	0.1	0.1
Contracted research grants	-	-	-	-
	0.1	0.1	0.1	0.1
	0.1	0.1	0.1	0.1

The unfunded pension obligations are in respect of four (2017: four) retired members of staff.

Notes to the financial statements for the year ended 31 December 2018

11. Fund balances

Year ended 31 December 2018	1 January 2018 £m	Income £m	Expenditure £m	Investment loss £m	Other loss £m	31 December 2018 £m
Group						
Unrestricted funds	108.1	108.2	96.9	(1.2)	(0.6)	117.6
Restricted funds	4.9	9.5	9.4	-	-	5.0
Endowment funds	0.5	-	-	-	-	0.5
	113.5	117.7	106.3	(1.2)	(0.6)	123.1

Year ended 31 December 2018	1 January 2018 £m	Income £m	Expenditure £m	Investment loss £m	Other loss £m	31 December 2018 £m
Charity						
Unrestricted funds	107.9	107.0	95.8	(1.2)	(0.6)	117.3
Restricted funds	4.9	9.5	9.4	-	-	5.0
Endowment funds	0.5	-	-	-	-	0.5
	113.3	116.5	105.2	(1.2)	(0.6)	122.8

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

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

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

Further detail on specific restricted funds is included on page 80.

Notes to the financial statements for the year ended 31 December 2018

Analysis of revaluation reserve (included within unrestricted funds)

	Group 2018 £m	Group 2017 £m	Charity 2018 £m	Charity 2017 £m
Revaluation of investment portfolio	0.2	2.0	0.2	2.0
Revaluation of properties for use by charity	2.9	2.5	2.9	2.5
	<hr/>	<hr/>	<hr/>	<hr/>
	3.1	4.5	3.1	4.5
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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:

	2018 £m	2017 £m
Group		
Within one year	1.0	0.8
Between one year and five years	1.4	1.0
Beyond five years	0.0	0.1
	<hr/>	<hr/>
	2.4	1.9
	<hr/> <hr/>	<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), GDBA Community Care Services Limited (company registration number 2735518), Guide Dogs Limited (company registration number 2332629), Guide Dogs UK Limited (company registration number 3252696) and GDBA (Pension Fund Trustee) Limited (company registration number 1870871). Blind Children UK owns the whole of the issued share capital of Blind Children UK (Trading) Limited (company registration number 4245581). Of these only the following traded in their own account in 2018:

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

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

Notes to the financial statements for the year ended 31 December 2018

A summary of the trading results and net assets for the year ended 31 December 2018 is shown below

	Blind Children UK 2018 £m	Trading Company 2018 £m	Total 2018 £m	Total 2017 £m
Incoming resources/turnover	0.8	1.1	1.9	1.9
Cost of generating funds/cost of sales	-	(0.5)	(0.5)	(0.7)
Gross profit	0.8	0.6	1.4	1.2
Other operating income	-	0.2	0.2	0.2
Distribution, selling and administration expenses	-	(0.6)	(0.6)	(0.6)
Cost of charitable activities	-	-	-	-
Operating profit for the financial year	0.8	0.2	1.0	0.8
Donation to Guide Dogs	(0.6)	(0.2)	(0.8)	(0.9)
Loss for the year	0.2	-	0.2	(0.1)
Reserves at start of year	0.1	0.5	0.6	0.7
Reserves at end of year	0.3	0.5	0.8	0.6
Current assets	0.3	1.1	1.4	0.7
Current liabilities	-	(0.6)	(0.6)	(0.1)
Net assets/(liabilities) at end of year	0.3	0.5	0.8	0.6

2017 comparatives

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

Notes to the financial statements for the year ended 31 December 2018

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

In 2018 and 2017 Blind Children UK's income was all granted to Guide Dogs for use on their children's services.

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. Nil deficit contributions are required for 2019 under the Scheme's agreed Recovery Plan however, a discretionary contribution of £1.0m is expected to be paid in line with 2018.

The results of the actuarial valuation of the Scheme as at 31 December 2017 have been updated to 31 December 2018 by a qualified independent actuary.

Assumptions

The major assumptions used by the actuary were:

	2018	2017
Discount rate	2.95%	2.55%
Rate of increase in salaries	n/a	n/a
Rate of increase in payment of pensions (RPI max 5%)	3.25%	3.05%
Inflation assumption (RPI)	3.40%	3.20%
Inflation assumption (OP)	2.40%	2.20%
Life expectancies on retirement at age 60		
Retiring today – males	26.8	27.0
Retiring today – females	29.0	29.0
Retiring in 20 years – males	28.4	28.5
Retiring in 20 years - females	30.5	30.6
	100% of	100% of
	members	members
Cash commutation	commute	commute
	25%	25%

Notes to the financial statements for the year ended 31 December 2018

Balance Sheet

The assets in the plan were:

	2018	2017
Equities	100.5	89.3
Properties	22.9	11.1
Bonds	57.8	159.0
Hedge Funds	85.5	30.5
Insured Pensions	0.4	0.4
Cash	16.4	12.5
Total market value of assets	283.5	302.8
Present value of plan liability	(270.4)	(298.6)
Surplus/(deficiency) in the plan	13.1	4.2
Effect of the asset ceiling	(13.1)	(4.2)
Net pension fund deficit	-	-

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

	2018 £m	2017 £m
Net interest cost and past service cost on the defined benefit obligation	(0.4)	(0.2)
Total amount charged within Net Income for the year	(0.4)	(0.2)
Experience (losses) / gain arising on the plan's assets	(15.9)	10.5
Experience gain/(loss) arising on the plan's liabilities	8.0	4.8
Actuarial gains / (losses)	16.1	(6.1)
Effect of asset ceiling	(8.8)	(4.2)
Actuarial (loss)/ gain	(0.6)	5.0
Total amount (charged)/ credited to the Statement of Financial Activities	(1.0)	4.8

Reconciliation of present value of plan liabilities and assets

	2018 £m	2017 £m
Change in present value liabilities		
Present value of plan liabilities at start of year	298.6	309.0
Interest on pension liabilities	7.5	8.1
Past service benefits granted during the year	0.4	-
Actuarial (gain)/ loss on financial assumptions	(14.7)	6.7
Actuarial (gain)/ loss on demographic assumptions	(1.4)	(0.6)
Experience (gains) / losses	(8.0)	(4.8)
Benefits paid	(12.0)	(19.8)
Present value of plan liabilities at the end of year	270.4	298.6

Notes to the financial statements for the year ended 31 December 2018

	2018 £m	2017 £m
Change in plan assets		
Fair value of plan assets at start of year	302.8	300.2
Interest income	7.6	7.9
Return on scheme assets excluding interest income	(15.9)	10.5
Employer's contributions	1.0	4.0
Benefits paid	(12.0)	(19.8)
Fair value of plan assets at end of year	283.5	302.8

5 year history

History of funding position and experience gains and losses

	2018 £m	2017 £m	2016 £m	2015 £m	2014 £m
Defined benefit obligation	(270.4)	(298.6)	(309.0)	(248.4)	(258.6)
Scheme assets	283.5	302.8	300.2	241.1	247.7
Effect of asset ceiling	(13.1)	(4.2)	-	-	-
(Deficit)	-	-	(8.8)	(7.3)	(10.9)
Actual return less expected return on plan assets					
amount	(15.9)	10.5	61.1	(6.9)	22.9
percentage of plan assets	5.6%	3.5%	20.4%	2.8%	9.3%
Experience gain/(loss) on plan liabilities					
amount	8.0	4.8	(5.9)	4.2	-
Percentage of the present value of plan liabilities	3.0%	1.6%	1.9%	1.7%	0.0%
Total gain/(loss) recognised in statement of Total recognised gains and losses					
amount	(0.6)	5.0	(8.1)	(2.8)	(0.3)
Percentage of the present value of the plan liabilities	0.2%	1.7%	2.6%	1.1%	0.1%

15. Analysis of net assets between funds

Group	General funds £m	Designated funds £m	Restricted funds £m	Endowment funds £m	Total 2018 £m	Total 2017 £m
Tangible fixed assets	2.9	32.7	-	-	35.6	36.9
Fixed asset investments	50.5	-	-	0.5	51.0	49.7
Bank balances	10.0	1.1	-	-	11.1	4.1
Pension fund	-	-	-	-	-	-
Other assets and liabilities	12.4	8.0	5.0	-	25.4	22.8
	75.8	41.8	5.0	0.5	123.1	113.5

Notes to the financial statements for the year ended 31 December 2018

Charity	General funds £m	Designated funds £m	Restricted funds £m	Endowment funds £m	Total 2018 £m	Total 2017 £m
Tangible fixed assets	2.9	32.7	-	-	35.6	36.9
Fixed asset investments	51.0	-	-	0.5	51.5	50.2
Bank balances	9.0	1.1	-	-	10.1	3.9
Pension fund	-	-	-	-	-	-
Other assets and liabilities	12.6	8.0	5.0	-	25.6	22.3
	75.5	41.8	5.0	0.5	122.8	113.3

2017 comparatives Group	General funds £m	Designated funds £m	Restricted funds £m	Endowment funds £m	Total 2017 £m
Tangible fixed assets	2.5	34.4	-	-	36.9
Fixed asset investments	49.2	-	-	0.5	49.7
Bank balances	4.1	-	-	-	4.1
Pension fund	-	-	-	-	-
Other assets and liabilities	17.9	-	4.9	-	22.8
	73.7	34.4	4.9	0.5	113.5

2017 comparatives Charity	General funds £m	Designated funds £m	Restricted funds £m	Endowment funds £m	Total 2018 £m
Tangible fixed assets	2.5	34.4	-	-	36.9
Fixed asset investments	49.7	-	-	0.5	50.2
Bank balances	3.9	-	-	-	3.9
Pension fund	-	-	-	-	-
Other assets and liabilities	17.4	-	4.9	-	22.3
	73.5	34.4	4.9	0.5	113.3

Notes to the financial statements for the year ended 31 December 2018

16. Notes to cash flow statement

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

	2018 £m	2017 £m
Net income for the financial year	10.2	2.1
Investment loss/(gain)	1.2	(0.1)
Investment income	(0.9)	(0.8)
Depreciation	3.2	3.5
Net gain on disposal of tangible fixed assets	(1.4)	(1.5)
Decrease/(Increase) in stocks	(0.1)	0.2
(Increase)/Decrease in debtors	(3.1)	(0.8)
Increase/(Decrease) in creditors	0.6	0.5
Adjustment for pension funding	(0.6)	(3.8)
Net cash (outflow)/inflow from operating activities	9.1	(0.7)

Notes to the financial statements for the year ended 31 December 2018

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

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

Thank you

Our sincere thanks to everyone who supported us in 2018.
In particular, our special thanks to the following donors:



LOTTERY FUNDED

Restricted Funds include (amongst others) the following grants:

Funder	Grant in respect of	Unspent at 31 Dec 2017 £	Incoming resources £	Resources Returned £	Outgoing resources £	Unspent at 31 Dec 2018 £
Big Lottery Fund Awards for all NI	Supporting Families – NI	50,271	142,325		149,916	42,680
East Riding of Yorkshire Council and NHS East Riding of Yorkshire Clinical Commissioning Group	My Guide for older people in the East Riding of Yorkshire	1,680	2,840	-	957	3,563
BBC Children in Need Wales	Support blind children and young people to access leisure activities	17,254	21,727	17,135	16,681	5,165
Wales Council for the Voluntary Action	To establish 3 volunteer hubs	1,650	14,991	-	16,693	-
East Sussex County Council, NHS Hastings and Rother Clinical Commissioning Group and Artwork	My Guide Hastings and Rother	9,434	-	-	9,114	320
Glasgow City Council	Children and Young People – Habilitation	-	15,782		15,782	-
Southampton City Council	My Guide Southampton	-	3,371	-	2,435	936
Cornwall Council	Habilitation - Parent workshops in Cornwall	-	1,126	-	1,126	-
National Lottery Community Fund	CYP Coventry - TROY Club	-	9,741	-	-	9,741
Belfast Health Development Unit	Our Healthy Futures Project	-	-	-	7,956	(7,956)
Devon County Council	My Guide - Exeter	-	785	-	342	443

Funder	Grant in respect of	Unspent at 31 Dec 2017 £	Incoming resources £	Resources Returned £	Outgoing resources £	Unspent at 31 Dec 2018 £
Hampshire County Council	Habilitation - Cooking workshop	-	868	-	641	227
Technology Strategy Board (Innovate UK)	Strategy & Research Cities Unlocked activities	-	254,538	-	254,538	-
Milton Keynes Community Foundation	My Guide - Milton Keynes	-	4,172	-	212	3,960
Albert Gubay Foundation	Train a Guide Dog for someone living in the Isle of Man	-	8,900	-	1,900	7,000

Our special thanks go to the following National Corporate Partners:	
Partner	Income £
People's Postcode Lottery Players of People's Postcode Lottery (only)	1,042,729
Pets at Home VIP Lifelines Scheme	90,519
Petplan UK	64,377
Toyota (GB) PLC	51,362
Co-operative Group	44,013
BrewDog	34,931
giffgaff	21,319
Specsavers	17,813
Peugeot	15,000
eBay for Charity (in partnership with PayPal Giving Fund)	12,579
NatWest	11,639
AmazonSmile	11,630
Build-A-Bear Workshop	10,000
Royal Canin*	10,000

Our special thanks to the following major donors:
Mrs Sarah Fuller, for generously sponsoring the lifetime cost of guide dog, Jano
Jean and Alan Campbell, for supporting the lifetime cost of a guide dog
The Caswell family, for sponsoring the lifetime cost of guide dog, Bill
Miss Brenda Mary Green, for her generous support for Guide Dogs
Brian and Margaret May, for their sponsorship of guide dog puppy, Tegwen
The Muriel Jones Foundation, for their sponsorship of two new wheelchair vans

* Donation received in 2018 for 2017 activity

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We are here to help people with sight loss, at every stage in life, lead confident, independent and fulfilling lives. For advice about how we can help, please get in touch:

www.guidedogs.org.uk
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