

**IT ALL
ADDS UP
TO MAKING
A BIG
DIFFERENCE.**

The Scout Association's
Annual Report and
Accounts 2007/8

The Scout Association's Annual Report & Accounts 2007/8
The 99th annual report of the Committee of the Council including the consolidated financial statements for the year ended 31 March 2008.

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**STRUCTURE, GOVERNANCE AND MA
CHAIRMAN'S INTRODUCTION
OBJECTIVES, ACTIVITIES, ACHIEVEMENTS
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STRUCTURE, GOVERNANCE AND MANAGEMENT

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

The report and accounts cover the activities directly controlled by The Scout Association Charity Numbers 306101 (England and Wales) and SC038437 (Scotland). The activities of the Scout Councils of Northern Ireland, Scotland and Wales together with Scout Counties, Areas, Regions (Scotland) Districts and Groups are not reflected in the report and accounts. These bodies are autonomous charities affiliated to The Scout Association which together form the Scout Movement in the United Kingdom.

The management of the business of the Association is vested in the Committee of the Council. The Committee comprises 12 Elected Members and three Elected Youth Representatives elected by the Council of The Scout Association at its Annual General Meeting and Ex-officio and Co-opted members. The total number of Ex-officio and Co-opted members does not exceed the total number of Elected Members. An induction training programme is provided for all new trustees. The Committee of the Council appoints chairmen and members of sub-Committees annually.

The members of the Committee of the Council are the Trustees of The Scout Association. The management of the business of the Association is vested in the Committee. The Committee is responsible for policy making but delegates some operational decisions to its Executive and sub-Committees (Operations, Finance, General Purposes and Headquarters Appointments), which may also recommend policies for the consideration of the Committee.

The Committee of the Council met five times during the period under review. Its Executive and sub-Committees met quarterly. The Committee maintains, and keeps under regular review, a business risk management record which identifies potential risks to the key functions of the Association.

A Remuneration Committee, that acts on the delegated authority of the Committee of the Council, carries out an annual review of the remuneration package for the Chief Executive, members of the Senior Management Team and Managing Director of Scout Shops Limited. The Treasurer chairs the Remuneration Committee. Its other members are the Chairman of the Committee of the Council, the Chairman of the Finance sub-Committee and one other Elected Member of the Committee of the Council (appointed annually). The Chief Executive attends meetings other than during his own review.

In accordance with the Association's Bye Laws, the Chief Executive is a trustee of The Scout Association and the governing documents provide authority for the remuneration of the Chief Executive.

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A LOT OF HAPPY A YEAR



CELEBRATION, RENEWAL +GROWTH

**INTRODUCTION BY MIKE
GOODERSON, CHAIRMAN,
COMMITTEE OF THE
COUNCIL**

Just ask anyone in Scouting. From a billion people tuning into the BBC World Service for Scouting's 100th birthday to HRH Prince William in a Scout scarf on the front page of *The Daily Telegraph*, it was a year of unforgettable sights and sounds.

A World Scout Jamboree for 40,000 Scouts with a further 50,000 visitors and a quarter of a million Scouts camping in torrid conditions over the May bank holiday were just some of the other big numbers. And this is to say nothing of the thousands of activity days, expeditions, hikes and gatherings that marked our Centenary across the UK. Ask what 2007 meant and you will hear stories that will continue to amaze and inspire a hundred years from now.

It was a year when Scouting captured the public imagination. In April 2008 we announced the single largest annual increase in our membership in 22 years. Nearly 15,000 more people joined the Movement in the period covered by this report. That's in addition to the 450,000 already enjoying the challenge and adventure of a Movement that relies on simple facilities and volunteer leadership.

These are impressive figures, but unremarkable in the sense that parents were reminded during our Centenary year that there is a safe and exciting activity the whole family can get involved with – and it's called Scouting.

People are coming back to Scouting for one thing: adventure. Yes, you can canoe, cycle, camp, climb and kayak with other organisations; you can perform on stage, play in a band and learn about Fairtrade. But what other single organisation offers all of this – and much more besides?

What we offer cannot be sold over the counter or put in a box. It's something that happens when young people get together, decide for themselves what they want and ask Leaders to help them make it come to life. The adventure is coming back each week and trying something new.

But there was more to our year than some large celebrations and welcoming new Members. It has also been about renewal. Scouting is a Movement, not an organisation. In effect, this means we are always in the process of flux, while staying true to our core values. This year saw the results of a five year project to renew our Programme for 6-25 year olds, keeping it relevant to the needs and aspirations of our 380,000 young people. A new appointment process will also mean it is easier than ever to volunteer for Scouting.

Our activity centres around the country have been improved, with new facilities and accommodation making the outdoors more accessible than ever. Scout Shops Limited has recorded record profits, enabling more

CAN EN R...

money to be invested back into Scouting. Work has continued on raising our local and national profile with training for young spokespeople and local volunteer media managers. Scouting is not a secret society – it is open to all and thanks to our local communicators, more visible than ever.

Around the UK, the party continues, as our local Groups begin to celebrate their own centenaries. Our priority now is to continue to attract more adult volunteers, support local Scouting and ensure that we can offer the best possible activities with the best possible facilities and leadership.

With the launch of KidsOutdoors – our major new campaign to encourage more young people to get outdoors and be active, Scouting remains at the centre of the national debate on active lifestyles. We will continue to provide the best and most exciting activities and opportunities to enrich the lives of young people and adults across the UK. Join us as we step into our greatest adventure yet – the future.



Mike Gooderson
Chairman, Committee of the Council

OBJECTIVES, ACTIVITIES, ACHIEVEMENTS AND PERFORMANCE

The purpose of Scouting is to contribute to the development of young people in achieving their full physical, intellectual, social and spiritual potentials, as individuals, as responsible citizens and as members of their local, national and international communities. Scouting uses a method, which is young people in partnership with adults: enjoying what they are doing; learning by doing; participating in varied and progressive activities; making choices for themselves; taking responsibility for their own actions; working in groups; taking increasing responsibility for others; taking part in activities outdoors; sharing in prayer and worship; and making and living out their Scout Promise.

Under the Charities Act 2006 The Scout Association will shortly be required to demonstrate that our aims are for the public benefit. The Scottish Charity Regulator has already accepted that it does. An initial assessment has confirmed that we expect that the Charity Commission will in due

course verify that The Scout Association meets the public benefit test. Our assessment was that we met the public 'benefit criteria' under both the advancement of education and the advancement of citizenship or community development headings. Two key principles demonstrate that Scouting's aims are for the public benefit.

- Principle 1a – through the Scout method young people develop towards their full potential
- Principle 1b – the clear link between the benefits for young people and the purpose of Scouting
- Principle 1c – the safety of young people is taken very seriously and the benefits Scouting activities provide far outweigh the risks.
- Principle 2a – the aim of Scouting refers to young people and the beneficiaries are aged between eight and 25.
- Principle 2b – full Scouting membership is restricted to young people who are willing to make the Scout Promise.
- Principle 2c – the Association does not exclude those in poverty from its benefits. The Association does charge a subscription to its youth Members. However, the benefits of Scouting are not restricted by the ability to pay. Locally there are arrangements to waive subscriptions

and other costs for young people who cannot afford to pay. Nationally there are funds available for uniform and activities so that young people are not excluded from activities by virtue of being unable to pay.

- Principle 2d – any private benefits from Scouting are incidental, other than to those as a beneficiary

The Committee continued with the implementation of its Strategy for Scouting (Towards 2012) which is focussed on six key goals that by 2012, The Scout Association will be:

- A YOUTH-LED MOVEMENT
- A FOCUSED MOVEMENT
- A SOUND MOVEMENT
- A RELEVANT MOVEMENT
- A DIVERSE MOVEMENT
- A GROWING MOVEMENT

The following report details the work of the Association towards meeting these goals.

'We believe that through adventure we challenge individuals so that they learn and experience new things that enrich their lives.'

SUPPORTING A GROWING MOVEMENT





**THIS YEAR, 15,000
MORE YOUNG
PEOPLE AND
ADULTS JOINED
SCOUTING.**

**THAT'S OUR
LARGEST
ANNUAL
INCREASE FOR
22 YEARS.**

When a family grows, it's always an occasion to celebrate. However, there are also some adjustments that have to be made to accommodate the newcomers. Scout Groups, Explorer Scout Units and Scout Networks across the country have all found parents and young people knocking on their doors during 2007/8, inspired by what they have seen on television, in newspapers and in their own local communities.

AIM: Increase youth membership across all sections

ACHIEVEMENT: Youth membership has increased by 3.5%

In the recent past we have often struggled to convert a membership enquiry into a new Member. Improvements in the past couple of years in the 'Want to Join' system linking national enquiries with local follow up has addressed some of the challenges and improved the conversion rate. But there is still more to be done. We now receive three thousand joining enquiries each month, each of which is tracked to resolution.

AIM: Retain and increase the number of leaders

ACHIEVEMENT: The number of adult volunteers in Scouting has increased by 1.4% (an additional 1,025 people)

Our focus on the recruitment of volunteers is coupled with a commitment to provide the right sort of adult support. Adults are the most important resources we have and we are determined that they have the best possible induction, training and ongoing support.

AIM: Support the local implementation of a new adult appointment process

ACHIEVEMENT: In October we saw the first issue of appointment cards to all 83,000 adult appointment holders

The new appointment cards sent the message that all roles in Scouting are equally valued. Around the same time, the successful seven-month trial of the new appointment process came to end. It is to be rolled out throughout the UK in October 2008. The last 12 months has also seen extensive consultation on the Scout Fellowship – 8,000 adults who provide support to Groups across the UK. This focussed specifically on the activities and role of Fellowships and how the support available to local Scouting can be improved.

Increasing access to our services is important to us. To this end, the Adult Training team launched a new initiative: 'Gilwell Training on the Move', supporting local Scouting in the delivery of training. In the first six months, the team travelled over 5,000 miles and supported over 300 adult volunteers.

Local support was also developed through the increased number of Regional Training Advisers, giving one-to-one support to volunteer Training Managers. This year also saw the development of web pages to better support learners and trainers. The training team has also begun a review of training modules.

AIM: Support a strategy for increasing parental involvement

ACHIEVEMENT: Over 160,000 parent information packs are being used locally to help them understand more about Scouting and how they can get involved

Each week, nearly 800,000 parents and carers trust Scouting to provide challenge and adventure for their children. There is also a vital role for parents themselves to play. The current focus on parents has meant that more parents than ever are attending family camps, joining parent helper rotas and making the transition to adult volunteers.

AIM: Support the local implementation of Scouts' Campfire Circle

ACHIEVEMENT: Scouts' Campfire Circle has grown by 1.1% and 35% of its members have attended a local Scouting event

Our challenge remains finding the adult volunteers to help offer Scouting to every young person who wants to get involved.

'David used to go on his PlayStation while I read the paper after school and work – now we get a chance to do activities together.'
Sam, mum and helper



CELEBRATING **A YOUTH-LED** **MOVEMENT**





WHEN SCOTLAND
BEGAN, THE
YOUNG PEOPLE
DECIDED
THEY WOULD
DO. THIS
TRUE TO

**OUTTING
THE
PEOPLE
WHAT
NTTED TO
IS STILL
DAY.**

At every level, we make sure young people's voices are heard. From a Beaver Scout 'chew' for 6-8 year olds to a 'Troop leadership forum' for 10-14 year olds young people get the chance to determine their own programme.

AIM: To review the longer term strategy for increased youth involvement at all levels, to include:

- increasing locally the number and involvement of Young Spokespeople
- improving the transition from Young Leaders and Scout Network into adult leadership roles
- developing a long-term strategy to recruit a younger age-profile of leadership

ACHIEVEMENT:

- The number of Young Spokespeople has risen from 700 to over 1,000 over the period covered by this report. They now take part in all national Scout news stories and over 40% of local stories
- The increase in our number of Leaders is thanks in part to an increase in our Young Leaders and Network members over the last three years
- Nationally, we have established the Youth Participation Group, looking at how young people can influence the work of the Association as well as offering support to young people. Three young people are already Trustees of the Association, helping shape the direction of the charity

When you see Scouts on television or hear them on the radio, chances are they will be young people. This is due largely to the success of our Young Spokespeople scheme – providing young people with the media skills to become the face and voice of Scouting. As well as attracting substantial local coverage, they represented Scouting at the parliamentary reception at 11 Downing Street in May 2007 and supported several major national news stories, including the launch of our new badges in January 2008.

Many also took part in Youth Takeover Day in November 2007 – when young people met senior volunteers and staff in Scouting. They took part in workshops influencing the design of the KidsOutdoors brand, the direction of our commercial partnership strategy and the Association's vision towards 2012.

Having said all this, we still have some way to go in being truly youth led across the whole Movement – young people are currently represented on only 72% of our local County Executives. Our long term strategy focuses on promoting local youth representation at a senior volunteer level.

Our Young Leaders' Scheme also goes from strength to strength. The numbers have grown this year by 11.3%. Young Leaders are Explorer Scouts who spend time helping younger members of Scouting. The Young Leaders' Scheme helps Explorer Scouts to develop and grow as individuals. It allows them to make a valuable contribution to their community and give service to others.

'Helping out at Beavers only takes up an hour and half, so I can get my schoolwork done beforehand. Sometimes during exams I won't go to Explorers or Beavers. Scouting is flexible enough to allow me to do that. I use my map reading skills in Geography and Geology. And teamwork helps in all subjects.'
Kirstie, Explorer Scout



AIM: Support local implementation of revisions to the youth Programme

ACHIEVEMENT: A new range of programme resources were launched in February 2008 to support the revisions to our Programme

When we launched a new Programme back in 2002, we knew there would be a bedding-in process and plenty of local feedback. In 2008, the refined and revised Programme went live, following extensive consultation. It was supported by over 30 new resources.

Now easier to understand and run, our refined Programme includes new and more relevant badges (including Street Sports, Healthy Eating, PR and Motor Sports) and a greater clarity about how the badges relate to Programme. We also launched Partnership Awards as a way of helping young people of different ages to work together.

The new resources were also a big improvement to the previous generation. Striking in design, but simple and easy to use, the new books, manuals and handbooks for young people were hailed as fit for purpose. Practical, relevant and representing better value for money strong sales indicated their popularity among our leadership. Conscious of our environmental impact, they were also printed on recycled, or partially recycled paper from sustainable sources.

'The new Colony Programme Plus book is brilliant – I have only had it two weeks and already used two full programmes.'

"Our Cub leadership team were so impressed with the new Cub Scout Membership Pack and Powerpack that we have decided to purchase a copy of these for each of our Cubs and to issue these as new Cubs join"

'New Explorer Scout publications: BRILLIANT!'
Our leaders on the new resources

The changes were announced in special editions of *Scouting* magazine supplements – ensuring every Leader was informed directly of the changes, without having to rely on hearsay.

Of course, access to online resources today is just as, if not more important, than our printed publications. Users of Programmes Online, our online Programme planning tool have increased yet again – by 14%. Most significantly, there has been a dramatic increase in the number of leaders posting ideas as well as downloading them.



Our Centenary was always going to be more than a World Scout Jamboree.

Our challenge was to involve every adult and young person in the country. The wide range of local and national events from street parties in Belfast to the huge festival of Scouting at The O2 arena helped make this possible.

Take up of a specially designed scarf and set of four Centenary badges available to every adult and young person in the Movement was a good indicator of the high level of participation. Some 190,000 scarves and 420,000 badges were worn by Members.

AIM: Implement Centenary activities

ACHIEVEMENT: Participation in our Centenary activities was strong. Some 250,000 Scouts took part in Centenary Camps in May 2007 and 24,000 people from every part of the UK took part or attended LIVE07 at The O2 arena in Greenwich, November 2007.

QUARTER OF A MILLION SCOUTS TURN OUT FOR CENTENARY CAMPS

The whole Movement under canvas was our aim; in the event 250,000 Members took part across 3,000 different events. The extraordinary scale of the event made for a huge local and national story . . . despite the rain!

SCOUTS TURN DOWNING STREET INTO AN OUTDOOR ADVENTURE CENTRE

Prime Minister at the time, Tony Blair, joined in the fun as Scouts swept into Downing Street and set up climbing walls, stunt ramps and obstacle courses.

28 MILLION SCOUTS RENEW THEIR PROMISE ON 1 AUGUST 2007

Whether on Brownsea Island with two young people from every Scouting country in the world or on the summit of Ben Nevis, the whole world joined together at 8am GMT to celebrate our 100th birthday.

SUNRISE IN THE FOREST

'Cubs from 1st Haslemere Cherokee, Surrey renewed their Promise on the highest point of the New Forest,' said Cub Scout Leader Elaine Clement. The group, which was on summer camp also invested their newest member, Charlie at the same time.

SUNRISE OVER EDEN

Scouts from 143 Scout Groups attended Cornwall Scout County's spectacular Sunrise event at the Eden Project, near St Austell. They renewed their Promise at 8am alongside parents, friends, brothers and sisters. Once the ceremony was over, the Scouts got stuck into a range of activities from den building to music and craft.

'If every Scout in the world who participated in renewing their Promise were to hold hands in a chain, we would circle the world one and three quarter times'

Emma Stanton, Scout Leader

SUNRISE ON BEN NEVIS

Twelve Explorers and five leaders from Snowdonia and Anglesey set themselves a truly adventurous Sunrise challenge: to trek across Scotland and celebrate Scouting's Centenary on the summit of the UK's tallest mountain, Ben Nevis. 'We walked 73 miles in all,' said Area Commissioner John Munslow, 'and climbed some 7,600 feet. We set off from the campsite for the summit at 4.40am and reached the top by 8am, making our Promise in both English and Welsh.'

20,000 SCOUTS RAISE THE ROOF ON THE O2 ARENA

A cast of 3,000, abseiling Explorer Scouts and seven minis live on stage at the iconic London landmark made for the most spectacular Scout show yet. Some 24,000 Scouts from every part of the country saw it unfold.





WHAT WAS THE IMPACT OF OUR CENTENARY?

- A renewed sense of energy, purpose and enthusiasm within the Movement
- An additional 15,000 young people and adults joined Scouting and are now taking part in healthy outdoor activities
- Scouting's public perception was transformed – there were over 5,000 articles and broadcasts about the World Scout Jamboree
- Scouting's 'everyday adventure' brand is more recognised and understood – over 60% of the public now associate Scouting with adventure
- Unrestricted income from donations, commercial partnerships and legacies to Scouting have doubled to over £3.3 million as a direct result of our higher profile

A YEAR OUTDOORS

Scouts love camping, but this really takes the biscuit. Sixteen-year-old Stephen spent every night of 2007 in a tent in Kent. And this wasn't just to gain independence from his parents – it was a way for Stephen's Explorer Scout Unit to mark Scouting's 100th birthday, while raising much-needed funds for a local hospice.

'You've no idea how uncomfortable my bed felt after a year in a tent,' he said. Stephen pitched his tent in his grandparents' back garden and after a few days, began to grow accustomed to the conditions. Coping with all weathers, it was one day in February that proved the most memorable. 'I opened up the tent and lots of snow had fallen. It was beautiful.'

As well as being a great personal achievement, Stephen and his Explorer Scout Unit raised over £3,000 for Demelza House, a local children's hospice. Stephen's mother Judy, said: 'I am really proud of him. But it's nice having him indoors again.'

ACTIVITIES FOR ALL

Access to adventurous activities is the reason many young people join Scouting, and it is our job to deliver them in the safest possible way. To support this, we have redefined our national support structure for activities – ensuring that we have specialists in place to advise and influence the provision of safe activities in Scouting.

DUKE OF EDINBURGH'S AWARD SUCCESS

Meanwhile, there is an impressive 45% increase in the number of young people gaining Duke of Edinburgh's Awards through Scouting. Better resources, wider publicity and stronger local support were all reasons behind this improvement.

YOUR PROGRAMME; YOUR VOICE

Recently trialled with the Cub Scout Section this initiative directly involves leaders in the national decision making process. With both online research groups and focus groups, the scheme has so far highlighted areas of the programme which leaders find most challenging, helping us focus resources and make improvements in these areas.





BUILDING A SOUND MOVEMENT SUCCESSFUL FUNDRAISING AND STRONG TRADING RESULTS HAS MEANT WE CAN KEEP THE COST OF SCOUTING DOWN.

Because the Association is a charity, we make our money work hard for us. Our key aim is to ensure that national membership subscriptions, which help fund the Movement, are kept as low as possible.

We are always seeking other possible sources of income to ensure there is not a financial barrier to any person wanting to join Scouting.

AIM: To work towards capturing all adults in Scouting within our membership services system

ACHIEVEMENT: Adult user registrations on the system grew by over 10,000 to 28,000 during the year

Keeping our Members' details secure is key to the success of our membership services system. So too is allowing our volunteers to

easily update and manage their data. A new interface was launched in March 2008 and has improved the user experience. The 10,000 new registrations have demonstrated our progress, although overall registrations still only represent 30% of our adult membership.

We are also beginning to use the system in innovative new ways that are directly contributing to organisational growth. A successful trial of the online adult appointment process has paved the way for a full roll out nationally in October 2008. Improvements to our joining process has ensured that every new Member enquiry is quickly and effectively followed up.

'The new interface is much more welcoming. The system is much improved, with easier access.'
District Commissioner

AIM: To consolidate new business plans for Scout Insurance Services Limited

ACHIEVEMENT: Following the diversification of the business to non-Scout audiences with the launch of the Unity brand, this has been a period of transition for the business

AIM: Prepare new business plans for Scout Shops Limited

ACHIEVEMENT: Scout Shops Limited has recorded a record profit of £3.7 million and has produced a robust

business plan for the next three years. The strong trading results reflect not only the high level of activity during our Centenary year, but also a new, fresh and innovative approach.

The re-launch of the Outdoors brand at the Outdoors Show in March 2008 was a major step. Marketing high quality outdoors and camping equipment to the wider public is a sign of the confidence of the business. Coupled with excellent trading at the 21st World Scout Jamboree in July and August 2007, a growing internal customer base and strong sales of new resources has meant that more money than ever has been put back into Scouting – keeping down the cost of Scouting.

AIM: Implement a new high-value fundraising strategy

ACHIEVEMENT: A new fundraising strategy and structure is now in place

The Centenary year saw a significant increase in fundraising and commercial partnerships: the team raised £3.3 million in the past year. Work has already begun on the new Petchey Lodge at Gilwell Park, north London, contributed by the Jack Petchey Foundation. Discussions are well under way towards the further development of the National Centres and the KidsOutdoors Fund, which benefits the Movement throughout the UK.



Since March 2008, the Fundraising and Commercial Partnerships Team has been consolidated into one unit. New schemes have been launched, such as the Scout Fellows (for high value contributions) Gilwell Fellows (for international contributors) and a more developed Trusts, Foundations and Legacy campaign.

The team was also shortlisted for the Institute of Fundraising Awards for our partnership with Sainsbury's.

AIM: Review and work with the World Organization of the Scout Movement/ World Scout Foundation on international level fundraising

ACHIEVEMENT: 2007/8 has seen the continuation and development of this work including at the 21st World Scout Jamboree promoting links with international business

AIM: Implement governance changes at national level

ACHIEVEMENT: The Council received the proposals for governance changes at its Annual General Meeting in September 2007 and requested the Trustee Board to undertake further work on a number of matters

AIM: Undertake strategic review of integrated membership services and agree action plan

ACHIEVEMENT: A review has been conducted that proposed a plan to focus the Association via a new Customer Relationship Management system (CRM). This system would allow us to deliver better, more focussed support to individuals while developing a knowledge base to support all members and the wider public

AIM: Review volunteer management structures at County and District levels to support Groups

ACHIEVEMENT: The review will commence once national governance changes have been accepted and implemented.



SAINSBURY'S COMMUNITY WEEK – SCOUTING IN LOCAL COMMUNITIES

Sainsbury's Community Week ran from 3-9 October 2007 and involved thousands of local volunteers and young people. Scouting had a presence at Sainsbury's stores up and down the country, raising money and the Scouting profile in the local communities.

The results exceeded all expectations. The week:

- raised in excess of £250,000
- helped recruit over 700 new leaders, 400 of whom are 16-25
- attracted over 1,000 new youth members

COMMITTED TO KEEPING CHILDREN SAFE

The safety of all 380,000 young people in our care is of paramount importance. As well as ensuring that every one of our leaders is subject to a robust criminal records check, more than 3,000 volunteers also participated in the 'Keeping Children Safe' training scheme, delivered in partnership with the NSPCC.

We have also issued new guidance to adult volunteers on the use of email, text messaging and social networking sites to ensure that they know how to use these mediums appropriately.

A new Safeguarding team has been established to focus even more proactive support to this area of our work.



RENEWING OUR COMMITMENT TO DIVERSITY

**OUR 50,000 GIRLS
MIGHT HAVE
SOMETHING
TO SAY IF YOU
CALL US
'BOY SCOUTS.'**

Locally and nationally, Scouting seeks to reflect the makeup of the country. Scouting has welcomed girls in all sections since 1991 and since its earliest days, our Members have come from all faiths and backgrounds. Today we have never been more diverse.

AIM: To increase percentage

of female Members in Scouting

ACHIEVEMENT: The number of girls in Scouting has increased by 14.2% during 2007/8. Girls now represent 13.5% of our entire youth membership

With the Movement now fully mixed, young people are doing their learning and growing together. Some have taken time to adjust to the changes, but this is to speak of the minority. It was a girl from Scotland who climbed Mount Everest in May 2007 and another who won an award for Young Engineer of the year. Scouting for boys? Not entirely. A further 500 women have joined as adult leaders this year – joining over 30,000 other women who choose Scouting as their main volunteer commitment.

AIM: To increase the proportion of membership from, black, minority and ethnic (BME) communities

ACHIEVEMENT: Asian membership of the Association in the UK has increased to 1.1% of total Members in 2008. This equates to over 5,000 Members who describe themselves as of Asian origin

In the UK, mixed ethnicity membership increased from 1.5% in 2007 to 1.7% in 2008. This equates to an increase of 900 mixed ethnicity Members. Membership of people in other ethnicity groups increased from 0.9% in 2007 to 1.1% in 2008. To give you even more of an idea how Scouting is changing in our towns and cities, two out of the 10 fastest growing Scout Groups in the UK are from within Muslim communities.

Gilwell Park, our national headquarters and Baden-Powell's original training ground is something of a focal point for world Scouting. As such it needs to meet the needs of a 28 million strong multi-faith community. It is fortunate in having a number of faith buildings – all of which underwent significant renovations in preparation for the thousands of Scouts from across the world who visited during the Jamboree. We now have planning permission for an Islamic prayer building which will be built this coming year.

Scouting is proud of its faith heritage. At their Investiture, our Members promise to do their duty to their God and beliefs and attitudes underpins everything we do. Scouts are encouraged to explore their faith and that of others through trips to other churches, temples, synagogues and mosques, through festivals and simply through friendship. In 2007/8, over 30,000 My Faith Activity Badges were completed by Beaver Scouts alone.

AIM: To seek the proportionate diversity of leadership teams at all levels

ACHIEVEMENT: Adult volunteers from BME communities represent 2.1% of our leaders – an increase of 0.9%

AIM: To better support the integration of Members with special needs into mainstream Scouting

ACHIEVEMENT: Partnerships with Mencap and the National Deaf Children's Society has meant specialist support for those with special needs

Working with Mencap on the Get Together training to make Scouting more accessible for young people with learning disabilities, the Association trained over 100 people in March 2008.

In partnership with the National Deaf Children's Society, the Association has produced a booklet on deaf friendly Scouting to be sent directly to all Scout Groups in the UK. This will make Scouting more accessible to deaf young people.



GOOD NEIGHBOURS

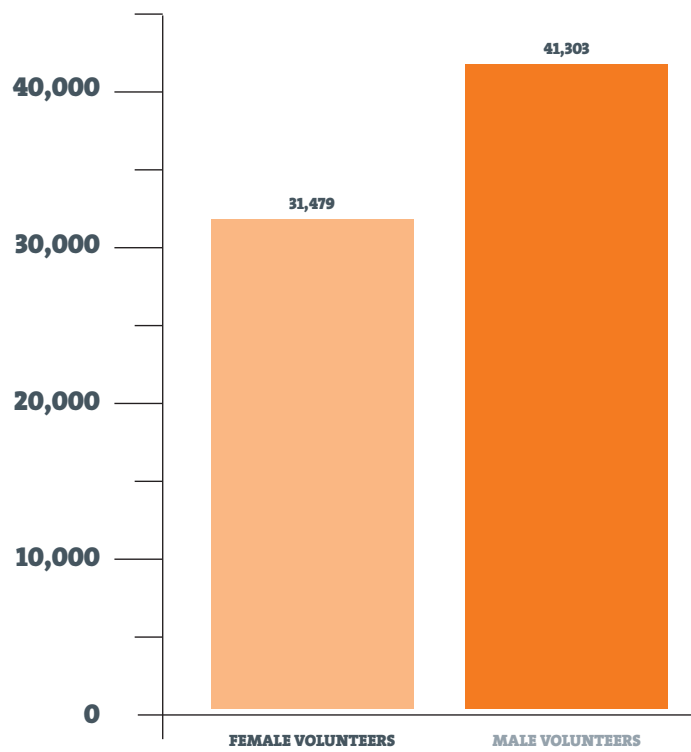
Sometimes fairy tales do come true. The 3rd Whitton (St Edmunds) was a Catholic Scout Group which had operated out of a run-down church hall for 70 years. The 6th Whitton (Ibn Battuta) was a fledgling Muslim Group operating a community based Cub Pack. They had a meeting place with good facilities, but few leaders, little experience and practically no management in place. The answer? To merge the two Groups.

'It could have gone any number of ways,' says Phil Hunt, Group Scout Leader. 'Fortunately it went the right way. As part of a bigger, united Group, the sections now have access to more resources through sharing equipment, materials, the experienced leadership team as well as the Group Executive team, section helpers and Young Leaders and of course, parental support.

'Through sharing Scouting experiences, the young people now have the opportunity to learn respect for differing cultures,' says Phil. 'They explore their differences as well as understanding their similarities.'

Sharing the Group name, Group scarf and premises gives the young people a sense of belonging to a Group with wider than average horizons – beyond the 'normal' meeting night and beyond the 'normal' mix of friends.

Total number of male and female volunteers in Scouting



For full census results, see page 35.





**BECOMING A
MORE RELEVANT
MOVEMENT**



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THE LAUNCH OF KIDSOUTDOORS –
OUR NATIONAL CAMPAIGN

**WE WANT YOU
PEOPLE TO FEEL
BETTER ABOUT
THEMSELVES AND
BETTER ABOUT
THE FUTURE.**



One thing dominated the start of 2008 – the KidsOutdoors campaign. Launched in February at London's Docklands, its aims were simple: to get more young people and their families doing more outdoor adventures.

In an age when childhood obesity and a lack of places to play are dominating the national agenda; when TV and video games are more popular than ever, we wanted to use our expertise to help provide some alternative thinking. The media and politicians have identified the problems associated with unhealthy lifestyles and in KidsOutdoors, we are offering a solution.

We want young people and their families to try something new, feel better about themselves and better about the future.

The £10 million KidsOutdoors fund was launched at London's Mansion House and an innovative new website to support the campaign also went live on the same day.

We are committed to helping young people become healthier and happier. And we are always happy to suggest Scouting as a great way to get outdoors.

'Scouting has given me a range of outdoor opportunities, from hill walking to scuba diving. It didn't matter if I didn't have any particular skills, there was always someone there to support and encourage me.'
Amy, 15, Berkshire

AIM: Develop an overarching focussed and proactive strategy for working with national and local government

ACHIEVEMENT: The KidsOutdoors campaign has given us a 'route in' to local government integrating with existing strategies to promote outdoor activities and opportunities for young people. We are now in a position where we cannot only lobby for change but provide the infrastructure to implement it

AIM: To continue to develop the facilities, range of activities and long-term financial viability of the Association's national centres
ACHIEVEMENT: An exceptionally busy year for our national centres with a 25% increase in the hours of activities we have delivered

Our four activity centres have seen more young people enjoying excellent outdoor experiences delivered by our volunteer and staff teams. Gilwell hosted Gilwell Adventure for the World Scout Jamboree, welcoming 5,000 people a day and showcasing UK Scouting and Gilwell Park to the world. At Youlbury in Oxfordshire, a five year development plan is now in place following consultation with Scouts and local residents. New activities at Downe in Kent as well as Youlbury are up and running and proving popular.

Delivery of education programmes on all our activity centres is up with more young people experiencing a taste of Scouting.

Our conference centres at Gilwell Park and Baden-Powell House have also had an exceptional year and with the majority of the usage being from Scouts, other charities and not-for-profit organisations. One year into our partnership with Meininger City Hostels and Baden-Powell House is buzzing with young people from all over the UK and the world. A new Scouting exhibition at our flagship London centre has also set to become a major attraction.

At Gilwell Park our new 56-bed Jack Petchey Lodge opened in September 2008. Meanwhile at Hawkthirst in Northumberland, a new hostel building also opened in September – a joint project with Newcastle City Council, funded by The Big Lottery Fund

Changes to staffing structures are being implemented and work is progressing on how to integrate our whole team all with the aim of providing even better quality to our guests. There is also ongoing work to recruit members to the National Centres Board. This will be tasked with providing us with a strategic overview for our business development.

With work underway to improve the guest experience, refurbish Baden-Powell House and widen access to the great quality experiences we offer across the country, we are well placed to move forward.

AIM: Implement the first phase of the national centres partnership scheme

ACHIEVEMENT: After further consultation and analysis, we no longer believe this scheme to be viable locally and plans have been discontinued

AIM: To prepare then commence the implementation of a strategy for the Association's engagement with the 2012 Olympics

ACHIEVEMENT: An Olympic Thinking Day was held at Gilwell Park this year to help formulate the strategy

Young people are a key part of the 2012 Olympic story and Scouting has a strong role to play. It's about opportunities for young people and helping them do their best – things we are passionate about. We will continue to focus on this throughout the year and as the London Olympics draws nearer.



WHAT IS THE IMPACT OF KIDS OUTDOORS?

- As of April 2008, 42,000 new adventures posted on www.kidsoutdoors.com
- More than 15 charities joined as partners or expressed their interest in the campaign
- Scouts across the UK are using KidsOutdoors as a fresh and exciting way to engage more adults and young people into Scouting
- Wide media coverage on TV, radio and online
- Collective lobbying power for change at local and national level



BEC
MC
MC



**COMING A
MORE FOCUSSED
MOVEMENT.**



Scouting happens locally. And it is the perception of Scouting in local schools, newspapers, workplaces and youth groups that determines its success.

AIM: To increase Scouting's profile at local level

ACHIEVEMENT: The ongoing development of a network of volunteer Media Development Managers is leading to positive, high profile publicity for local Scouting

Nationally supplied media training meant local Scouting really made the most of the opportunities provided by our Centenary, new badges and the KidsOutdoors campaign. With workshops, one-to-one support and a monthly 'big phone call,' local communicators felt empowered like never before. Scouting recorded 7,800 positive local media stories in 2007/8.

Young Spokespeople continued to provide the face and voice of Scouting locally and nationally. As well as providing development for young people, it provides a much more realistic picture of Scouting as a youth-led Movement – and it's also undeniably good fun appearing on live national TV! The toolkit Everyday Adventure was updated to be Centenary-specific and provided templates, press releases and selected images for use by local Media Development Managers. A new image library was also created, containing thousands of on-brand images.

The Association's flagship Members' magazine, *Scouting*, is also building on its success. An online survey conducted in December 2007 revealed that 98% of Members looked forward to receiving it.

However, while adult volunteers were well represented in the magazine, as a youth-led Movement, the voices of young people were surprisingly quiet. Therefore the magazine is now putting young people at its core by increasing the number of featured interviews and case studies. The accompanying Section supplements continue to be well received and were relaunched in April 2008 to match the format of the magazine.



**OFTEN,
EXCELLENT
SCOUTTING IS
HIDDEN AWAY.
THIS WAS THE
YEAR WE WELL
AND TRULY
WENT PUBLIC.**

AIM: To introduce a national team of Scouting ambassadors

ACHIEVEMENT: A number of public figures speak positively about Scouting, including: Ian Hislop, journalist and broadcaster; Justin King, Sainsbury's Chief Executive; Lord Coe, sportsman; and Baroness Betty Boothroyd, former Speaker of the House of Commons

AIM: Enable our membership services system to deliver communications that respond to local need

ACHIEVEMENT: Improvements to the system have enabled 10,000 more adult volunteers to manage and monitor their training progress

AIM: Implement strategies for marketing and for the use of new media

ACHIEVEMENT: With the successful launch of the KidsOutdoors website and an upgrade of www.scouts.org.uk we are now fully embracing interactive technologies

SCOUTS 2.0

When it comes to emerging media, user generated content is king. Our new sites are geared towards allowing Scouts and members of the public to submit their own stories and adventures. The launch of new sites to support our conference and activity centres were also a big step forward. Work continues to implement full integration across all our websites and exploit the potential of social networking sites to increase Scouting's profile and appeal. We are now well on our way to a single, integrated and unified site for all Scouting in the UK with a single point of entry for every visitor. Tailoring content to roles will mean more meaningful communication with Members.

Meanwhile, ScoutingPlus – the Association's weekly e-newsletter now has over 45,000 regular subscribers, making it easier than ever to share information and success.

BIG IN BOOKS

Scouting for Boys is one of the biggest selling books of all time. Publishing was still big business for Scouting in 2007/8.

- *An Official History of Scouting*, co-published with Hamlyn has sold 25,000 to date worldwide and has been translated into eight languages
- *Playing the Game*, published by Pan MacMillan collected together some of the best of Founder Robert Baden-Powell's writings
- A Centenary edition of *Scouting for Boys* published by Oxford University Press saw the book that began it all return to the bestseller lists
- *The Scout's Companion* was launched, crammed with Scouting ephemera; a popular addition to a popular series



HOW WE BUILT THE TOWN IN ESSEX (AGAIN) 12 DAYS LATER



The 21st World Scout Jamboree took place between 27 July and 8 August 2007. Some 40,000 Scouts and 50,000 day visitors experienced 12 unforgettable days of adventure, activities and international friendship.

The first stake was hammered into the site on 30 June 2007. Over 1,500 volunteers from around the world then set to work, transforming an Essex parkland into a 686-acre Scouting canvas city. It was the biggest construction project ever carried out by volunteers in the UK.

Volunteers and contractors worked each day to raise tents and scaffolding, build activity zones, install lighting and plumbing, assemble gateways and raise flagpoles. By 26 July, more than 100,000 pegs and ropes tethered 1,200 tents for the organisers and programme team and that was just the start.

Everyone knew it was going to be a spectacular, but not even the organisers could have anticipated what was to follow...

Almost 100,000 people of all nationalities participated in, worked at or visited the site at Hylands Park in Essex, which had been turned into a global Scouting city. Over the 12 days, Scouts learnt about international development, took part in local community projects, made a splash while doing water activities and renewed their Promise as Scouting celebrated its 100th birthday.

Scouts from over 200 countries took part in the Jamboree, including many who would not otherwise have been able to attend due to their financial circumstances. The Operation One World Appeal, strongly supported in the UK, allowed an extra 4,900 people to attend.

A TALE OF TWO SCOUTS AT THE WORLD SCOUT JAMBOREE

In August 2007 the BBC broadcast the story of a child from Africa and a young person from the UK – both of whom attended the 21st World Scout Jamboree. In all, four young people attended from Mafeking, the site of the famous siege in 1899-1900 where Baden-Powell, Scouting's Founder, defended the town during the Boer War. This time the story was about peace, development opportunities and global understanding. The Mafeking children, some of whom have never left the area, were being funded by money raised in Africa and many are from underprivileged backgrounds. Of the 200 participants from South Africa – 70 had almost nothing.



THE FOURTH LARGEST AND TOOK IT DOWN (AFTER.)



'Before the Jamboree I was completely out of touch with what Scouting was really about. I thought it was all 'dyb, dyb, dyb', shorts, hats and 'Ging Gang Goolie' around the campfire. I had no idea it was so popular across the world, or that people could do such a variety of things. It's great that by being a Scout you can get out and learn how to climb, canoe, find out about issues surrounding the environment and the world we live in.'
Yukihiko Hamada, 27, World Scout Jamboree day visitor

HRH Prince William and HRH The Duke of Kent, the Association's President took a tour of the site, spending half a day observing first hand how Scouting has evolved into the modern organisation it is today. On his way, HRH Prince William was given a cup of Moroccan tea and discussed HIV awareness with South African Scouts. While visiting the Global Development Activities, he was treated to an impromptu drum performance. After watching the drummers wow the gathering crowds, William then joined in.



WHAT WAS THE IMPACT OF THE 21ST WORLD SCOUT JAMBOREE?

- 40,000 Scouts and 50,000 day visitors enjoyed an unrepeatable international experience – building a foundation for international peace. Where else could you shake hands with someone from every country in the world in one day?
- Scouting formed partnerships with more than 100 non-governmental organisations with lasting benefits to UK Members
- Young people took part in outdoor adventures and activities from canoeing and sailing to archery
- UK families enjoyed their first international experiences hosting 6,000 Scouts in the Home Hospitality scheme
- Every Jamboree participant took part in Starburst – spending a day away from the main site taking part in a series of projects supporting the local community. All in all, it would take a single person 87 years to accomplish all the work undertaken during the Jamboree. Projects ranged from clearing footpaths in forests to improve the habitat for wildlife, to repairing and painting a playground and wildlife area at a school for children with special needs

WHAT WE'VE JUST GOT BIGGER

CENSUS OF MEMBERSHIP
FOR THE YEAR ENDING
31 MARCH 2008



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	Male	Female	Total
Youth membership			
Beaver Scouts	89,901	11,193	101,094
Cub Scouts	122,589	14,679	137,268
Scouts	91,054	16,912	107,966
Explorer Scouts	22,735	7,687	30,422
Network members	1,256	657	1,913
TOTAL YOUTH MEMBERSHIP	327,535	51,128	378,663
Leadership			
Section Leaders	26,044	22,035	48,079
Sectional Assistants and Skills Instructors	7,014	6,210	13,224
Group Scout Leaders	4,062	1,425	5,487
District Skills Instructors and Advisers	679	179	858
District Scouters	609	349	958
Commissioners in Districts	1,601	829	2,430
County Skills Instructors and Advisers	480	112	592
County Scouters	270	133	403
Commissioners in Counties	544	207	751
TOTAL LEADERSHIP	41,303	31,479	72,782
Organisational support			
District Administrators	631	615	1,246
District Office Bearers	1,249	641	1,890
County Administrators	151	109	260
County Office Bearers	255	62	317
Scout Fellowship	4,426	3,545	7,971
Individual Members and Associate Members	2,615	1,932	4,547
TOTAL ORGANISATIONAL SUPPORT	9,327	6,904	16,231
Total membership	378,165	89,511	467,676
Members	377,153	88,566	465,719
Associate Members	1,012	945	1,957
Statistical information			
Young Leaders	5,039	2,324	7,363
Network members (recorded elsewhere)	1,699	739	2,438
Total Network members	2,955	1,396	4,351
Units			
Beaver Scout Colonies			6,788
Cub Scout Packs			7,802
Scout Troops			6,656
Explorer Scout Units			2,054
Local Scout Networks			313
Scout Fellowships			759
Groups			7,274
Districts			849
Counties/Areas			116



FINANCIAL REVIEW

The Association's accounts have been prepared in accordance with the Statement of Recommended Practice 'Accounting and Reporting by Charities' introduced in 2005, more commonly referred to as the Charities SORP.

OVERVIEW

2007/8 was financially the most significant year in the Association's history. It encompassed most of Scouting's Centenary events and activities including the 21st World Scout Jamboree, Live 07, Brownsea Island 1 August celebrations, Centenary Camps, Reunion '57, Join-in-Centenary, Jamboree Home Hospitality and much more around the UK. This generated a near doubling of both incoming resources and expenditure and necessitated the introduction of additional financial controls and procedures to ensure that the financial management of the Centenary activities was as successful as the year itself. The financial success of the Centenary has enabled the trustees to set aside £2.5m for the future growth and development of Scouting to ensure that Scouting's Centenary will be the springboard to future growth.

In addition to Scouting's Centenary, we also completed a review of restricted funds and finalised the March 2007 pension scheme actuarial valuation. The former will enable the Association to utilise the funds for Scouting in the 21st Century and necessitated a prior year adjustment to restate opening reserves. The latter showed that we were making good progress to addressing the deficit and by March 2008 the pension scheme deficit had reduced from a peak of £7 million to less than £1 million.

FINANCIAL RESULTS

The Association's financial result was an operating surplus of £9.2m in the year, an improvement of £5.9m compared with the previous year's surplus of £3.3m. The unrestricted operating surplus, before transfers and recognised gains and losses, was £10.1m whereas the restricted deficit was £0.9m. The timing of income and expenditure had a significant impact on both the unrestricted and restricted results with Centenary activities and donations towards new buildings at Gilwell Park being the most significant.

The operating results in both 2008 and 2007 include several one-off items: £4.0m (2007: £1.4m) special pension contributions, movements in the pension scheme deficit, £1.6m (2007: £0.3m) surplus from asset disposals and £6.2m (2007: £1.3m) net Scouting Centenary income. The net unrestricted income before these 'one-off' items was a surplus of £1.2m (2007: £1.5m).

The decline in world stock markets in the second half of the year caused a loss of £0.9m on investments. However, there was still an overall increase of £10.6m in the Association's total funds.

	2008 £m	2007 £m
Net unrestricted incoming resources before 'one-off' items	1.2	1.5
Net restricted incoming resources before 'one-off' items	0.3	0.5
Surplus on disposal of assets	1.6	0.3
Special Pension Contributions	(4.0)	(1.4)
Movement in pension scheme deficit recognised in resources expended	3.9	1.1
Net Centenary income/expenditure (including Scout Shops and Gilwell Park's exceptional Centenary profit and Jamboree restricted income/expenditure)	6.2	1.3
Net incoming resources	9.2	3.3
Net (losses)/gains on investment assets	(0.9)	0.5
Actuarial gains/(losses) on defined benefits pension scheme	2.3	(1.3)
Increase in funds	10.6	2.5



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SCOUTING'S CENTENARY AND JAMBOREES

From a planning and financial perspective Scouting's Centenary events and activities were the realisation of many years of investment and preparation. The first significant expenditure on the Centenary occurred in 2000/1 and then grew steadily to peak in 2007/8. Overall the Jamborees – EuroJam in 2005 and the 21st World Scout Jamboree in 2007 – achieved a small surplus of £0.1m. The net cost of the other UK events and activities was £0.8m which was slightly more than the sponsorship and promotions income generated in relation to these activities and the Jamborees. Jamboree day visitor fees generated a surplus of £0.2m and the exceptional profit generated by Scout Shops Limited and Gilwell Park from turnover relating to the Centenary amounted to £2.5m. The trustees have set aside this exceptional income for the future growth and development of Scouting.

The total income from the Jamborees (EuroJam and 21st World Scout Jamboree) was £21.4m with £19.6m from participant fees and a further £1.8m in grants. This compared with £21.3m in expenditure resulting in a small surplus of £0.1m.

	£m
Participant fees	19.6
HMG Cabinet Office grant	1.5
Other grants	0.3
Total Jamborees income	21.4
Jamborees expenditure	(21.3)
Surplus	0.1

INCOMING RESOURCES

Total incoming resources for the year amounted to £49.7m compared with £26.1m last year. Within this increase of £23.6m, £18.6m is income from charitable activities directly related to Scouting's Centenary activities whereas included in the 2006/7 total is the income from 14 months operations for Scout Shops Limited. In addition, total incoming resources in both the 2007/8 and 2006/7 include significant income from activities for generating funds from Centenary related retail activities. Legacies grew by £0.3m, hostel and conference income increased by £0.2m and sponsorship and promotions income grew to nearly £1.1m. Further income growth came from investment income and underlying sales at Scout Shops.

In April 2007 the Committee of the Council decided that the net national membership should remain unchanged at £18.60 per Member, after a 50p rebate for prompt payment. With the growth in membership, this resulted in membership fee income rising by 1.8% to £7.8m.

	Pre-2003/04 £m	2004/05 £m	2005/06 £m	2006/07 £m	2007/08 £m	TOTAL £m
Jamborees net unrestricted income	(0.5)	(1.7)	(1.1)	(1.0)	4.4	0.1
World Scout Jamboree restricted grant				1.3	0.2	1.5
World Scout Jamboree restricted expenditure					(1.5)	(1.5)
Jamborees Infrastructure (fixed assets)			(1.2)		1.2	0.0
Jamborees (net)	(0.5)	(1.7)	(2.3)	0.3	4.3	0.1
UK Events and Activities	(0.5)		(0.1)	0.1	(0.3)	(0.8)
Corporate Planning	(0.2)					(0.2)
Jamborees Day Visitors					0.2	0.2
	(1.2)	(1.7)	(2.4)	0.4	4.2	(0.7)
Sponsorship and Promotions			0.2	0.1	0.4	0.7
Scout Shops and Gilwell Park Scouting Centenary net profit			0.1	0.8	1.6	2.5
Net outcome	(1.2)	(1.7)	(2.1)	1.3	6.2	2.5

Donations, legacies and similar income amounted to £2.8m, an increase of £0.1m on 2007. Grant income fell by £1.0m following a 2006/7 restricted donation in support of the 21st World Scout Jamboree. Legacy income increased by £0.3m following the receipt of some significant legacies during the year. Donated services and facilities (Gifts in Kind) of £0.5m included World Scout Jamboree water activity facilities, liquid waste processing and the loan of defibrillation equipment for the Jamboree hospital. All other income increased by £0.5m following a variety of large one off donations.

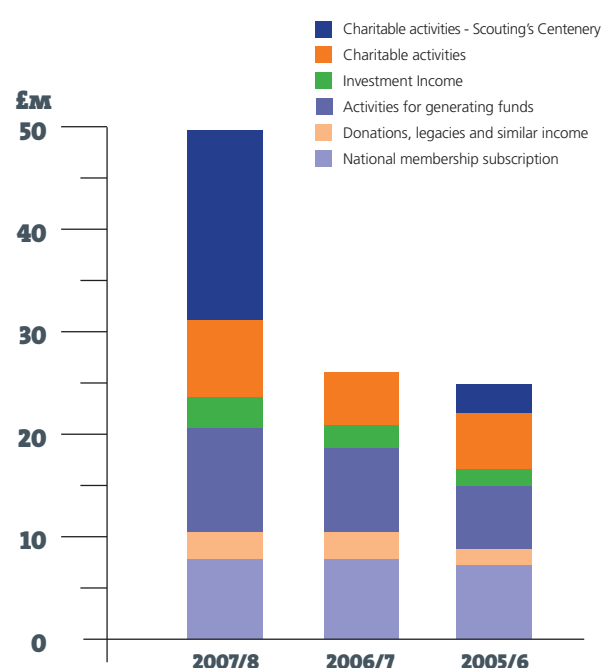
Activities for generating funds include the retail sales of Scout Shops Limited, sponsorship and promotional income, together with non-Scouting income generated by Baden-Powell House and Gilwell Park Hotel and Conference Centre. This income grew by £1.8m to £9.9m with growth in retail sales (£1.1m), hostel and conference income (£0.2m) and sponsorship and promotions (£0.5m). The increase in retail sales is due to turnover relating to Scouting's Centenary partly offset by Scout Shops Limited 2006/7 results covering a 14 month period.

Investment income grew by £0.6m to £3.0m due to a combination of higher interest rates and increased cash balances. The increased level of cash was principally due to deposits and advance payments for the World Scout Jamboree.

Incoming resources from charitable activities comprise the income from the sale of goods and services as part of the charitable activities of the Association and of ancillary trades carried on in support of its primary purpose. These include income from Scouting's Centenary events and activities and camping, training

and accommodation charges at Baden-Powell House, Gilwell Park and the other National Scout Activity Centres. In addition, there are Scout Information Centre sales, insurance commissions earned both by Scout Insurance Services Limited and by Scout Insurance (Guernsey) Limited and the surplus on asset disposals. During 2007/8, incoming resources from charitable activities increased by £21.0m of which £18.6m was directly due to Centenary events and activities. The underlying growth was due to a combination of increased usage of the activity centres and increased insurance income.

WHERE THE MONEY COMES FROM



FINANCIAL REVIEW

RESOURCES EXPENDED

Resources expended amounted to £40.5m, an increase of £17.7m over last year. Within total resources expended, £16.7m (2007: £1.0m) is directly due to Scouting Centenary charitable activities expenditure. Excluding the impact of Centenary activities, resources expended decreased by £1.5m with expenditure on charitable activities increasing by £1.4m.

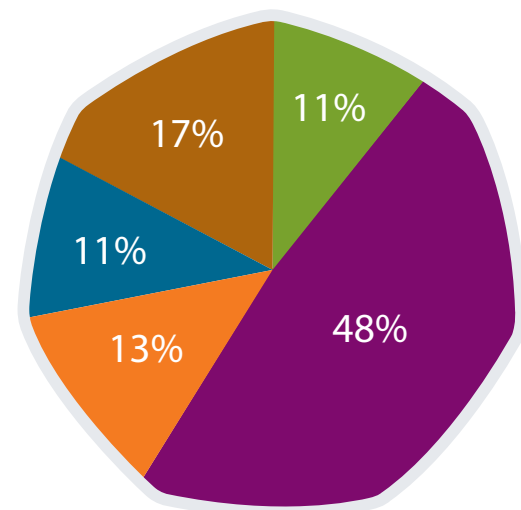
The cost of generating funds increased by £0.6m to £6.2m with Scout Shops' Centenary retail operating costs being the most significant increase. Conference, sponsorship and promotion expenditure increased as a result of the increased activities and revenue from these areas. Hostel expenditure was minimal following the outsourcing of the hostel operations at Baden-Powell House in October 2006.

Expenditure on charitable activities totalled £34.2m. The expenditure has been analysed under the following headings:

- Youth Programme and Activities (e.g. revision of youth Programme resources)
- Scouting's Centenary (e.g. World Scout Jamboree)
- Development of Scouting (e.g. external relations and Regional Development Service)
- Adult Support and Training (e.g. Members' records and updating adult training material)
- Support and services to the Scouting Movement (e.g. child protection, insurance and Information Centre)

Excluding Scouting Centenary expenditure, the £1.4m increase in charitable expenditure was principally focussed on the Development of Scouting and Youth Programme and Activities.

OUR SPEND ON CHARITABLE ACTIVITIES



- Youth Programme and Activities
- Scouting's Centenary
- Development of Scouting
- Adult Support and Training
- Support and Services to the Scouting Movement

Support costs comprise the expenditure that enables a fundraising or charitable activity to be conducted, but do not in themselves constitute a charitable activity. They include depreciation, irrecoverable VAT, central management, finance, human resources and legal costs. They have been attributed to the costs of generating funds and to charitable activities based on an estimate of staff resources employed in delivering these activities.

Governance costs are incurred in meeting the Association's compliance with constitutional and statutory requirements. They were unchanged at £0.1m.

LOSSES ON INVESTMENT ASSETS

The losses of £0.9m (2007: £0.5m gain) represent the difference between the market value of our investment portfolios at the start and end of the financial year.

THE SCOUT ASSOCIATION'S FUNDS

The Scout Association's consolidated reserves grew by £10.6m to £43.4m at the end of the year. A net cash outflow of £6.5m was incurred, mainly due to the timing of income and expenditure related for the 21st World Scout Jamboree. After excluding from consolidated reserves the £14.0m funds invested in fixed assets, restricted and endowment funds of £6.2m, the pension reserve of £0.9m and funds retained in subsidiaries of £3.3m, the Association's unencumbered funds amount to £20.7m. Out of this amount £7.4m has been set aside into designated funds to meet future calls on the Association's finances, including buildings at Gilwell Park, development of the national activity centres, the provision of grants towards attendance at future World Scout events and to further support the future growth of Scouting in the UK.

A review of restricted funds was completed during the year. The review identified a number of historic funds where the restriction has either been fulfilled or was no longer applicable to Scouting in the 21st century. This enabled the number of restricted funds to be reduced from 57 to 34 at March 2008. Three funds that had historically been treated as restricted were reclassified as endowment funds. The results of the review necessitated a prior year adjustment reclassifying funds from restricted to endowment funds and unrestricted funds. The review also found that certain funds which had previously been treated as restricted funds were not actually subject to a valid restriction. However, instead of adding these to general funds the trustees agreed to designate the resources so that they will be utilised in the way that had previously been intended. This resulted in a transfer of a proportion of the funds into the National Activity Centres Fund and the establishment of two new designated funds.

THE ASSOCIATION'S FUNDS – FINANCIAL IMPACT OF RESTRICTED FUNDS REVIEW

	As at 1 April 2007	Restricted Funds review adjustment/ grants	Post Restricted Funds review adjustment/ grants
	£m	£m	£m
Restricted Funds	9.1	(2.4)	6.7
Endowment Funds	0.9	0.1	1.0
Designated Funds	16.5	2.1	18.6
General Funds	10.8	0.1	10.9
Other Funds	(4.5)	0	(4.5)
	32.8	(0.1)	32.7
Grants to Scout Groups (charitable activities expenditure)		0.1	
		0.0	

Note 15 (c) includes further details on the restricted funds review.

VOLUNTEERS

During the year over 100,000 adults volunteered their time, energy, skills and commitment to Scouting at Group, District, County, Area, Region or National level. This ranged from regularly leading a section meeting, assisting on a day trip to the World Scout Jamboree and organising a Centenary Camp, to helping with administration, training future Leaders and attending meetings at every level. Without this contribution, Scouting would be unable to offer the wide range of challenging and inspiring activities that ensures that Scouting is the largest co-education youth movement operating in the UK today.

SCOUT SHOPS LIMITED

Scout Shops Limited is a wholly owned subsidiary of The Scout Association that is incorporated in England selling Scouting and ancillary products mainly to Members of The Scout Association.

During the year Scout Shops continued to focus on developing its core business and key customer base, the Scout Movement, and offering a higher level of service to our Members. The business played a key role in delivering a successful Scouting Centenary and World Scout Jamboree including sourcing the equipment for the UK Contingent to the World Scout Jamboree, operating an on site Jamboree shop and developing an extensive range of Centenary and Jamboree souvenirs.

Turnover in the year totalled £9.1m (14 months to 31 March 2007: £6.5m) and operating costs were £5.9m (2007: £4.3m). Centenary and Jamboree related turnover totalled £4.0m including £1.3m in two weeks on site trading at the World Scout Jamboree. The company delivered an exceptionally strong financial performance with profits increasing to £3.7m (2007: £2.6m). Of these profits 85% has been covenanted to the Association and the remaining 15% donated to the Association.

With selling prices held static the improvement in profitability was principally due to negotiating improved prices from suppliers and good cost control. This has ultimately helped keep the national membership subscription unchanged.

The trustees have set aside £2.5m exceptional profit from Scout Shops' Centenary and Jamboree related activities generated in the past three years. This profit has been transferred from General Funds to the Future Growth Fund to finance a variety of projects relating to the medium/long-term growth of Scouting.

SCOUT INSURANCE SERVICES LIMITED

Scout Insurance Services Limited is a wholly owned subsidiary of The Scout Association that is incorporated in England. Its principal activity is that of an insurance broker providing insurance broking services in the main to The Scout Association and the Scout Movement.

In the year to March 2008, Scout Insurance Services Limited generated a gross profit of £0.8m (2007: £0.8m) and an unchanged operating profit of £0.4m (2007: £0.4m). 100% of the operating profit was covenanted to The Scout Association.

SCOUT INSURANCE (GUERNSEY) LIMITED

Scout Insurance (Guernsey) Limited is a wholly owned subsidiary of The Scout Association that is incorporated in Guernsey. Its principal activity is that of an insurance captive. The company continues to play an important role in providing the Association with a valuable insurance and risk management tool in an increasingly litigious society as well as enabling the provision of competitive property and equipment insurance for Groups, Districts, Counties, Regions and Areas.

In the year to March 2008, gross profit increased by £0.3m to £1.2m (2007: £0.9m) and profit before and after taxation also increased by £0.3m to £1.1m (2007: £0.8m). During the year the directors paid a dividend of £0.5m to the Association.

SCOUT SERVICES LIMITED

Scout Services Limited is a wholly owned subsidiary of The Scout Association that is incorporated in England. Its principal activities are that of commercial property management, fundraising and sponsorship activity on behalf of The Scout Association.

Scout Services Limited produced a net profit of £0.6m (2007: £0.2m) that was passed to the Association under a Deed of Covenant. The increase in profit was principally due to a higher level of commercial activities related to the Association's Centenary.

THE SCOUT ASSOCIATION PENSION AND LIFE ASSURANCE SCHEME

The most recent full valuation of The Scout Association Pension and Life Assurance Scheme (the defined benefits pension scheme) was carried out as at 31 March 2007. The market value of the assets of the scheme was £24.1m and the actuarial value of those assets represented 85% of the value of the benefits that had accrued to members. This is a significant improvement compared with the previous valuation as at 31 March 2004 and is principally due to the Association's significant special contributions and improved investment performance partly offset by changes in assumptions on Members' longevity.

The actuarial valuation of the defined benefit pension scheme at 31 March 2008, for the purposes of Financial Reporting Standard 17 (FRS 17), showed a funding deficit of £0.9m (2007: £7.1m). The reduction in the liability is principally due to special contributions made during the year and improvements in the assumptions underlying the present value of the scheme liabilities. The Association contributed £4.5m (2007: £1.8m) to the scheme, including special contributions totalling £4.0m (2007: £1.4m).

The cash flow required to meet the £0.9m deficit relates to future pension contributions. Therefore, this deficit is expected to arise over the long term rather than in the immediate future, and the amount of the deficit is subject to considerable variability because it depends on a range of demographic and financial assumptions, which are likely to change over time. The scheme was closed to new members in the year ended 31 March 2001 and the trustees regularly monitor the pension scheme funding deficit to ensure that general reserves provide adequate cover against the future liability. In accordance with Charity Commission guidance ('Charity Reserves and Defined Benefit Pension Schemes'), the trustees have reviewed the cash flow impact on general reserves of the planned funding of the deficit. Since this is met from anticipated future income streams a separate designated fund is not required.

FRS17 is not the only method of valuing a defined benefit pension scheme or necessarily the most appropriate. The trustees consider the full triennial valuation as at 31 March 2007, to be a more reliable indicator of progress in addressing the pension scheme funding deficit. Based on this valuation the trustees have agreed a funding plan to address the deficit that included the £4.0m special contributions made during 2007/8.

SHORT TERM INVESTMENT SERVICE

As at 31 March 2008, deposits by Scout Groups, Districts, Counties, Areas and Regions in the Short Term Investment Service totalled £14.7m (2007: £13.6m), an increase of £1.1m in the year. These funds generated investment income for depositors of £0.9m (2007: £0.7m).

NATIONAL MEMBERSHIP SUBSCRIPTION

The Committee decided that the National Membership Subscription for 2009 would remain unchanged at £19.10 per Member with a rebate of 50p for prompt payment. This was after careful consideration of our income growth and diversification, cost pressures and the latest five-year rolling forecast. In the light of the information available the Committee agreed that for a third year running it could afford to send a positive message to the Movement following the stated objective of reducing reliance on the membership fee income.

RESERVES POLICY

The trustees agreed that general reserves should be held representing between six and 12 months' revenue expenditure within the Association. This takes account of anticipated revenue projections as well as ensuring the provision of a suitable contingency to protect the continuity of business and services for the foreseeable future. Major capital and revenue projects are funded by setting aside appropriate amounts into Designated Funds accordingly. This policy is reviewed annually.

At the Balance Sheet date general funds stood at £13.3m, an increase of £0.2m in the year and representing approximately seven months of the Association's resources expended.

INVESTMENT POLICY

The annual review of the investment policy made no changes to the Association's performance objectives, which remained to:

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

RISK MANAGEMENT

The Association's key risks are reviewed on an ongoing basis by senior management and through regular meetings of various sub-Committees. The Association has a comprehensive set of policies and rules applicable to the Movement, which are routinely monitored both by senior volunteers and by staff employed across the UK. A comprehensive insurance service exists to ensure that all insurable risks are covered. The Records team carries out checks on adults to safeguard the reputation of Scouting and to minimise the risk of inappropriate persons being accepted into the Movement.

The Association continues to identify, monitor, review and manage the major operational and business risks that it faces on a regular basis. It is recognised that the nature of the Association's work requires active acceptance and management of some risks in undertaking activities in order to achieve the Association's objectives.

TRUSTEE RESPONSIBILITIES

The trustees are responsible for preparing financial statements for each year which give a true and fair view of the Association's financial activities during the year and its financial position at the end of the year. They are responsible for keeping accounting records, which disclose the financial position of the Association and to ensure that the financial statements comply with applicable law. They are also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities and to provide reasonable assurance that:

- the Association is operating efficiently and effectively
- its assets are safeguarded against unauthorised use or disposition
- the Association complies with relevant laws and regulations

Systems of internal control are designed to provide reasonable, but not absolute, assurance against material mismanagement or loss. They include:

- an annual budget approved by the Trustees
- appropriate delegation of authority and segregation of duties
- identification and management of risks

ASSISTANCE AND GUIDANCE TO THE MOVEMENT

Specialised guidance and advice has continued to be provided on lotteries, grants and other fundraising activities, as well as on VAT, charity trading and on charity accounting regulations.

During the year the Association provided loans to assist Groups, Districts, Counties and Areas to acquire or modernise local meeting places, and made a series of grants from restricted funds to assist Scouting at local, national and international levels.



Derek M Twine, Chief Executive & Trustee, For the Committee of the Council, 28 June 2008

OUR FINANCES



CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2008

	Notes	Unrestricted £'000	Restricted £'000	Endowment £'000	2008 Total £'000	2007 Total £'000
INCOMING RESOURCES						
Incoming resources from generated funds						
Voluntary income						
Membership subscriptions	3(c)	7,806	-	-	7,806	7,669
Donations, legacies and similar income	5(a)	1,477	1,310	-	2,787	2,722
		9,283	1,310	-	10,593	10,391
Activities for generating funds	5(b)	9,925	-	-	9,925	8,125
Investment income	5(c)	1,866	1,125	-	2,991	2,350
Incoming resources from charitable activities	5(d)	26,179	-	-	26,179	5,193
TOTAL INCOMING RESOURCES		47,253	2,435	-	49,688	26,059
RESOURCES EXPENDED						
Costs of generating funds						
Costs of generating voluntary income						
Fundraising trading: costs of goods sold and other costs	6(a)	167	4	-	171	163
		6,061	-	-	6,061	5,469
		6,228	4	-	6,232	5,632
Charitable activities	6(b)	30,802	3,389	-	34,191	17,066
Governance costs		98	-	-	98	118
TOTAL RESOURCES EXPENDED		37,128	3,393	-	40,521	22,816
NET INCOMING (OUTGOING) RESOURCES BEFORE TRANSFERS						
		10,125	(958)	-	9,167	3,243
Transfers between funds		302	(302)	-	-	-
NET INCOMING (OUTGOING) RESOURCES BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		10,427	(1,260)	-	9,167	3,243
OTHER RECOGNISED GAINS AND LOSSES						
Net (losses) gains on investment assets	3(e)	(625)	(209)	(48)	(882)	492
Actuarial gains (losses) on defined benefit pension scheme	7	2,280	-	-	2,280	(1,269)
NET MOVEMENT IN FUNDS	8	12,082	(1,469)	(48)	10,565	2,466
Fund balances brought forward at 1 April 2007 as previously stated		22,822	9,125	922	32,869	30,403
Prior year adjustment	15(c) & 15(d)	2,287	(2,387)	100	-	-
Fund balances brought forward restated		25,109	6,738	1,022	32,869	30,403
FUND BALANCES CARRIED FORWARD AT 31 MARCH 2008	15	37,191	5,269	974	43,434	32,869



BALANCE SHEETS

AT 31 MARCH 2008

	Notes	CONSOLIDATED		THE ASSOCIATION	
		2008 £'000	2007 Restated £'000	2008 £'000	2007 Restated £'000
FIXED ASSETS					
Tangible fixed assets	9	14,124	14,643	14,009	14,540
Investment in subsidiary companies	10	-	-	370	370
Investments	11	17,928	19,866	14,198	14,954
		32,052	34,509	28,577	29,864
CURRENT ASSETS					
Stocks	12	570	780	227	300
Debtors	13	5,489	5,492	6,190	7,644
Short term deposits		20,179	17,607	15,997	14,796
Bank and cash balances		11,629	20,703	7,936	15,845
		37,867	44,582	30,350	38,585
CURRENT LIABILITIES					
Creditors	14	(23,696)	(37,272)	(17,894)	(31,131)
		14,171	7,310	12,456	7,454
NET CURRENT ASSETS					
TOTAL ASSETS LESS CURRENT LIABILITIES		46,223	41,819	41,033	37,318
CREDITORS – AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR		14	(1,894)	-	-
NET ASSETS EXCLUDING PENSION LIABILITY		44,329	39,943	41,033	37,318
PENSION LIABILITY		(895)	(7,074)	(895)	(7,074)
NET ASSETS INCLUDING PENSION LIABILITY		43,434	32,869	40,138	30,244
THE ASSOCIATION'S FUNDS					
Unrestricted funds	15(a)				
General funds		13,316	13,081	13,355	13,039
Designated funds	15(b)	21,435	16,519	21,435	16,519
Non charitable trading funds	10	3,335	2,583	-	-
		38,086	32,183	34,790	29,558
UNRESTRICTED FUNDS EXCLUDING PENSION LIABILITY					
Restricted funds	15(c)	5,269	6,738	5,269	6,738
Endowment funds	15(d)	974	1,022	974	1,022
Total funds excluding pension reserve		44,329	39,943	41,033	37,318
Pension reserve	7	(895)	(7,074)	(895)	(7,074)
Total funds		43,434	32,869	40,138	30,244

Approved by the Committee of the Council on 28 June 2008
and signed on its behalf by:

Mike Gooderson, Chairman, Committee of the Council

John Capper, Treasurer



OUR FINANCES

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2008

	2008 £'000	2007 £'000
RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH INFLOW FROM OPERATING ACTIVITIES		
Net movement in funds	10,565	2,466
Investment income	(2,991)	(2,350)
Depreciation	1,587	761
Net loss (gains) on investment assets	882	(492)
(Surplus) on disposal of tangible fixed assets	(1,569)	(349)
Decrease in stocks	210	5
Decrease/(increase) in debtors	3	(1,425)
(Decrease)/increase in creditors	(13,558)	15,557
(Decrease)/increase in pension liability	(6,179)	163
NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES	(11,050)	14,336
CASH FLOW STATEMENT		
Net cash (outflow)/inflow from operating activities	(11,050)	14,336
Returns on investments	2,991	2,350
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT		
Payments to acquire tangible fixed assets	(1,216)	(903)
Receipts from sale of tangible fixed assets	1,717	405
Net reductions/(additions) to fixed asset investments	1,056	(724)
	1,557	(1,222)
(Decrease)/increase in cash	(6,502)	15,464

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2008

	2008 £'000	2007 £'000	
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN CASH			
(Decrease)/increase in cash	(9,074)	14,095	
Increase in short term deposits	2,572	1,369	
Movement in cash in the period	(6,502)	15,464	
	At 1 April 2007 £'000	Cash flow £'000	At 31 March 2008 £'000
Cash in hand and at bank	20,703	(9,074)	11,629
Short term deposits	17,607	2,572	20,179
	38,310	(6,502)	31,808
Less: Deposits by Scout Groups in the Short Term Investment Service	(13,609)	(1,136)	(14,745)
	24,701	(7,638)	17,063

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2008

1. CONSTITUTION

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

2. SCOPE OF THE FINANCIAL STATEMENTS

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

3. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable accounting standards and comply with the Statement of Recommended Practice 'Accounting and Reporting by Charities,' published in 2005, except as described in note 14.

(a) Accounting convention

The financial statements are prepared under the historical cost convention as modified to include the revaluation of investments.

(b) Basis of preparation of consolidated financial statements

The financial statements consolidate the financial statements of The Scout Association and its subsidiary companies. The financial statements of all entities are made up to 31 March 2008.

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

(c) Recognition of income

National membership subscriptions

Membership subscriptions are payable in advance for a year ended 31 March. The amount receivable for the year ended 31 March 2008 is shown in the Statement of Financial Activities.

Investment income

Dividends are accounted for on a receipts basis. Interest is accounted for on an accruals basis and includes all amounts earned up to 31 March 2008. Associated tax recoveries are included for all amounts shown as income.

Legacies

Legacies are accounted for on a receivable basis as the charity becomes entitled to the income. This occurs when the charity becomes reasonably certain that the legacy will be received, the value of the income can be measured with sufficient reliability and all conditions associated with payment have been fulfilled. No significant legacies have been notified but not yet received. Where legacies include non-cash items these are included in income at the lower of probate value or market value at the date of receipt.

Gifts in Kind

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

(d) Allocation of income and costs

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

Income and expenditure from Scout Shops Limited, Scout Services Limited and from commercial activities carried out at Baden-Powell House and the Gilwell Conference Centre are classified under these headings.

Incoming resources from charitable activities

This comprises income from the provision of services supporting the objects of the Association through operations including the Information Centre, insurance services, Scouting's Centenary activities and *Scouting* magazine as well as the national activity centres. A percentage of accommodation and training fees receivable at Baden-Powell House and the Gilwell Conference Centre are also included under this heading. The percentages used in respect of these two sites are 20% and 80% respectively. The remaining income from Baden-Powell House and the Gilwell Conference Centre is included in Activities for Generating Funds.

The charitable activities have been analysed under the following headings:

- Youth Programme and Activities
- Development of Scouting
- Adult Support and Training
- Support and Services to the Scouting Movement
- Scouting's Centenary activities

The Association's activities are largely financed by national membership subscriptions and income from the trading subsidiaries rather than income from the charitable activities. The activities have been classified as described in note 6 below, and where income arises from these activities it is classified in the same manner.

Where possible the income and costs relating to a department or cost-centre are allocated in full to one of the above categories, but in practice many departments have an involvement in more than one activity. Scouting's Centenary activities are allocated 100% to that category. The other major allocations, which are reviewed annually by the trustees, are set out below.

	Youth Programme and Activities	Development of Scouting	Adult Support Training	Support and Services
World and European Membership Fees				100%
Members' Records and Awards			40%	60%
Membership Services	20%	20%	20%	40%
Child Protection				100%
Public Relations		100%		
Insurance				100%
Scouting magazine	33%	33%	33%	
Short Term Investment Service				100%
Regional Development Service		33%	33%	33%
Baden-Powell House	20%			
Gilwell Conference Centre	27%	27%	27%	
Other National Activity Centres	33%	33%	33%	

Support costs

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

The percentages that apply are:

Fundraising Trading	6%
Youth Programme and Activities	10%
Scouting's Centenary	11%
Development of Scouting	21%
Adult Support and Training	27%
Support and Services to the Scouting Movement	25%

Governance costs

These are the costs associated with the governance arrangements of the charity which relate to compliance with legal and statutory requirements of the charity as opposed to those costs associated with fundraising or charitable activities. They include audit fees, the costs of trustee meetings and of preparing statutory accounts.

(e) Fixed assets

The cost of acquiring fixed assets used for charitable purposes is capitalised and depreciation is calculated to write off the cost of assets brought into use at the Balance Sheet date on a straight line basis over their estimated useful lives. An exception is the cost of assets forming the 2005 and 2007 Jamboree infrastructure and equipment, which was depreciated in accordance with the utilisation of the assets, being one-third in the year ending 31 March 2006 and two-thirds in the year ending 31 March 2008.

In the case of freehold buildings the useful life is normally taken as 50 years. Where land and buildings were acquired together it has been assumed that the buildings represent 50% of the initial cost of freehold properties. No depreciation is provided on freehold land.

Gains or losses on the disposal of fixed assets held for charitable use are reflected in Net Incoming Resources before Transfers shown in the Statement of Financial Activities.

Fixed assets held for investment purposes are stated at market value on the Balance Sheet date. Any gains or losses on the disposal or revaluation of investment assets are shown as Net Gains or Losses on Investment Assets.

(f) Stocks

Stocks are valued at the lower of cost and estimated net realisable value. Cost, using the first-in-first-out basis, consists of the original cost of goods without any addition for overheads.

(g) VAT

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

(h) Leases

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

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

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

(i) Pension costs

Contributions payable to The Scout Association Pension & Life Assurance Scheme are charged to the Statement of Financial Activities so as to spread the cost of pensions over the working lives of employees in the scheme. The pension charge is calculated on the basis of actuarial advice.

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

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

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

(j) Grants payable

Grants payable are included in the Statement of Financial Activities as expenditure in the period in which the award is made. Grants which have been approved by the Trustees and agreed with other organisations but which are unpaid at the year end are accrued. Grants where the beneficiary has not been informed or has to meet certain conditions before the grant is released are not accrued.

4. NATURE OF FUNDS

Following the requirements of the Statement of Recommended Practice all Funds have been identified as falling into one of three categories:

(a) Endowment Funds

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

(b) Restricted Funds

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

(c) Unrestricted Funds

Unrestricted Funds are those received, which are not subject to any special restriction. They are divided between General Funds and Designated Funds. Designated Funds comprise amounts set aside by the Committee of the Council to be used for particular purposes.



OUR FINANCES

5. INCOMING RESOURCES

(a) Donations, legacies and similar income

	Unrestricted £'000	Restricted £'000	2008 Total £'000	2007 Total £'000
Grants	170	200	370	1,415
Legacies	510	-	510	235
Appeals	-	546	546	779
Donated services and facilities	548	-	548	-
All other income	249	564	813	293
	1,477	1,310	2,787	2,722

The donated services and facilities were received in connection with the World Scout Jamboree. The amount stated above is an estimate of the cost that the Association would otherwise have paid for these services.



The Scout Association would like to thank The Cabinet Office, Office of the Third Sector (£200,000) and The Jack Petchey Foundation (£500,000) for their generous donations.

(b) Activities for generating funds

	Unrestricted £'000	Restricted £'000	2008 Total £'000	2007 Total £'000
Retail sales	7,781	-	7,781	6,717
Hostel, conference and commercial training	1,047	-	1,047	798
Sponsorship, promotions and royalties	1,097	-	1,097	610
	9,925	-	9,925	8,125

(c) Investment income

	Unrestricted £'000	Restricted £'000	2008 Total £'000	2007 Total £'000
Quoted investments	331	139	470	474
Short Term Investment Service	-	891	891	681
Other deposit interest	1,459	95	1,554	1,108
Rental income	76	-	76	87
	1,866	1,125	2,991	2,350

(d) Incoming resources from charitable activities

The income in this category is derived from the Association's Insurance subsidiaries, national activity Centres, Scouting's Centenary activities and training courses. The majority of these activities are not conducted with the prime intention of generating net income. Instead, the Association's charitable activities are largely financed by fundraising activities and by membership fees.

	Unrestricted £'000	Restricted £'000	2008 Total £'000	2007 Total £'000
Youth Programme and Activities	3,001	-	3,001	1,359
Scouting's Centenary	18,649	-	18,649	-
Development of Scouting	1,339	-	1,339	929
Adult Support and Training	1,429	-	1,429	1,084
Support and Services to the Scouting Movement	1,761	-	1,761	1,821
	26,179	-	26,179	5,193

The financial review includes further details of the impact of Scouting's Centenary activities on the Association's financial performance.

6. RESOURCES EXPENDED

(a) Fundraising trading: costs of goods sold and other costs

	Unrestricted £'000	Restricted £'000	2008 Total £'000	2007 Total £'000
Retail operating costs:	4,700	-	4,700	4,411
Hostel, conference and commercial training	829	-	829	763
Sponsorship and promotions	532	-	532	295
	6,061	-	6,061	5,469

Hostel, conference and commercial training expenditure includes support costs of £204,000 (2007: £159,000). The basis for allocation of support costs is explained in note 6(c).

(b) Costs of charitable activities

Charitable activities have been analysed into five categories as explained in note 3(d). Costs are allocated using the principles explained in that note.

Youth Programme includes the various educational activities that Members participate in. Scouting's Centenary includes all the activities associated with the Association's Centenary, including the World Scout Jamboree, Live 07, Centenary camps and other UK Events and Activities. Development activities are those which are aimed at growing the Scout Movement. Adult support and training includes those activities that support leaders and other adults involved in scouting. Support and Services to the Scouting Movement includes activities such as child protection and insurance that assist the activities of Scout Groups.

	Unrestricted £'000	Restricted £'000	2008 Total £'000	2007 Total £'000
Youth Programme and Activities	3,510	220	3,730	2,937
Scouting's Centenary	15,196	1,486	16,682	991
Development of Scouting	3,584	758	4,342	3,782
Adult Support and Training	3,647	68	3,715	3,526
Support and Services to the Scouting Movement	4,865	857	5,722	5,830
	30,802	3,389	34,191	17,066

The financial review includes further details of the impact of Scouting 2007 on the Association's financial performance.

Analysis of costs of charitable activities

	Direct £'000	Grant funding £'000	Support Costs £'000	2008 Total £'000	2007 Total £'000
Youth Programme and Activities	3,157	243	330	3,730	2,937
Scouting's Centenary	16,276	27	379	16,682	991
Development of Scouting	2,948	704	690	4,342	3,782
Adult Support and Training	2,805	26	884	3,715	3,526
Support and Services to the Scouting Movement	4,855	55	812	5,722	5,830
	30,041	1,055	3,095	34,191	17,066

(c) Support costs allocation

	Unrestricted £'000	Restricted £'000	2008 Total £'000	2007 Total £'000
Property and equipment depreciation	494		494	466
Irrecoverable VAT	289		289	337
Office accommodation and services	522		522	500
Central management	667		667	569
HR, legal and secretarial	462		462	467
Finance and accounting	390		390	356
Information technology	262		262	243
Movement in pension scheme deficit recognised in resources expended	101		101	274
Other	112		112	77
	3,299	-	3,299	3,289
ALLOCATED TO ACTIVITIES:				
Fundraising trading	204		204	159
Charitable activities	3,095		3,095	3,130
	3,299	-	3,299	3,289

Support costs comprise the costs that enable a fundraising or charitable activity to be conducted, but do not in themselves constitute an activity. The support costs listed above have all been allocated to the costs of generating funds and charitable activities pro-rata to the full-time equivalent number of staff directly engaged in the appropriate activities. The relevant percentages are analysed in Note 3(d).

(d) Resources expended include:

	2008 £'000	2007 £'000
AUDITOR'S REMUNERATION:		
Audit fees	70	57
Other	25	32
Trustees' expenses reimbursed	35	53

During the year 22 (2007: 23) trustees were reimbursed for their out of pocket expenses arising from attending meetings and carrying out their duties. The Association provided accommodation for the Chief Scout and others while they were on Scout business.

7. STAFF COSTS

	2008 £'000	2007 £'000
Wages and salaries	6,269	5,866
Social security costs	675	585
Other pension costs	615	582
	7,559	7,033

The average number of people employed during the year (full-time equivalent) was:

	2008	2007
ACTIVITY		
The Scout Association	202	195
Scout Shops Limited	30	28
Scout Insurance Services Limited	8	7
Total	240	230

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

	2008	2007
£70,001 to £80,000	-	3
£80,001 to £90,000	2	1
£90,001 to £100,000	1	1
£100,001 to £110,000	2	-
£110,001 to £120,000	-	1
£150,001 to £160,000	1	-

The Chief Executive received remuneration and benefits for his service in that office which amounted to £150,549 (2007: £117,115). Further details on staff remuneration are included on page 3.

PENSION SCHEMES**(a) The Scout Association Pension and Life Assurance Scheme**

The Association operates a pension scheme providing benefits based on final pensionable salaries. The scheme is funded with the assets being held by the pension scheme's trustees separately from the assets of the Association. The pension costs are assessed by a qualified actuary and are charged to the Statement of Financial Activities so as to spread those costs over the employees' working lives with the Association.

The scheme was closed to new members in the year ended 31 March 2001.

Triannual actuarial valuation

A full actuarial valuation of the scheme was carried out as at 31 March 2007 using the projected unit method and showed a deficit of £4,406,000. The scheme's assets and liabilities were valued in accordance with Part 3 of the Pensions Act 2004 and associated regulations and the Scheme Specific Funding framework as published by the Pensions Regulator.

The market value of the assets of the scheme as at 31 March 2007 was £24,129,000 and the actuarial value of those assets represented 85% of the value of the benefits that had accrued to members, after allowing for expected future increases in salaries.

The Association contributed £4,457,000 (2007: £1,793,000) to the scheme, including special contributions totalling £4,000,000 (2007: £1,380,000), and normal contributions of £457,000 (2007: £413,000), which was 21.9% (2007: 21.9%) of pensionable salaries.

Financial Reporting Standard 17 (FRS 17) valuation

For the purposes of FRS 17 the most recent full valuation has been updated to 31 March 2008 by a qualified independent actuary. The major assumptions used by the actuary were (in nominal terms):

	2008 %	2007 %	2006 %
Rate of increase in salaries	5.0	4.5	4.5
Rate of increase in pensions in payment	2.5/3.5	3.0/5.0	3.0/5.0
Rate of increase in pensions in deferment	3.5	3.0	3.0
Discount rate	6.6	5.4	5.0
Inflation assumption	3.5	3.0	3.0

The assets in the scheme and the expected rate of return were:

	2008 %	2008 £'000	2007 %	2007 £'000	2006 %	2006 £'000
Equities	7.50	9,604	7.75	11,288	7.25	9,891
Bonds/Gilts	5.00	13,260	4.75	12,335	4.25	12,209
Cash	5.25	4,032	4.00	748	3.50	517

TOTAL MARKET VALUE OF ASSETS

	26,896	24,371	22,617
Present value of scheme liabilities	(27,791)	(31,445)	(29,528)
Net pension (liability)	(895)	(7,074)	(6,911)



OUR FINANCES

	2008 £'000	2007 £'000
ANALYSIS OF OPERATING CHARGE TO NET MOVEMENT IN FUNDS:		
Current service cost	471	500
Total operating charge	471	500
ANALYSIS OF NET RETURN CHARGED TO NET MOVEMENT IN FUNDS:		
Expected return on pension scheme assets	1,596	1,281
Interest on pension scheme liabilities	(1,683)	(1,468)
Net return	(87)	(187)
ANALYSIS OF AMOUNT RECOGNISED IN GAINS/(LOSSES):		
Actual return less expected return on assets	(2,503)	(490)
Experience gains on liabilities	544	-
Changes in assumptions underlying the present value of scheme liabilities	4,239	(779)
ACTUARIAL GAIN/(LOSS)	2,280	(1,269)
MOVEMENT IN THE DEFICIT DURING THE YEAR:		
(Deficit) in scheme at beginning of year	(7,074)	(6,911)
MOVEMENT IN YEAR:		
Current service cost	(471)	(500)
Contributions	4,457	1,793
Net return	(87)	(187)
Actuarial gain/(loss)	2,280	(1,269)
(Deficit) in scheme at end of year	(895)	(7,074)

History of experience gains and losses

The calculation of the present value of the pension scheme liabilities has been made according to the requirements of FRS 17. This is not the only method of making such a calculation or necessarily the most appropriate. The 2008 FRS 17 actuarial valuation shows a net pension liability of £895,000 compared with £7,074,000 at March 2007. The reduction in the liability is principally due to special contributions made during the year and improvements in the assumptions underlying the present value of the scheme liabilities.

(b) The Scout Association Group Personal Pension Scheme

The Association also contributed £146,000 (2007: £155,000) towards individual defined contribution personal pension schemes for certain employees.

8. NET MOVEMENT IN FUNDS

The net movement in funds arises as follows:

	2008 £o'000	2007 £'000
The Scout Association	9,844	2,257
Subsidiaries	721	209
	10,565	2,466

9. TANGIBLE FIXED ASSETS

	Freehold Property	Leasehold Property	Furniture, Fittings and Equipment £'000	Jamboree Infrastructure and Equipment £'000	Motor Vehicles £'000	Total £'000
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CONSOLIDATED

COST

At 1 April 2007	14,565	1,014	4,081	1,209	893	21,762
Additions	603	-	469	-	144	1,216
Disposals	(201)	-	-	(1,209)	(217)	(1,627)

At 31 March 2008	14,967	1,014	4,550	-	820	21,351
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DEPRECIATION

At 1 April 2007	2,797	687	2,651	403	581	7,119
Charge for the year	274	27	317	806	163	1,587
Eliminated on disposals	(63)	-	-	(1,209)	(207)	(1,479)

At 31 March 2008	3,008	714	2,968	-	537	7,227
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NET BOOK VALUES

At 31 March 2008	11,959	300	1,582	-	283	14,124
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At 31 March 2007	11,768	327	1,430	806	312	14,643
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THE ASSOCIATION

	Freehold Property	Leasehold Property	Furniture, Fittings & Equipment £'000	Jamboree Infra-structure & Equipment £'000	Motor Vehicles £'000	Total £'000
At 1 April 2007	14,565	1,014	3,848	1,209	802	21,438
Additions	603	-	416	-	122	1,141
Disposals	(201)	-	-	(1,209)	(188)	(1,598)

COST

At 31 March 2008 **14,967** **1,014** **4,264** **-** **736** **20,981**

DEPRECIATION

At 1 April 2007	2,797	687	2,467	403	544	6,898
Charge for the year	274	27	287	806	138	1,532
Eliminated on disposals	(63)	-	-	(1,209)	(186)	(1,458)

At 31 March 2007 **3,008** **714** **2,754** **-** **496** **6,972**

NET BOOK VALUES

At 31 March 2008 **11,959** **300** **1,510** **-** **240** **14,009**

At 31 March 2007 **11,768** **327** **1,381** **806** **258** **14,540**

The net book value of tangible fixed assets used for charitable purposes is £13,904,000 (2007: £14,459,000). Other assets are used in trading by subsidiaries.

Depreciation rates are as follows:

Freehold Property	2% - 10% per annum (see note 3(e))
Leasehold Property	Over the period of the leases or useful economic life if shorter.
Furniture, Fittings and Equipment including Software	10% - 33.3% per annum
Jamboree Infrastructure and Equipment	33.3% in 2005/6, and a further 66.7% in 2007/8
Motor Vehicles	25% per annum

10. INVESTMENT IN SUBSIDIARY COMPANIES

	2008 £'000	2007 £'000
COST		
Cost of shares		
Balance at 1 April 2007 and 31 March 2008	372	372
Provision for diminution in value		
Balance at 1 April 2007 and 31 March 2008	(2)	(2)
Net investment in subsidiaries	370	370

THE ASSOCIATION OWNS 100% OF THE FOLLOWING UNLISTED COMPANIES:

	Country of Incorporation	Issued share Capital
Scout Shops Limited	England	£200,000
Scout Insurance Services Limited	England	£70,000
Scout Insurance (Guernsey) Limited	Guernsey	£100,000
Scout Services Limited	England	£100
Scouting 2007 (dormant)	England	£1
Unity Insurance Services Limited (dormant)	England	£1

Scout Services Limited, Scout Shops Limited and Scout Insurance Services Limited have entered into deeds of covenant under which they pay a proportion of their otherwise taxable profits to the Association each year. In the case of Scout Services Limited and Scout Insurance Services Limited the proportion is 100%, and in the case of Scout Shops Limited, 85%. In addition, the Directors of Scout Shops Limited have agreed to donate the balance of its taxable profits to the Association.

The Directors of Scout Insurance (Guernsey) Limited declared an interim dividend of £500,000 for the year ended 31 March 2008 (2007: £500,000) that was paid to the Association in June 2007.

The summarised profit and loss accounts for the active trading subsidiary companies are shown:-

	Scout Shops Ltd £'000	Scout Insurance (Guernsey) Ltd £'000	Scout Services Ltd £'000	Scout Insurance Services Ltd £'000	2008 Total £'000	2007 Total £'000
Trading income	9,111	1,472	1,371	834	12,788	9,394
Cost of sales	(4,235)	(293)	(628)	-	(5,156)	(3,650)
GROSS PROFIT	4,876	1,179	743	834	7,632	5,744
Other income	515	-	-	29	544	425
Other costs and expenses	(1,646)	(72)	(104)	(450)	(2,272)	(2,073)
Surplus before and after taxation	3,745	1,107	639	413	5,904	4,096
Covenant/Dividend/Gift Aid Donation to the Association	(3,702)	(500)	(639)	(413)	(5,254)	(3,806)
Net surplus	43	607	-	-	650	290
Net gain (loss) on investments	-	71	-	-	71	(81)
RETAINED SURPLUS	43	678	-	-	721	209

SHAREHOLDERS' FUNDS

Share capital	200	100	-	70	370	370
Reserves	(91)	3,428	(2)	-	3,335	2,583
	109	3,528	(2)	70	3,705	2,953

Of the £9,111,000 Scout Shops Limited trading income, shown above, £4,027,000 relates directly to exceptional Centenary turnover. The Trustees have set aside £2,455,000 exceptional Centenary profit generated by Scout Shops Limited in the past three years for the future growth and development of Scouting (Note 15b).



11. FIXED ASSET INVESTMENTS

QUOTED INVESTMENTS

	CONSOLIDATED		THE ASSOCIATION	
	2008	2007	2008	2007
	£'000	£'000	£'000	£'000
Market value at 1 April	19,866	18,650	14,954	14,132
Less: Disposals at opening value	(1,501)	(1,002)	(2)	-
Add: Acquisitions at cost	445	1,726	199	249
Net (loss)/gains on revaluation at 31 March	(882)	492	(953)	573
Market value at 31 March	17,928	19,866	14,198	14,954
Historical cost at 31 March	16,056	17,126	12,314	12,117

Included in quoted investments are amounts of £7,958,000 and £3,560,000 invested in each of the Cazenove Growth Trust for Charities and the Cazenove Income Trust for Charities (2007: £8,868,000 and £3,522,000).

The Association does not pay any investment management fees. The investments held are in Investment Trusts which themselves suffer management charge deductions from the capital of the Trust. These indirect charges are estimated to be in the region of £54,000 (2007: £53,000).

12. STOCKS

	CONSOLIDATED		THE ASSOCIATION	
	2008	2007	2008	2007
	£'000	£'000	£'000	£'000
Goods for resale	570	780	227	300

13. DEBTORS

	CONSOLIDATED		THE ASSOCIATION	
	2008	2007	2008	2007
	£'000	£'000	£'000	£'000
Trade debtors	1,307	1,138	219	342
Amounts owed by subsidiaries	-	-	3,065	3,796
Other debtors	3,982	4,354	2,706	3,506
Debtors due within one year	5,289	5,492	5,990	7,644
Other debtors due in 2012	200	-	200	-
	5,489	5,492	6,190	7,644

14. CREDITORS

	CONSOLIDATED		THE ASSOCIATION	
	2008	2007	2008	2007
	£'000	Restated £'000	£'000	£'000
AMOUNTS FALLING DUE WITHIN ONE YEAR:				
Deposits by Scout Groups in the Short Term Investment Service	14,745	13,609	14,745	13,609
Trade creditors	3,108	3,167	1,267	868
Amounts owed to subsidiaries	-	-	142	446
Jamboree creditors	-	13,249	-	13,249
Other creditors	5,843	7,247	1,740	2,959
	23,696	37,272	17,894	31,131

Amounts falling due after more than one year:

	2008	2007	2008	2007
	£'000	£'000	£'000	£'000
Insurance technical reserve	1,894	1,876	-	-

The Insurance Technical Reserve is a provision made in the financial statements of Scout Insurance (Guernsey) Limited against future claims. Under the terms of Financial Reporting Standard 12 this amount should not be treated as a provision by a non-insurance entity. The Trustees consider that, in order to give a true and fair view, it is necessary for the Association to show this under long-term creditors following the view taken by the directors of Scout Insurance (Guernsey) Limited.

If this treatment had not been adopted, income for the year would have increased by £18,000 (2007: decreased by £228,000) and reserves would have been increased by £1,894,000 (2007: £1,876,000).

Deposits by Scout Groups in the Short Term Investment Service are held in an escrow account.

15. FUND BALANCES

(a) Unrestricted funds

	CONSOLIDATED		THE ASSOCIATION	
	2008	2007	2008	2007
	£'000	Restated £'000	£'000	Restated £'000
General	13,316	13,081	13,355	13,039
Designated	21,435	16,519	21,435	16,519
Non-charitable trading	3,335	2,583	-	-
Unrestricted funds before Pension Reserve	38,086	32,183	34,790	29,558
Pension Reserve	(895)	(7,074)	(895)	(7,074)
Unrestricted funds	37,191	25,109	33,895	22,484

(b) Designated funds - Consolidated and the Association

	Balance 1 April 2007	Transfer (to)/ from general funds	Net (expenditure) /income in the year	Balance 31 March 2007
	£'000	£'000	£'000	£'000
Fixed Assets	14,540	(531)	-	14,009
World Scout Events	112	120	(112)	120
National Activity Centres	1,302	610	1,387	3,299
Future Growth	565	1,950	-	2,515
Gilwell Park Buildings	-	918	(5)	913
Development Grants	-	579	-	579
Total	16,519	3,646	1,270	21,435

The Fixed Asset Fund is set aside to match the amount invested in tangible fixed assets as this is not available to be used for revenue expenditure.

The World Scout Events Fund provides support to members attending world Scouting events such as future World Jamborees, the World Moot and the World Scout Conference. The trustees plan to fully utilise the fund in advance of the 22nd World Scout Jamboree in 2011.

The National Activity Centres Fund was established from receipts from the sale of certain sites, under the National Campsite Strategy. The fund is being applied towards improvements at the National Activity Centres, other than Gilwell Park.

The Future Growth Fund has been set up from that part of the Deed of Covenant received by the Association from Scout Shops Limited which arises from profits from trading and commercial activities related to the Centenary, plus profits on similar activities at Gilwell Park Activity Centre during the Gilwell Park Adventure. The fund is administered by the Development Grants Board and will be used to finance a variety of projects relating to the medium/long-term growth of Scouting.

The review of restricted funds explained in note 15(c) found that certain funds which had previously been treated as restricted funds were not subject to a valid restriction. However, instead of adding these to general funds the trustees agreed to designate the resources so that they will be utilised in the way that had previously been intended. This resulted in a transfer of a proportion of the funds into the National Activity Centres Fund and the establishment of two new designated funds. The Gilwell Park Buildings Fund has been established to enable improvements to buildings at Gilwell and is expected to be fully spent during 2008/9. The Development Grants designated fund has been set up to provide additional funds on top of those already available in the existing restricted fund.

(c) Restricted Funds – Consolidated and the Association

Restricted funds include income received by and paid from the Short Term Investment Service and 34 (2007: 57) funds administered by the Association.

A detailed review of restricted funds was completed during the year. This identified a number of historic funds where the restriction has either been fulfilled or was no longer applicable to Scouting in the 21st century. This has given rise to a prior year adjustment reclassifying funds from restricted to endowment funds or unrestricted funds.

The overall impact of the review, which has been accounted for as a prior year adjustment, was a 40% reduction in the number of funds and a £2.4m reduction in restricted fund balances. Of this reduction, additional designated funds totalling £2.1m were established with a further £0.1m each transferred to general funds and endowment funds. The impact on the Association's total funds was a reduction of £0.1m relating to restricted funds that had been earmarked for specific Scout Groups and post the review were paid to them as grants.

	Balance 1 April 2007 £'000	Prior Year Adjust- ment £'000	Balance as restated £'000	Net income (expenditure) £'000	Invest- ment Re- valuation £'000	Balance 31 March 2008 £'000
Development Grants	2,121	32	2,153	(294)	(96)	1,763
WSJ Government Grant	1,259	-	1,259	(1,259)	-	-
Whitehead Bequest	1,141	(1,141)	-	-	-	-
King George VI Leadership	728	-	728	13	(37)	704
G Weston Campsite	330	(330)	-	-	-	-
International (formerly International Friendship)	307	115	422	25	(35)	412
HS Richards Charity for Scouts	300	(207)	93	-	(4)	89
Gilwell Development	717	-	717	357	-	1,074
Special Needs (formerly Treloar)	175	75	250	(26)	(10)	214
Ralph Reader Memorial	186	-	186	(14)	(5)	167
Benevolent	-	274	274	-	(13)	261
Brotherhood	147	(147)	-	-	-	-
Cornwell	137	-	137	5	(6)	136
All other funds (25)	1,577	(1,058)	519	(67)	(3)	449
Total	9,125	(2,387)	6,738	(1,260)	(209)	5,269

Further details on the types of funds and applying for grants from the funds can be found at www.scouts.org.uk/hq/funds

(d) Endowment funds – Consolidated and the Association

Endowment funds include the 1914 Endowment Fund and three (2007: 3) other funds administered by the Association. The three other funds had historically been treated as restricted funds prior to the review explained above. As part of the review they have been reclassified as endowment funds. Income from the 1914 Endowment Fund and one other funds is unrestricted and passed to General Funds, income from one fund is restricted, and income from the remaining fund is passed to an external Scouting beneficiary.

FUND

	Balance 1 April 2007 £'000	Prior Year Adjustment (see note c) £'000	Balance as restated £'000	Investment Re- valuation £'000	Balance 31 March 2008 £'000
1914 Endowment	922	-	922	(47)	875
All other funds	-	100	100	(1)	99
Total	922	100	1,022	(48)	974

e) Analysis of net assets between funds

	Unrestricted £'000	Restricted Funds £'000	Endowment Funds £'000	Total £'000

FUND BALANCES AT 31 MARCH 2008 ARE REPRESENTED BY:

Tangible fixed assets	14,124	-	-	14,124
Investments	12,987	3,967	974	17,928
Current assets	21,820	16,047	-	37,867
Current liabilities	(9,336)	(14,745)	-	(24,081)
Long term liabilities	(1,509)	-	-	(1,509)
	38,086	5,269	974	44,329

16. OTHER FINANCIAL COMMITMENTS

At 31 March 2008 the Association was committed to making the following payments under non-cancellable operating leases in the year to 31 March 2009:

	2008 £'000	2007 £'000
Operating leases on land and buildings which expire within one year	-	8
Operating leases on plant and equipment expiring between one and five years	1	-

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE SCOUT ASSOCIATION

We have audited the financial statements of The Scout Association for the year ended 31 March 2008 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Cashflow Statement and related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the trustees in accordance with Sections 43 and 44 of the Charities Act 1993. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in our auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF THE TRUSTEES AND AUDITORS

Charity law requires the trustees to prepare financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practices, for each financial year which give a true and fair view of the state of affairs of the charity and of the results for that period. In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- comply with applicable accounting standards subject to any material departures disclosed and explained in the financial statements; and prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 1993. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Charities Act 1993. We also report to you if, in our opinion, the annual report is not consistent with the financial statements, if the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the charity and its subsidiaries is not disclosed.

We read the annual report, and consider the implications for our report if we become aware of any apparent misstatements within it.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming an opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

OPINION

In our opinion the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the charity and its subsidiaries as at 31 March 2008 and of their incoming resources and application of resources in the year then ended and have been properly prepared in accordance with the Charities Act 1993.

Mazars LLP

Mazars LLP
Chartered Accountants and Registered Auditors
Times House, Throwley Way,
Sutton, Surrey SM1 4JQ
28 June 2008



COMMITTEE STRUCTURE AND MEMBERSHIP

APRIL 2007 – MARCH 2008

FOUNDER

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

PATRON

Her Majesty The Queen

PRESIDENT

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

VICE PRESIDENTS

The Rt Hon. The Earl of Airlie, KT, GCMVO, PC
Lord Baden-Powell
John Beresford, CBE
Sir William Gladstone, KG, Bt, JP
Lt Col. Bill Hall, OBE, TD, DL
Sir Garth Morrison, KT, Lord Lieutenant of East Lothian
George Purdy, CBE
Major-General Michael Walsh, CB, CBE, DSO, DL

CHIEF SCOUT

Peter Duncan

DEPUTY CHIEF SCOUT

Peter Nicol

THE COMMITTEE OF THE COUNCIL

Trustees

John Asplin, Chief Commissioner of England (North)⁵
James Boyle^{4, 5}
David Bull, International Commissioner⁵
Wayne Bulpitt, Chief Commissioner of England (South)⁵
Richard Butler [to September 2007]
John Capper, Treasurer^{1, 2}
Peter Duncan, Chief Scout^{1, 4}
Jill Gloster, Chief Commissioner of Wales⁵
Michael Gooderson¹
Graham Haddock⁵ [elected September 2007]
Richard Hames² [elected September 2007]
Philip Harnby²
Stuart Howells^{1, 3}
Philip Power³
Nicola Leadbetter³
Neil Leatherland⁵
Eleanor Lyall, MBE, Chief Commissioner of Scotland⁵
Christine Jones³
Wilfred Mulryne, OBE, Chief Commissioner of Northern Ireland⁵
Peter Nicol, Deputy Chief Scout^{1, 4, 5}
Roger Sands³
John Simmons⁵
Kenneth Thomson⁴
Victor Thys [to September 2007]
Derek Twine, CBE, Chief Executive^{1, 4}
Daniel Wood^{1, 5} [elected September 2007]
Richard Woolsey^{1, 2}

RIGHT OF ATTENDANCE

County, Area and Regional (Scotland) Commissioners

INVITED TO ATTEND

The Chief Guide, Girlguiding UK
Gary Davis, Director of Finance^{1, 2}
John Palmer, Director of Marketing and Communications^{1, 3}
Stephen Peck, Director of Programme and Development^{1, 5}
David Shelmerdine, The Secretary^{1, 3}

As of March 2008 Trustees sat on the following sub-Committees as indicated:

¹ Executive Committee member, ² Finance sub-committee member, ³ General Purposes sub-Committee member, ⁴ Headquarters Appointment sub-Committee Member, ⁵ Operations sub-Committee member. In addition each of the sub-Committees has non-trustee members invited for their specialist skills

A BIG THANK YOU

THE SCOUT ASSOCIATION'S PARTNERS

We are pleased to thank the following companies, trusts and organisations for their generous contributions during 2007/8.

Support to the 21st World Scout Jamboree

Anglian Water, Atrium Underwriters Ltd, BAA, Bradford Cover and Tent, BT, Calor, Chubb, Coca-Cola Enterprises Limited, Mercedes-Benz, NatWest Limited, Regatta Limited, Sainsbury's, Skyburst Fireworks, Stansted, The Blacks Leisure Group, Travelex, Volumatic Omal, Wall's Ice Cream, Willis

Support to The Scout Association

British Computer Society, Chubb, Environment Agency, Fresh Produce Consortium, Jeka, Jetix, Mattel, Minibus Plus, Merlin Entertainment Group, National Grid, Ordnance Survey, Regatta Limited, Rolls-Royce plc, Royal Bank of Scotland Group, Sainsbury's, The Blacks Leisure Group, Venture Abroad

Foundations and organisations

Donald Forrester Trust
Gordon Fraser Charitable Trust
Milly Apthorp Charitable Trust
The Jack Petchey Foundation
The Reckitt Trust
The Royal British Legion
The Tanner Trust
The Worshipful Company of Actuaries
The Worshipful Company of Drapers
Trinity House

Scouting ambassadors

Baroness Betty Boothroyd
Ian Hislop
Justin King
Lord Coe

The Association is grateful for the continuing support of its Patron, Her Majesty The Queen, and its President, His Royal Highness the Duke of Kent.

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ABSEILING AERIAL RUNWAY ARCHERY BALLOONING
BANDS BOULDERING BUNGEE RUNNING CANOEING
CANYONING CAVING CLAYPIGEON SHOOTING
CLIMBING COASTEERING CLIMBING CYCLING
DINGHYSAILING DRAGONBOATING DRAMA
FENCING FLYING GLIDING GORGE WALKING
SLEDGING HANG GLIDING HIGHROPE SHIKING
HORSERIDING HOVERCRAFTING ICECLIMBING
JETSКИING JUDO KARATE KARTING KAYAKING
YACHTING LASERCLAYPIGEON SHOOTING
LIGHTING MOTORSPORTS MOUNTAINBIKING
NARROWBOATING OFFROAD CYCLING OFFROAD
SAILING ORIENTEERING PAINTBALLING
PARAGLIDING PARASCENDING PONY TREKKING
POTHOLING POWERBOATING RADIO PULLING
PUSHBALL QUADBIKING GRAFT BUILDING
ROWING SAILING SCRAMBLING SCUBA DIVING
SCULLING SHOOTING SINGLEPITCH CLIMBING
SKIING SNORKELLING SNOWBOARDING
STREETSPORTSSUBAQUA SURFING SWIMMING
WATERSKIING WHITEWATER RAFTING
SURFING ZORBING ABSEILING AERIAL RUNWAY
ARCHERY BALLOONING BANDS BOULDERING
BUNGEE RUNNING CANOEING CANYONING
CLAYPIGEON SHOOTING CLIMBING COASTEERING
CLIMBING CYCLING DINGHYSAILING DRAGONBOATING
BOATING DRAMA FENCING FLYING GLIDING
GORGE WALKING GRASS SLEDGING HANG GLIDING
HIGHROPE SHIKING HORSERIDING HOVERCRAFTING
CRAFTING ICECLIMBING JETSКИING JUDO
KARATE KARTING KAYAKING LANDYAKING
MOTORSPORTS MOUNTAINBIKING