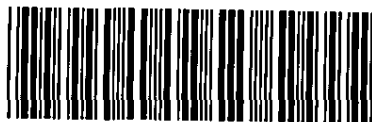




The Boys' Brigade
(A company limited by guarantee)
Reports and Financial Statements
For the Year Ended 31 March 2008



WEDNESDAY



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10/09/2008
COMPANIES HOUSE

Registered Charity Number - 305969

Company Number - 145122

The Boys' Brigade

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The Boys' Brigade

BRIGADE PARTICULARS

President	Prof Sir K Calman (appointed 1/9/07) The Very Rev Prof A Main (retired 31/8/07)
Vice Presidents	N W Batty T W P Donaldson C L Row J W Young MBE (Chairman of the Brigade Executive)
Treasurer	J T H Williams
Chaplain	Rev T Hurst (appointed 18/11/07) The Rev T H Wilson (until 31/8/07)
Members of the Brigade Executive	R Baker (until 31/8/07) P Ballentine M Baron R L Buttimer M Elliott J Goodbody (until 31/8/07) A Joss Rev T McCormick A McIntosh (until 31/8/07) Ms S H Mackey L Maydew (from 1/9/07) C Preston (from 1/9/07) Rev Dr R Reid D Richmond D Sneddon (from 1/9/07) L Stein R J Thornberry J Winchester
Secretary	S Dickinson
Registered Office	Felden Lodge Hemel Hempstead Hertfordshire HP3 0BL
Principal Solicitors	Butcher Burns 47 Mount Pleasant London WC1X 0AE
Principal Bankers	Barclays Bank Plc 7th Floor United Kingdom House 180 Oxford Street London W1D 1EA
Registered Auditors	Whiting & Partners Chartered Accountants & Business Advisors 41 St Mary's Street Ely Cambridgeshire CB7 4HF
Investment Managers	Rathbone Investment Management Limited 159 New Bond Street London W1S 2UD

The Boys' Brigade

BRIGADE EXECUTIVE'S ANNUAL REPORT

Members of the Brigade Executive, who are also directors of the charity for the purposes of the Companies Act, submit their report and audited accounts for the year ended 31 March 2008 to the members

Structure, Governance and Management

Governing Document

The Boys' Brigade (BB) is incorporated under the Companies Act 1985 as a company limited by guarantee without share capital and is accordingly governed by a Memorandum and Articles of Association, as amended subsequently by special resolution of the members in general meeting

The members of the Brigade have each guaranteed its liabilities up to £1. In addition, The Brigade is also registered with the Charity Commission

Recruitment and Appointment of the Brigade Executive

The Brigade Executive are charity trustees for the purposes of charity

The members of the Brigade appoint persons to Regional Committees in order to supervise and develop the Brigade at regional level. However, the overall management of the Brigade is by the Brigade Executive which is appointed by Regional Committees from their own membership on the basis of four members each from England, Scotland and Northern Ireland Regional Committees and one person from each of Wales and Republic of Ireland Regional Committees. The Brigade Office Bearers, who are appointed by the elected members of Executive, are themselves members of the Executive. The Brigade Executive draws up the overall Development Plan in order to achieve the object

Trustees Induction and Training

Trustees are familiar with the work of the charity and have been elected by Battalions and Districts to Regional Committee level before being appointed to the Brigade Executive

Due to the nature of The Boys' Brigade's Constitution, annual elections to the Brigade Executive can result in new members each session. The new constitution proposes that members will serve for a period of three years. New members will receive a copy of the updated members' handbook currently being reviewed and a training programme is being devised reflecting the competencies for Boys' Brigade trustees and incorporates legal, fiscal and service delivery issues

Risk Management

The Brigade Executive, as trustees, has introduced a process to assess risk and implement risk management strategies. This has involved identifying the types of risk the Brigade faces, prioritising them in terms of potential impact and likelihood of occurrence, and identifying means of mitigating the risks. As part of this process the Brigade Executive has reviewed the adequacy of The Brigade's current internal controls

In addition the Brigade Executive has set policies on internal controls which cover the following:

- Consideration of the type of risk the Brigade faces,
- The level of risk it regards as acceptable,
- The likelihood of the risk concerned materialising,
- The Brigade's ability to reduce the incidence and impact on the organisation of the risks that may materialise, and
- The cost of operating particular controls relative to the benefits obtained

Brigade Executive's Responsibilities

The Brigade Executive is charged with the management and supervision of the affairs of the Brigade

- To bring an independent judgement to bear on issues of strategy, performance and resources, and observe the highest standards of integrity, confidentiality and objectivity
- To act in good faith in the interests of The Boys' Brigade and its members and in the public interest, exercise due care and diligence and contribute expertise and experience to the work of the Executive
- To promote the reputation and standing of The Boys' Brigade
- To administer the organisation and all its assets in the interest of current, potential and future beneficiaries

Brigade Secretary

The Brigade Secretary is the senior member of staff of the Brigade and chief executive and company secretary of The Boys' Brigade. The Brigade Secretary is responsible for the day-to-day management of the Brigade's affairs and for implementing policies agreed by the Executive

Objectives and Activities

The Brigade's principal objective continues to be the advancement of Christ's kingdom amongst boys and the promotion of habits of obedience, reverence, discipline, self-respect and all that tends towards a true Christian manliness

The Boys' Brigade

BRIGADE EXECUTIVE'S ANNUAL REPORT - continued

Achievements and Performance

The Boys' Brigade has a mission to care for and challenge young people using a programme of informal education, which is underpinned by the Christian faith. Membership is open to boys and young men between the ages of 4 and 18 and young men and young women aged aged between 14 and 22 in our Amicus Groups. The programme is designed to assist churches reach young people although membership is open to those of all faiths and none. In common with other youth work organisations, The Boys' Brigade aims to develop skills in its leaders to assist young people in the transition from childhood to adolescence, from dependence to independence and provide opportunities for their personal, social and spiritual development.

Following a review of the 2003-08 Development Plan and consultation throughout the Brigade, a new Development Plan was agreed by the Brigade Executive looking at priorities up to the year 2013. Research was commissioned to look at the perception of the Brigade within churches and the results of this will have a major impact on our future strategy. Although the plan is subdivided into areas, it all concentrates on the support for existing work and looking for opportunities to start new work.

The Brigade has been successful in attracting funding to support its work from a number of sources: the Norma Leigh Charitable Trust, The Jerusalem Trust, the Scottish Government and the Department for Children, Families and Schools. This has enabled the Brigade to recruit development workers with a focus of support to Companies and to look at new ways of being BB and review models of working that may attract those who have not previously accessed our work.

A series of Conferences entitled Visions into Reality has been held throughout the Regions and was well supported. The Engage a Generation and Company Support Schemes were promoted and action plans for Battalions derived to drive these initiatives forward.

Resource materials for leaders has again been a priority and the 'Discover Programme' for those working with 11 - 15 year olds was launched in summer 2007. The Challenge Plus material for 15 - 18 year olds is due in August 2008 and supplementary material for younger ages is being prepared.

The Brigade is seeking accreditation from City and Guilds to deliver NVQ's in youth work and a pilot scheme is currently underway. This will aid the dissemination of good practice throughout the Brigade and continue to develop the learning culture within the Brigade.

Financial Review

Company and charity law requires the Brigade Executive to prepare financial statements for each financial year, which give a true and fair view of the incoming resources and application of those resources and the Brigade's state of affairs at the end of the year and of its net movement in funds for the year then ended.

In preparing those accounts, the Brigade Executive is required to

- Select suitable accounting policies and apply them on a consistent basis,
- Make judgements and estimates that are reasonable and prudent,
- State whether applicable accounting standards and statements of recommended accounting practice have been followed subject to any material departures disclosed and explained in the financial statements
- Prepare the accounts on the going concern basis unless it is inappropriate to assume that the Brigade will continue in operation.

The Brigade Executive is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Brigade and to ensure that the accounts comply with the Companies Act 1985.

The Executive are also responsible for safeguarding the assets of the Brigade and for their proper application as required by charity law, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results

The net operating deficit for the year on the General Fund amounted to £91,862 (2007 - £92,819 deficit), whilst the Brigade in total reports a surplus of £352,269 (2007 - £419,115 surplus) as the movement on all funds.

The net assets of each Brigade fund are sufficient to meet the associated fund obligations.

Financial Commitments

The Brigade Executive's commitment to achieving a balanced budget is being actively pursued. The Business Director continues to look at all aspects of the Brigade's business systems and together with the Finance Committee ways are being considered to generate income from outside of the Brigade and to cut costs. Funding bids to the Norma Leigh Charitable Trust and the Jerusalem Trust have secured welcome project funding. The fees paid by the membership largely fund the Brigade, and reduced numbers have funding implications. The per capita system of fee collection has proved beneficial to the Brigade.

As with all charitable organisations, the Brigade Executive is heavily dependent upon the services of unpaid members, and the Brigade in general is similarly dependent upon donations and legacies from the general public for a sizeable proportion of its income.

Land and Buildings

The market value of the Brigade's freehold heritable properties is estimated to be in excess of the book value of £3,411,236 disclosed on the balance sheet.

The Boys' Brigade

BRIGADE EXECUTIVE'S ANNUAL REPORT - continued

Investment Policy and Performance

The Executive has agreed that the investment fund be managed by nominee brokers. The present investment policy is to maximise the long-term return of the Brigade's investment fund subject to the risk normally associated with a balanced approach to portfolio management. There is a further proviso that as far as it is reasonably possible investments that conflict with The Boys' Brigade's beliefs and objectives will be excluded. The fund will be invested between growth-orientated securities and investment in income bearing securities - of which at least 25% to be in gilt edged or corporate bond securities. Inclusion of overseas direct equity investment is permitted where deemed appropriate. The performance of the fund is measured against the FTSE All Share Index and other relevant indices. Regular reports are provided by the fund manager detailing the progress and relative performance of the fund.

Free Reserves

Free reserves available for the use by the Brigade are deemed to be those that are readily realisable less funds whose uses are restricted or designated for particular purposes. The calculation thus excludes property and other fixed assets which will continue to be used in the day-to-day running of the Brigade.

As a matter of policy each year the Brigade Executive reviews the value of the reserves required to be held in investments cash and cash equivalents not restricted to any particular purpose. The Executive considers the Brigade's exposure to the risk of any significant loss of income, and to the risk of unforeseen expenditure which cannot be mitigated by Executive action, and the degree of risk ascribed to each such event is assessed.

With income, the major risk is that of a decline in membership income, and any economic/stock market downturn or other factors leading to a decline in legacy values and reduced donations.

Budgetary and financial controls continue to be improved in order to reduce the risk of over-expenditure and to mitigate the effect of a drop in income in any one financial year. It is not the Brigade's policy to embark on major initiatives without committed funding.

At the year-end, and disregarding the transient deficit on the pension scheme detailed in Note 21, the free reserves were at the lower end of the target range. However the Brigade Executive has conducted its annual review of the level of reserves and considers it is adequate given the general economic conditions.

Grant Making

The Brigade makes an annual grant to the Northern Ireland District. This grant is now a fixed sum which will be reviewed annually.

Related Parties

The accounts disclose the operations of The Boys' Brigade but do not consolidate the activities and net assets of the independently constituted companies, battalions and districts.

Health and Safety Statement - Preamble

The Act and Regulations in this statement relate to England and Wales but employees and volunteers in Scotland, Northern Ireland, Republic of Ireland, Channel Islands and Isle of Man are deemed to be bound by them for the purposes of this statement.

The Brigade will also take account of similar Acts and Regulations in Scotland, Northern Ireland, Republic of Ireland, Channel Islands and Isle of Man in undertaking its responsibilities for Health and Safety.

Under the Health and Safety at Work Act 1974, an employer has the duty to prepare a written policy statement. In general the same health and safety standards should be applied to voluntary workers as they would to employees exposed to the same risk.

Health and Safety Statement - May 2008

The Boys' Brigade recognises its duties under the Health and Safety at Work Act 1974. The Brigade seeks to indicate its responsibilities in its Health and Safety Policy, which will be reviewed annually. Ultimate responsibility for Health and Safety in its various undertakings rests with the Brigade Executive. Responsibilities have been delegated to a senior member of Brigade staff and line managers, as indicated in the Staff Handbook, have been given specific responsibilities within their area of operation.

This statement seeks to confirm the response to Health and Safety by The Boys' Brigade with regard to its various activities.

Health

The Brigade will, so far as is reasonably practical, seek to ensure that those who are employed by the organisation or who act as volunteers are fit for the tasks they will undertake. It will seek to ensure that any reasonable alterations which can be made, are made to enable the Brigade to meet its duties as employers under the Disability Discrimination Act 2000 with regard to people with disabilities.

The Boys' Brigade

BRIGADE EXECUTIVE'S ANNUAL REPORT - continued

Safety

The Brigade seeks to meet its duties under the Management of Health and Safety at Work Regulations 1999. For those tasks directly under the control of Brigade and Regional Headquarters, The Brigade will undertake the necessary risk assessments and will, where reasonably practical, implement any appropriate controls. Training and information will be provided to ensure that those at risk are made aware. Where Brigade and Regional Headquarters are not in direct control of Health and Safety matters, The Brigade will promote good practice by means of leader training, the Safety Handbook, the BB Gazette and advice and information.

Accident Reporting

The Brigade will ensure that staff and volunteers are aware of the need to report all accidents and dangerous occurrences to the Brigade Headquarters, without delay following the accident or occurrence. The requirement for reporting accidents is set out in the Staff Handbook and the Safety Handbook section 6. The Boys' Brigade Headquarters will, if required, report under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 1995.

Child Protection

The Boys' Brigade takes its duties under the Children Act 1989 seriously and has appropriate procedures and staff appointed to meet its duties under the 1989 Act. If a reasonable suspicion is raised about the protection of a child under the age of 18 years, The Brigade will undertake its duties using its procedures. The Brigade vets all those who have the responsibilities for the care of children within areas of its responsibilities to comply with the Protection of Children Act 1999.

In accordance with company law, as the company's directors, we certify that

- So far as we are aware, there is no relevant audit information of which the Brigade's auditors are unaware, and
- As the directors of the Brigade we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Approved on behalf of the Brigade Executive



S Dickinson
Secretary

Dated.

27/08/08

The Boys' Brigade

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE BOYS' BRIGADE

We have audited the financial statements of The Boys' Brigade for the year ended 31st March 2008 on pages 7 to 17 which comprises of the Statement of Financial Activities the Balance Sheet and the related notes. These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and in accordance with the accounting policies set out on pages 9 and 10.

This report is made solely to the Brigade's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Brigade's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Brigade and the Brigade's members as a body for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of the Brigade Executive and Auditors

The Brigade Executive (who are also directors of The Boys' Brigade for the purposes of company law) are responsible for preparing the Brigade Executive Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) as set out in the Statement of Brigade Executive's Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant United Kingdom 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 Companies Act 1985. We also report to you if, in our opinion, the Brigade Executive's Annual Report is not consistent with the financial statements, if the Brigade 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 executives' remuneration and transactions with the Brigade is not disclosed.

We read other information contained in the Brigade Executive's Annual Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of 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 by the Brigade Executive in the preparation of the financial statements and of whether the accounting policies are appropriate to the Brigade'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 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 the charitable company's affairs as at 31 March 2008 and of its incoming resources and application of resources including its income and expenditure, for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985;
- the information given in the Brigade Executive's Report is consistent with the financial statements.

Dated

14 September 2008



WHITING & PARTNERS

Chartered Accountants, Business Advisers
and
Registered Auditors
Ely

The Boys' Brigade

STATEMENT OF FINANCIAL ACTIVITIES (incorporating an Income and Expenditure Account) FOR THE YEAR ENDED 31 MARCH 2008

		2008					Total £	2007 £
		General Fund £	Unrestricted Designated Funds £	Pension Fund £	Restricted Funds £	Endowment Funds £		
Note								
Incoming Resources from Generated Funds								
Voluntary income								
	Donations and gifts	10,355	40,766	-	113,889	-	165,010	58,102
7	Legacies	33,679	-	-	-	-	33,679	2,200
Activities for generating funds								
	Training centres and other rental income	487,900	-	-	-	-	487,900	449,299
3	Grants receivable	109,873	-	-	170,000	-	279,873	293,097
5	Investment income	12,614	2,509	-	734	2,404	18,261	18,793
	Profit on sale of fixed assets	-	-	-	-	-	-	1,916
Incoming Resources from Charitable Activities								
	Annual capitation contributions	765,330	-	-	-	-	765,330	758,254
2	Supplies sales	603,200	-	-	-	-	603,200	553,757
	Total Incoming Resources	2,022,951	43,275	-	284,623	2,404	2,353,253	2,135,418
Resources Expended								
Costs of Generating Funds								
8	Administration - General	484,180	-	(33,481)	-	-	450,699	544,309
	Investment management fees	2,020	627	-	223	1,535	4,405	3,416
	Training centres (Non Brigade use)	374,974	-	(1,138)	-	-	373,836	298,330
21	Pension scheme finance costs	-	-	(11,000)	-	-	(11,000)	(21,000)
		<u>861,174</u>	<u>627</u>	<u>(45,619)</u>	<u>223</u>	<u>1,535</u>	<u>817,940</u>	<u>825,055</u>
	Net Resources available for Charitable Application	1,161,777	42,648	45,619	284,400	869	1,535,313	1,310,363
Costs of Charitable Activities								
2	Supplies - Cost of sales	359,688	-	-	-	-	359,688	318,499
8	- Administration	101,336	-	-	-	-	101,336	88,209
6	Grants to battalions and districts	81,100	-	-	-	-	81,100	83,849
	Subscription to Global Fellowship	2,835	-	-	-	-	2,835	2,617
	Training centres (Brigade use)	95,200	-	(284)	-	-	94,916	97,018
8	Management and delivery of the charity's purpose	465,193	16,101	(4,559)	26,774	12,468	515,977	613,997
		<u>1,105,352</u>	<u>16,101</u>	<u>(4,843)</u>	<u>26,774</u>	<u>12,468</u>	<u>1,155,852</u>	<u>1,204,189</u>
8	Governance Costs	38,887	-	-	-	-	38,887	37,400
	Net Operating Surplus/(Deficit) Before Exceptionals	17,538	26,547	50,462	257,626	(11,599)	340,574	68,774
Exceptional Costs								
8	Special contributions to pension scheme	109,400	-	(100,538)	-	-	8,862	5,037
	Total Resources Expended	2,114,813	16,728	(151,000)	26,997	14,003	2,021,541	2,071,681
	Net Operating Surplus/(Deficit) for the Year	(91,862)	26,547	151,000	257,626	(11,599)	331,712	63,737
9	Transfers between funds	7,348	562	-	(7,910)	-	-	-
	Net Incoming Resources Before Gains and Losses	(84,514)	27,109	151,000	249,716	(11,599)	331,712	63,737
4	Realised gains/(losses) on investments	1,670	-	-	-	(688)	982	7,392
12	Unrealised gains/(losses) on investments	(33,689)	-	-	(2,006)	(14,730)	(50,425)	13,986
21	Actuarial gain on defined benefit pension scheme	-	-	70,000	-	-	70,000	334,000
	Net Movement in Funds	(116,533)	27,109	221,000	247,710	(27,017)	352,269	419,115
	Total funds brought forward	249,921	3,500,526	(221,000)	171,872	162,836	3,864,155	3,466,585
26	Prior year adjustment	-	-	-	-	-	-	(21,545)
	Total funds brought forward - as restated	249,921	3,500,526	(221,000)	171,872	162,836	3,864,155	3,445,040
	Total Funds carried Forward	133,388	3,527,635	-	419,582	135,819	4,216,424	3,864,155

All activities are continuing except those disclosed in notes 18 to 20, as relating to individual funds, which have either been acquired or discontinued during the year

The notes on pages 9 to 17 form part of these accounts

The Boys' Brigade

BALANCE SHEET AS AT 31 MARCH 2008

	Note	2008		2007	
		£	£	£	£
Fixed Assets					
Intangible assets	10		32,783		28 525
Tangible assets	11		3,455 052		3 450 180
Investments	12		412 599		442,042
			<u>3,900,434</u>		<u>3,920,747</u>
Current Assets					
Stocks	13	175 758		183 262	
Debtors	14	161,350		185 904	
Cash at bank, in hand and on deposit	15	511 083		344,692	
		<u>848,191</u>		<u>713 858</u>	
Creditors Amounts Falling due within One Year					
Payments received on account		10,449		4,224	
Trade creditors		97 726		68,782	
Taxes and social security costs		31 477		35 729	
Other creditors	16	22 621		20,640	
Accruals		48 682		72 259	
Loans	17	7 000		14,500	
		<u>217 955</u>		<u>216 134</u>	
Net Current Assets			<u>630,236</u>		<u>497 724</u>
Total Assets Less Current Liabilities			<u>4,530,670</u>		<u>4 418,471</u>
Deferred Income					
Annual capitation contributions received in advance		314,246		290 659	
Brigade and festival funds received in advance		-		21 112	
			<u>314,246</u>		<u>311,771</u>
Net Assets Excluding Pension Scheme Liabilities			<u>4,216,424</u>		<u>4,106,700</u>
Provisions					
Defined benefit pension scheme funding deficit	21	-		221 000	
Lease dilapidations provision	26	-		21 545	
			<u>-</u>		<u>242,545</u>
Net Assets			<u>£4,216,424</u>		<u>£3,864 155</u>
Capital Funds					
Endowment funds	18		135,819		162 836
Income Funds and Reserve					
Restricted funds	19		419 582		171,872
Unrestricted funds and reserve	20				
Heritable property fund		3,411,236		3,402,220	
Other designated funds		116,399		98,306	
General reserve	26	133,388		249,921	
		<u>3 661,023</u>		<u>3 750,447</u>	
Pension fund	21	-		(221,000)	
			<u>3 661,023</u>		<u>3,529 447</u>
Total Members' Funds			<u>£4 216 424</u>		<u>£3 864 155</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective January 2007)

These financial statements were approved by the members of the Brigade Executive on the

27/8/08

and are signed on

J T H Williams
Brigade Treasurer

J W Young MBE
Chairman of the Brigade Executive

The notes on pages 9 to 17 form part of these accounts

The Boys' Brigade

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2008

1. Accounting Policies

a) Convention

The accounts have been prepared under the historical cost convention modified to reflect the revaluation of investment fixed assets at the balance sheet date the Statement of Recommended Practice 'Accounting and Reporting by Charities' which was revised by the Charity Commissioners in 2005, the Brigade's governing documents the Financial Reporting Standard for Smaller Entities (effective January 2007) and the Companies Act 1985

The accounts disclose the operations of The Boys' Brigade but do not consolidate the activities and net assets of the independently constituted battalions, districts and companies

b) Annual Capitation Contributions

Contributions from companies are recognised on an accruals basis The capitation year runs from 1 September to 31 August and hence 5/12 of the income received after 1 September is treated as a deferred income creditor

c) Supplies and Training Centre Income

All income from supplies sales and training centres are recognised on an accruals basis Transactions are also processed to account for internal movements in relation to transactions involving departments within the Brigade structure

d) Donations, Gifts and Legacies

Donations Gifts and Legacies are all recognised on a receivable basis

e) Resources Expended

All resources expended are accounted for on an accruals basis and are authorised in accordance with the Brigade's internal procedures manual

f) Taxation

As a registered charity, the Brigade is exempt from corporation tax on income and gains which are applied for charitable purposes No provision is therefore made for deferred tax The Brigade has a considerable amount of income which is treated as exempt for value added tax purposes, resulting in only a proportion of value added tax suffered on expenditure being recoverable

g) Fixed Assets

Tangible and intangible fixed assets are stated at cost Donations and legacies received to enable the acquisition of such assets are recognised in the statement of financial activities These, unless expended within the financial year in which received, are credited to a special designated fund until such time as the appropriate asset has been acquired, after which an appropriate transfer is made to the general fund

h) Amortisation

Amortisation is calculated so as to write off the cost of an intangible asset less its estimated residual value, over the useful economic life of that asset as follows

Access rights	- amortised straight line over 125 years
---------------	--

i) Depreciation

Depreciation is charged to write off the cost of tangible fixed assets over their expected useful economic lives as follows

Freehold heritable property	Nil
Furniture, equipment and vehicles	
Office furniture and equipment	10%
Computer equipment	20%
Vehicles	20%

No depreciation is charged on freehold heritable property In accordance with FRS 15 an impairment review under FRS 11 is performed annually on these properties The Brigade is of the opinion that the remaining useful economic life of the properties are so long, and the residual value so high, that such depreciation charges would be deemed to be immaterial

j) Lease Payments

Operating lease payments are charges against income in the year in which they are payable

k) Investments

Investments are stated at open market value at the balance sheet date with unrealised gains and losses being recognised in the appropriate funds Investment income is brought into account on a receivable basis

l) Stocks

Stocks are valued at the lower of cost and net realisable value Cost is based on the average purchase price during the year

m) Fund Accounting

Funds are accounted for in accordance with the applications stated in the relevant notes for endowment, restricted and designated funds

The Boys' Brigade

NOTES TO THE ACCOUNTS - continued FOR THE YEAR ENDED 31 MARCH 2008

n) Pension Scheme

The Brigade operates a defined benefit pension scheme for eligible permanent employees the assets of which are funded separately. Employer contributions into this scheme are calculated triennially by an actuary so as to spread this cost over the working lives of the employees. The Brigade has fully adopted the Pensions Accounting Standard, FRS 17, and all pension contributions are recognised in the statement of financial activities on an accruals basis, with the overall actuarial funding surplus or deficit being disclosed.

2	Supplies	2008 £	2007 £		
	Sales	603,200	553,757		
	Cost of Sales	(359,688)	(318,499)		
	Gross Surplus - absolute	243,512	235,258		
	- margin	40%	42%		
	Administration (note 8)	(101,336)	(88,209)		
	Net Surplus	142,176	147,049		
3	Grants Receivable	2008	2007		
	In respect of General Fund	£	£		
	For general purposes				
	Department of Education and Skills - Training	63,873	85,359		
	For activities and training				
	Scottish Executive Education Department	46,000	43,809		
	Department of Education and Skills (Millennium Volunteers)	-	153,929		
	Web Hosting and ICT development	-	10,000		
		109,873	293,097		
4	Realised Gains/(Losses) on Disposal of Investments	2008 £	2007 £		
	General fund	1,670	4,389		
	Designated funds	-	(525)		
	Restricted Fund - 8th Grimsby Funds	-	-		
	Permanent endowment funds	(688)	3,528		
		982	7,392		
5	Investment Income	2008			
		Deposit Interest £	Dividends £	Total £	2007 £
	General fund	4,931	7,683	12,614	8,945
	Designated funds	-	2,509	2,509	2,198
	Restricted funds	-	734	734	4,430
	Endowment funds	-	2,404	2,404	3,220
		4,931	13,330	18,261	18,793
6	Grants Payable	2008 £	2007 £		
	General fund				
	Northern Ireland District	80,000	81,599		
	Republic of Ireland	1,100	2,000		
	West of England and Channel Islands	-	250		
		81,100	83,849		
	All of the above grants are Charitable Donations				

All of the above grants are Charitable Donations

7 Legacies

At the balance sheet date no notification (2007 - Nil) had been received in relation to legacies due to the Brigade

The Boys' Brigade

NOTES TO THE ACCOUNTS - continued FOR THE YEAR ENDED 31 MARCH 2008

8 Administration

	Supplies £	2008 General £	Total £	2007 £
Staff costs (excluding exceptional pension contributions)	-	498,431	498,431	475,044
Staff training	-	1,564	1,564	1,026
Outsourcing management fee	76,407	-	76,407	71,688
Training/development officers' expenses	-	6,392	6,392	8,069
Travelling	-	26,185	26,185	23,181
Development	-	46,771	46,771	48,752
Training courses	-	25,091	25,091	22,837
Rent and office services	-	37,185	37,185	20,297
Insurance	-	142,450	142,450	140,665
Printing and stationery	-	19,805	19,805	15,269
Computer charges	-	14,107	14,107	21,800
Postage and carriage	24,929	10,658	35,587	41,859
Repairs and maintenance (excluding prior year adjustment, note 26)	-	4,769	4,769	2,082
Leasing	-	33,097	33,097	32,335
Depreciation and amortisation	-	14,931	14,931	12,697
Auditors' remuneration	-	13,500	13,500	14,510
Legal and professional fees	-	12,624	12,624	4,273
Committee expenses	-	12,628	12,628	14,265
Annual meeting	-	-	-	4,352
Annual report	-	135	135	-
Company mailing	-	25,581	25,581	22,037
Sundries	-	12,831	12,831	11,864
Irrecoverable VAT	-	14,529	14,529	15,192
Bank charges	-	12,394	12,394	14,435
Bank interest	-	2,602	2,602	1,627
	<u>101,336</u>	<u>988,260</u>	<u>1,089,596</u>	<u>1,040,156</u>
Analysed as				
Cost of generating funds	101,336	484,180	585,516	623,823
Management and delivery of the charity's purpose	-	465,193	465,193	378,933
Cost of governance	-	38,887	38,887	37,400
	<u>101,336</u>	<u>988,260</u>	<u>1,089,596</u>	<u>1,040,156</u>

Auditors' Remuneration includes £1,000 (2007 - £1,010) in respect of services in relation to the audit of the pension scheme. Legal and Professional Fees include fees of £Nil (2007 - £3,869) to the Auditors for administering the payroll.

Included within Insurance costs above of £143,229 (2007 - £140,665), are costs in relation to Trustee and Officer Indemnity Insurance totalling £6,875 (2007 - £3,675).

Total staff costs comprises	2008 £	2007 £
Wages and Salaries	641,186	644,743
National insurance contributions	55,749	55,107
Other pension costs (note 21) - Contributions payable - normal	42,941	44,553
- special	109,400	123,600
Pension costs - current service cost (per actuarial valuation report)	39,000	45,000
Health insurance	-	2,271
	<u>888,276</u>	<u>915,274</u>

Included in the above 2007 figures are wages paid in relation to two Millennium Volunteers' staff, whose wages are match funded by way of grant monies.

The average number employed during the year - excluding members of the Brigade Executive, totalled 25 (2007 - 25) full time and 15 (2007 - 14) part time. Members of the Brigade Executive do not receive any remuneration.

No employee received remuneration in excess of the £60,000 threshold at which separate disclosure is required.

The Boys' Brigade

NOTES TO THE ACCOUNTS - continued FOR THE YEAR ENDED 31 MARCH 2008

9 Transfers between Funds

	General Reserve £	Designated Funds £	Restricted Funds £	Endowment Funds £
Transfer to/(from) in respect of				
Notional interest on certain fund opening balances	(3 803)	1,522	2 281	-
Balance of Youthlink Engage a Generation fully expended	9,976	(9 976)	-	-
Thurso Centre capital costs expended	10,191	-	(10 191)	-
Heritable Property Fund equalisation transfer	(9,016)	9,016	-	-
	<u>7,348</u>	<u>562</u>	<u>(7 910)</u>	<u>-</u>

Notional interest is provided on opening fund balances based on an average of interest rates applicable to BB bank deposits during the year

10 Intangible Fixed Assets

	Access Rights £
Cost	
1 April 2007	28,525
Additions	4,522
31 March 2008	<u>33 047</u>
Amortisation	
1 April 2007	-
Amortisation for year	264
31 March 2008	<u>264</u>
Net book value	
31 March 2008	<u>32,783</u>
31 March 2007	<u>28 525</u>

11 Tangible Assets

	Freehold Heritable Property £	Furniture, Equipment & Vehicles £	Total £
Cost			
1 April 2007	3,423,265	239,960	3,663,225
Additions	9 016	10,523	19,539
Disposals	-	(38 458)	(38,458)
31 March 2008	<u>3 432 281</u>	<u>212 025</u>	<u>3,644,306</u>
Depreciation			
1 April 2007	21 045	192 000	213,045
Charged during year	-	14 667	14 667
Disposals	-	(38 458)	(38 458)
31 March 2008	<u>21,045</u>	<u>168,209</u>	<u>189 254</u>
Net book value			
31 March 2008	<u>3,411,236</u>	<u>43,816</u>	<u>3 455 052</u>
31 March 2007	<u>3 402 220</u>	<u>47 960</u>	<u>3 450 180</u>

12 Investments

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total £
Listed on the UK stock exchange				
Market value				
1 April 2007	248,524	28,290	165,228	442,042
Additions	12,591	-	28,344	40,935
Disposals	(19 001)	-	(5,002)	(24,003)
Investment Brokers cash movement	10 447	(1,019)	(5 377)	4,051
Net realised and unrealised gains	(33 689)	(2,007)	(14,730)	(50 426)
31 March 2008	<u>218 872</u>	<u>25,264</u>	<u>168,463</u>	<u>412,599</u>
Cost				
31 March 2008	<u>200,899</u>	<u>25 676</u>	<u>161,484</u>	<u>388 059</u>
31 March 2007	<u>190 071</u>	<u>22 725</u>	<u>137 453</u>	<u>350,249</u>

The Boys' Brigade

NOTES TO THE ACCOUNTS - continued FOR THE YEAR ENDED 31 MARCH 2008

12. Investments (continued .)

In addition to the above, the Brigade holds and administers, as custodian trustee investments worth approximately £500,000 for various battalions, districts and companies. As these funds and their corresponding income are not the property of the Brigade, they are not consolidated into these accounts.

13 Stocks	2008 £	2007 £
Consumables	10,302	8,029
Supplies for resale	165,456	175,233
	<u>175,758</u>	<u>183,262</u>

14 Debtors	2008 £	2007 £
Sums due within one year		
Trade debtors	62,270	80,290
Other debtors	1,170	23,112
Prepayments and accrued income	97,910	82,502
	<u>161,350</u>	<u>185,904</u>

15 Cash at Bank, in Hand and on Deposit	2008 £	2007 £
Attributable to Funds		
Unrestricted funds	117,177	201,110
Restricted funds	393,906	143,582
Endowment funds	-	-
	<u>511,083</u>	<u>344,692</u>

16 Other Creditors	2008 £	2007 £
General fund	8,969	2,988
Restricted and endowment funds	13,652	17,652
	<u>22,621</u>	<u>20,640</u>

17 Loans	2008 £	2007 £
Interest free repayable on demand	7,000	14,500

18 Endowment Funds (with expendable income)

Donors have directed that capital should be held, with investment income arising there from to be applied specifically, as follows:

Cave Allan Legacy - Upkeep of grave, with balance to be split 50/50 between the London District and The Boys' Brigade

1st London Company - To be split 50/50 between the London District and The Boys' Brigade

Mac Robert Trust - Towards Brigade training

	Balance 1 April 2007 £	Income/ (Loss) on Revaluation £	Expenses/ Transfers £	Balance 31 March 2008 £	Total Accumulated Investment Gains/(Losses) £
Movements on expendable endowments					
Cave Allan Legacy	33,328	(3,296)	(271)	29,761	18,174
1st London Company	66,655	(6,492)	(542)	59,621	25,687
Mac Robert Trust	62,853	(3,226)	(13,190)	46,437	14,961
	<u>162,836</u>	<u>(13,014)</u>	<u>(14,003)</u>	<u>135,819</u>	<u>58,822</u>
Represented by - Investments (market value)	162,836			135,819	
- Cash at bank	-			-	
	<u>162,836</u>			<u>135,819</u>	

The Boys' Brigade

NOTES TO THE ACCOUNTS - continued FOR THE YEAR ENDED 31 MARCH 2008

19 Restricted Funds

Donors have directed or the terms of an appeal have specified that income arising on these funds should be applied as follows

Sir William Smith Memorial - for free uniform grants

E L Taylor Bequest - £60 to 6th London Company and balance to the Brigade

National Training Appeal - for Brigade training

Burke Memorial Fund - for outdoor activity

Felden Development - special development of Felden

KJC Fund - HQ Music Group

Millennium Volunteers - to provide young people the opportunity to take a positive and visible role in the community (100% grant funded by DfES)

Edith Blanche Bevis Fund - for Methodist companies within the area of Clacton-on-Sea

Friends of Carronvale - to be applied towards Carronvale House

Friends of Felden - to be applied towards Felden Lodge

1st Hurlford KGVI - for officer training

The Jerusalem Trust - 'engage a generation' project work

Norma Leigh Trust - for a project worker in the north west

8th Grimsby Funds - for Anglican companies in formation

International Projects - for overseas work

Carronvale Appeal - to be applied towards the refurbishment of Carronvale House

Association of Childrens' Hospices - The Boys' Brigade 125th anniversary project

Cameroon Fund - for overseas work in Cameroon

Web Hosting - for ICT development from Youth Link Scotland

	Balance 1 April 2007 £	Income £	(Loss)/Gain on Revaluation/ Expenses £	Transfers £	Balance 31 March 2008 £
Movements during the year					
Sir William Smith Memorial	12,989	-	(100)	201	13,090
E L Taylor Bequest	3,373	-	-	52	3,425
National Training Appeal	19,757	-	-	306	20,063
Burke Memorial Fund	11,005	26,811	(880)	171	37,107
Felden Development	74,583	28,524	-	(9,035)	94,072
KJC Fund	500	1,270	(403)	8	1,375
Millennium Volunteers	(1,340)	1,340	-	-	-
Edith Blanche Bevis Fund	4,517	-	-	70	4,587
Friends of Carronvale	1,650	1,830	(2,350)	26	1,156
Friends of Felden	4,558	10,051	(10,079)	71	4,601
1st Hurlford KGVI	-	30,000	(214)	-	29,786
The Jerusalem Trust	-	20,000	-	-	20,000
Norma Leigh Trust	-	150,000	-	-	150,000
8th Grimsby Funds	26,097	765	(3,098)	-	23,764
International Projects	4,521	35	(650)	70	3,976
Carronvale Appeal	4,370	4,033	(2,159)	68	6,312
Association of Childrens' Hospices	-	841	(841)	-	-
Cameroon Fund	5,292	6,325	(6,000)	82	5,699
Web Hosting	-	569	-	-	569
	<u>171,872</u>	<u>282,394</u>	<u>(26,774)</u>	<u>(7,910)</u>	<u>419,582</u>
Funds represented by					
Cash at bank	149,147				393,906
Investments	<u>22,725</u>				<u>25,676</u>
	<u>171,872</u>				<u>419,582</u>

The Boys' Brigade

NOTES TO THE ACCOUNTS - continued FOR THE YEAR ENDED 31 MARCH 2008

20. Unrestricted Funds

Designated funds have arisen where the Brigade has set aside capital sums, with the income derived there from to be applied as follows

Heritable Property Fund - to represent the book value of heritable property held within the accounts

Centenary Appeal Fund - to grant aid to districts, battalions or companies for special projects

Souness Trust - provision of sports trophies

Staff Pension and Benefit - for additional payments to pensioners

David White Memorial Fund - young officer training

George Walker Memorial Fund - for use at the discretion of Wormley company

Firm Foundations - annual festival held in England

Crossover - annual festival held in Scotland

Jubilee Fund - for commemorative events

Lockett / Fidler KGV Fund - for work with King George VI officer training

Brigade Secretary Reserve Fund - to be used at the Brigade Secretary's discretion for the benefit of the Brigade

Scotland Directors Reserve Fund - to be used at the Scottish Director's discretion for the benefit of the Brigade

Youthlink - 'engage a generation' Scotland

	Balance 1 April 2007 £	Gain on Revaluation/ Income £	Expenses £	Transfers £	Balance 31 March 2008 £
Movements during the year					
General Fund (After Prior Year adjustment, Note 26)	249,921	1,990,932	(2,114,813)	7,348	133,388
Heritable Property Fund	3,402,220	-	-	9,016	3,411,236
Other Designated Funds					
Centenary Appeal Fund	69,644	-	(1,933)	1,079	68,790
Souness Trust	397	-	-	6	403
Staff Pension and Benefit	109	-	(109)	-	-
David White Memorial Fund	3,167	-	-	49	3,216
George Walker Memorial Fund	1,797	-	-	28	1,825
Firm Foundations	-	29,229	(10,029)	-	19,200
Crossover (see below)	-	1,043	(2,157)	-	(1,114)
Jubilee Fund	5,338	2,375	-	83	7,796
Lockett / Fidler KGV Fund	4,846	25	-	75	4,946
Brigade Secretary Reserve Fund	7,396	-	(755)	115	6,756
Scotland Directors Reserve Fund	5,612	-	(1,118)	87	4,581
Youthlink - Engage a Generation	-	9,976	-	(9,976)	-
	98,306	42,648	(16,101)	(8,454)	116,399
	348,227	2,033,580	(2,130,914)	7,910	3,661,023

The above Crossover designated fund is only temporarily in deficit

21 Pension Scheme

The Brigade operates a defined benefit scheme. An actuarial valuation was carried out at 31 March 2008 by a qualified independent actuary. The major assumptions used by the actuary were:

	31 March 2008	31 March 2007
Rate of increase in salaries	3.0%	3.0%
Rate of increase in pensions in payment	3.6%	3.3%
Discount rate	6.3%	5.4%
Inflation assumption	3.6%	3.3%

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

	Long-term rate of return expected	Value at 31 March 2008 £	Long-term rate of return expected	Value at 31 March 2007 £
Annuities	5.4%	773,000	5.4%	913,000
Bonds	5.3%	1,192,000	4.4%	1,121,000
Equities	7.8%	2,164,000	8.0%	2,248,000
Cash	1.5%	28,000	1.0%	32,000
Total market value of assets		4,157,000		4,314,000

The Boys' Brigade

NOTES TO THE ACCOUNTS - continued FOR THE YEAR ENDED 31 MARCH 2008

21 Pension Scheme (continued...)

Present value of scheme liabilities	(4 019 000)	(4,535 000)
Net pension deficit (FRS17 2008 surplus of £138,000 restricted to 'Nil')	-	(221,000)

The 2008 pension scheme asset as determined by the actuary is not recognised as an asset on the balance sheet as, on the advice of the actuary this will not result in reduced future contributions to the scheme

Analysis of amount charged to operating surplus

	31 March 2008	31 March 2007
Current service cost	(39 000)	45,000

During the accounting year, no past service benefit improvements have been implemented

Analysis of amount debited to other finance costs

	31 March	31 March
Interest on pension scheme liabilities	243,000	(228 000)
Net surplus / (deficit)	-	21,000

Analysis of amount to be recognised in statement of total recognised gains and losses

	31 March 2008	31 March 2007
Actual return less expected return on pension scheme assets	(364,000)	1,000
Experience gains and losses arising on the scheme liabilities	70,000	63 000
Changes in assumptions underlying the present value of the scheme liabilities	502,000	270,000
	-	-
Actuarial (loss)/gain recognised	208,000	334 000

Movement in surplus during the year:

	31 March 2008 £	31 March 2007 £
Deficit in scheme at beginning of year	(221 000)	(737 000)
Movement in year		
Current service cost	(39,000)	(45 000)
Contributions	179,000	206,000
Other finance costs	11,000	21,000
Actuarial (loss)/gain	208,000	334 000
Surplus/(Deficit) in scheme at end of year	138,000	(221 000)
As restricted for accounting purposes	-	(221,000)

A substantial amount of this surplus/(deficit) is attributable to pension commitments arising from individual districts and battalions of the Brng. The scheme has been closed to new members since November 2000

22 Capital Commitments

	2008 £	2007 £
Authorised expenditure - Felden Thurso Centre development	95,000	-
- Boxmoor Trust - Right of Access	-	2 500

The Boys' Brigade

NOTES TO THE ACCOUNTS - continued FOR THE YEAR ENDED 31 MARCH 2008

23 Leasing Commitments

The Brigade is committed to make annual payments under operating and premises leases which expire as follows

	2008 £	2007 £
Land and Buildings		
In over five years	9 400	9 400
Others	-	-
Within one year	3 938	1 963
In two to five years	14,340	33 226
	<u>27 678</u>	<u>44 589</u>

24 Contingent Liability

Since the 2000 accounting period the Brigade received grants from the Sports Foundation, totalling £168,931 in respect of the Carronvale recreation centre. These are repayable in full if the property is sold within 12 years and a fixed charge, totalling £16 000 has accordingly been given by the Brigade over this property. The Brigade Executive does not believe this contingent liability will ever crystallise and has accordingly not made any balance sheet provision for repayment of this grant in these accounts.

25 Related Party Disclosures

The Brigade is ultimately controlled by the members collectively. No single party is able to exercise control.

A material proportion of the interest free loans totalling £7,000 (2007 - £14,500) which the Brigade originally received and has not yet repaid, were from related parties.

Expenses reimbursed to Executive members totalled £6,368 (2007 - £8,781) during the year. No single Executive member received more than £1,000 of this total.

The Brigade Secretary's Reserve totalled £6,756 (2007 - £7 396). This reserve is to be utilised by the Brigade Secretary for the enhancement of the charity.

The Scottish Director's Reserve totalled £4,581 (2007 - £5,612). This reserve is to be utilised by the Scottish Director for the enhancement of training.

During the year the Brigade obtained short term financing totalling £117,500 (2007 - £115,000) from a number of Boys' Brigade sources. The funds were required to fund the Brigade activities prior to the inflow of capitation fee income. All of these sums had been repaid as of the year end.

26 Prior Year Adjustment and Amendmend of Comparatives

During the year the Brigade incurred costs of £21 545 in relation to essential repairs to its leased property in Glasgow. This amount should have been charged during the period of the lease to date, by making annual transfers to a lease dilapidations provision but no such provision was made. Accordingly a prior year adjustment has been made to amend this accounting treatment as follows.

	2008 £	2007 £
General Fund		
Balance brought forward - as originally stated	271,466	3,753,294
Prior year adjustment	(21 545)	(21,545)
Balance brought forward - as restated	<u>249,921</u>	<u>3 731 749</u>

Comparative figures for General Fund balance at 1 April 2006 and provisions as at 31 March 2007 have been amended accordingly.

In addition to the aforementioned, comparative figures have also been amended to re-analyse the special pension contribution expense for the year ended 31 March 2007 and to disclose this as an exceptional item on the face of the Statement of Financial Activities.