

145122

The Boys' Brigade
(A company limited by guarantee)

Reports and Financial Statements

For the Year Ended 31 March 2009



Registered Charity Number - 305969

Company Number - 145122

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The Boys' Brigade

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The Boys' Brigade

BRIGADE PARTICULARS

President:	Prof Sir K Calman
Vice Presidents:	N W Batty Mrs J Dando (Appointed 8 September 2008) T W P Donaldson C L Row (Chairman of the Brigade Executive) J W Young MBE (Retired 7 September 2008)
Treasurer:	J T H Williams
Chaplain:	Rev T Hurst
Members of the Brigade Executive:	P Ballentine M Baron (Retired 31 August 2008) R L Buttiner M Elliott A Joss S Lane (Appointed 1 September 2008) Rev T McCormick Ms S H Mackey L Maydew (Retired 31 August 2008) C Preston Rev Dr. R Reid D Richmond D Sneddon 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
Pension Actuaries:	Legal & General Assurance Society Legal & General House Kingswood Tadworth Surrey KT20 6EU

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 2009 to the members.

Structure, Governance and Management

Governing Document

The Boys' Brigade (BB) is incorporated under the Companies Acts 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.

The members of the Brigade have each guaranteed its liabilities up to £1. In addition, The Brigade is also a registered charity and subject to the governance of the Charity Commission.

Recruitment and Appointment of the Brigade Executive

The Brigade Executive are both charity trustees and company directors.

The Companies, Battalions, Districts, Regional Committee and Brigade Executive member appoint persons to the 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 and Ireland Regional Committees and one person from each of the Wales and Republic of Ireland Regional Committees. The Brigade Office Bearers, The Brigade Office Bearers, who are appointed by the elected members of Executive, undertake roles such as President, Treasurer and Chaplain 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 Brigade's Constitution in place at the start of this financial year, annual elections to the Brigade Executive can result in new members each session. With effect from 1 January 2009, trustees will serve on a three year term. New members will receive a copy of the updated trustees' handbook that is currently being reviewed and a training programme is being prepared that further develops the competencies required of Boys' Brigade trustees and incorporates legal, financial and service delivery matters.

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, a charitable company. 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 introduction of new constitutional arrangements on 1 January 2009 saw the introduction of The Girls' Association whose purpose is to support those Companies of The Boys' Brigade who wish to work with girls. The programme of Boys' Brigade is designed to assist churches reach young people, although membership is open to those of all faiths and none. In common with other youth 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.

The Brigade Development Plan 2008 - 13 directs much of the work of the Brigade Executive and Brigade Staff. Research on the perception of the Brigade amongst Church leaders was presented to the Brigade and has led to further work on publicity and profile raising.

Recruitment material for both young people and volunteer leaders is being produced and the Executive is looking at further strategies to support Companies. Although the Development Plan is subdivided into priority areas each with actions, the focus is on the support for existing work and looking for opportunities to start new work.

Development workers have been appointed in England and in Scotland. This funding, received from a variety of sources, is time limited and the workers are tasked to support the development of the Brigade in their designated area.

The Brigade has received accreditation from City and Guilds to deliver NVQ's in youth work and playwork 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.

October 2008 saw the 125th Anniversary of the founding of The Boys' Brigade. There have been many celebrations and events throughout the Brigade. A National service of Thanksgiving was held at Glasgow Cathedral on the day of the anniversary to give thanks to God for the life and witness of the movement.

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 enable it to ensure that the accounts comply with the Companies Acts and the Charities Act 2006.

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 £51,686 (2008 - £91,862 deficit), whilst the Brigade in total reports a deficit of £485,686 (2008 - £352,269 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. The Brigade is grateful for the financial support received from the Jerusalem Trust, the Scottish Government and from the Department for Children, School and Families. The fees paid by Companies and Leaders largely fund the Brigade and reduced numbers have funding implications.

As with all charitable organisations, the Brigade Executive is heavily dependent upon the services of unpaid members to deliver front line children's and youth work in local communities as well as undertake local, regional and national work on committees. All of the trustees are volunteers who freely give of their time. In addition, 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 £3,504,409 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 and the Republic of Ireland Region.

Related Parties

The accounts disclose the operations of The Boys' Brigade in its position as a limited company and registered charity. They do not consolidate the activities and net assets of the independently constituted local BB 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 2009

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. However, particular responsibilities have been delegated to a senior member of Brigade staff and line managers as indicated in the Staff Handbook 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 1995 and as service providers 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. Boys' Brigade Headquarters will, if required, report under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 1995.

Safeguarding

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:

2nd June 2009

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 2009 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2007).

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 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 applicable to smaller entities of the state of the charitable company's affairs as at 31 March 2009 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, and
- the information given in the Brigade Executive's Report is consistent with the financial statements;

Dated: 7 July 2009


WHITING & PARTNERS

Chartered Accountants, Business Advisers
and
Registered Auditors
Ely

STATEMENT OF FINANCIAL ACTIVITIES (Incorporating an Income and Expenditure Account)
FOR THE YEAR ENDED 31 MARCH 2009

		2009					2008	
		Unrestricted						
	Note	General Fund £	Designated Funds £	Pension Fund £	Restricted Funds £	Endowment Funds £	Total £	Total £
Incoming Resources from Generated Funds								
Voluntary income								
Donations and gifts		11,324	31,534	-	49,993	-	92,851	134,738
Legacies	7	22,000	-	-	100,000	-	122,000	33,679
Activities for generating funds								
Training centres and other rental income		503,984	-	-	-	-	503,984	487,900
Grants receivable	3	46,000	-	-	200,934	-	246,934	279,873
Investment income	5	11,325	1,918	-	3,087	1,952	18,282	18,261
Incoming Resources from Charitable Activities								
Annual capitation contributions		800,060	-	-	-	-	800,060	765,330
Annual festivals		-	55,366	-	-	-	55,366	30,272
Supplies sales	2	612,259	-	-	-	-	612,259	603,200
Total Incoming Resources		2,006,952	88,818	-	354,014	1,952	2,451,736	2,353,253
Resources Expended								
Costs of Generating Funds								
Administration - General	8	315,512	-	(5,948)	-	-	309,564	450,699
Investment management fees		1,146	484	-	645	655	2,930	4,405
Training centres (Non Brigade use)		370,210	-	(8,118)	-	-	362,092	373,836
Pension scheme finance costs	21	-	-	(27,081)	-	-	(27,081)	(11,000)
		686,868	484	(41,147)	645	655	647,505	817,940
Net Resources available for Charitable Application		1,320,084	88,334	41,147	353,369	1,297	1,804,231	1,535,313
Costs of Charitable Activities								
Supplies - Cost of sales	2	356,455	-	-	-	-	356,455	359,688
- Administration	8	107,556	-	-	-	-	107,556	101,336
Grants to battalions and districts	6	78,200	-	-	-	-	78,200	81,100
Subscription to Global Fellowship		3,000	-	-	-	-	3,000	2,835
Training centres (Brigade use)		109,730	-	(2,425)	-	-	107,305	94,916
Management and delivery of the charity's purpose	8	585,951	86,090	(5,715)	237,383	51	903,760	515,977
		1,240,892	86,090	(8,140)	237,383	51	1,556,276	1,155,852
Governance Costs	8	35,118	-	-	-	-	35,118	38,887
Net Operating Surplus Before Exceptionals		44,074	2,244	49,287	115,986	1,246	212,837	340,574
Exceptional Costs								
Special contributions to pension scheme	8	95,760	-	(52,074)	-	-	43,686	8,862
Total Resources Expended		2,058,638	86,574	(101,361)	238,028	706	2,282,585	2,021,541
Net Operating Surplus/(Deficit) for the Year		(51,686)	2,244	101,361	115,986	1,246	169,151	331,712
Transfers between funds	9	(3,585)	93,417	-	(89,832)	-	-	-
Net Incoming Resources Before Gains and Losses		(55,271)	95,661	101,361	26,154	1,246	169,151	331,712
Realised (losses)/gains on investments	4	(3,170)	(2,459)	-	(835)	(4,755)	(11,219)	982
Unrealised (losses) on investments	12	(32,956)	(20,619)	-	(20,750)	(19,932)	(94,257)	(50,425)
Actuarial (loss)/gain on pension scheme	21	-	-	(549,361)	-	-	(549,361)	70,000
Net Movement in Funds		(91,397)	72,583	(448,000)	4,569	(23,441)	(485,686)	352,269
Total funds brought forward		133,388	3,527,635	-	419,582	135,819	4,216,424	3,864,155
Prior year adjustment	26	-	-	-	46,437	(46,437)	-	-
		133,388	3,527,635	-	466,019	89,382	4,216,424	3,864,155
Total Funds carried Forward		41,991	3,600,218	(448,000)	470,588	65,941	3,730,738	4,216,424

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.

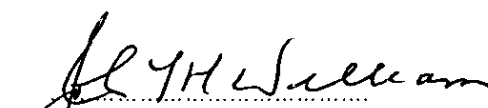
The Boys' Brigade

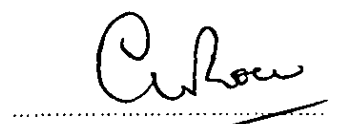
BALANCE SHEET AS AT 31 MARCH 2009

	Note	2009		2008 (Restated)	
		£	£	£	£
Fixed Assets					
Intangible assets	10		32,518		32,783
Tangible assets	11		3,545,552		3,455,052
Investments	12		<u>301,740</u>		<u>412,599</u>
			3,879,810		3,900,434
Current Assets					
Stocks	13	199,997		175,758	
Debtors	14	146,847		161,350	
Cash at bank, in hand and on deposit	15	<u>500,034</u>		<u>511,083</u>	
		846,878		848,191	
Creditors: Amounts Falling due within One Year					
Payments received on account		8,811		10,449	
Trade creditors		118,942		97,726	
Taxes and social security costs		19,725		31,477	
Other creditors	16	27,678		22,621	
Accruals		36,195		48,682	
Loans	17	<u>8,000</u>		<u>7,000</u>	
		219,351		217,955	
Net Current Assets			627,527		630,236
Total Assets Less Current Liabilities			4,507,337		4,530,670
Deferred Income					
Annual capitation contributions received in advance			328,599		314,246
Net Assets Excluding Pension Scheme Liabilities			4,178,738		4,216,424
Provisions					
Defined benefit pension scheme funding deficit	21		448,000		-
Net Assets			<u>3,730,738</u>		<u>4,216,424</u>
Capital Funds					
Endowment funds	18		65,941		89,382
Income Funds and Reserve					
Restricted funds	19		470,588		466,019
Unrestricted funds and reserve	20				
Heritable property fund		3,504,409		3,411,236	
Other designated funds		95,809		116,399	
General reserve	26	<u>41,991</u>		<u>133,388</u>	
		3,642,209		3,661,023	
Pension fund	21	<u>(448,000)</u>		-	
		3,194,209		3,661,023	
Total Members' Funds			<u>3,730,738</u>		<u>4,216,424</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 2 June 2009 and are signed on their behalf by:


J T H Williams
Brigade Treasurer


C L Row
Chairman of the Brigade Executive

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

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2009

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 each balance sheet date.

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, including irrecoverable VAT, are accounted for on an accruals basis and are authorised in accordance with the Brigade's internal procedures manual. All such costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource. Charitable Activities comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. Governance Costs includes those costs associated with meeting the constitutional and statutory requirements of the charity. Administration Expenses (note 8) are allocated based on the staff costs of those employed in each expenditure category in relation to the total staff costs.

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
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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.

NOTES TO THE ACCOUNTS - continued FOR THE YEAR ENDED 31 MARCH 2009

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 on the balance sheet.

2. Supplies	2009		2008	
	£		£	
Sales	612,259		603,200	
Cost of Sales	(356,455)		(359,688)	
Gross Surplus - absolute	255,804		243,512	
- margin	42%		40%	
Administration (note 8)	(107,556)		(101,336)	
Net Surplus	148,248		142,176	
3. Grants Receivable	2009		2008	
	£		£	
In respect of General Fund:				
Department of Education and Skills - Training	-		63,873	
Scottish Executive Education Department	46,000		46,000	
In respect of Restricted Funds:				
Youthlink Scotland	30,520		-	
Department for Children, Schools & Families	135,158		-	
The Jerusalem Trust	25,000		20,000	
Norma Leigh Trust	-		150,000	
Youthlink the Gathering	10,256		-	
	246,934		279,873	
4. Realised Gains/(Losses) on Disposal of Investments	2009		2008	
	£		£	
General fund	(3,170)		1,670	
Designated funds	(2,459)		-	
Restricted Fund - 8th Grimsby Funds	(835)		-	
Permanent endowment funds	(4,755)		(688)	
	(11,219)		982	
5. Investment Income	2009			2008
	Deposit Interest £	Dividends £	Total £	
General fund	4,117	8,354	11,325	12,614
Designated funds	-	1,918	1,918	2,509
Restricted funds	681	2,406	3,087	734
Endowment funds	-	1,952	1,952	2,404
	4,798	14,630	18,282	18,261
6. Grants Payable	2009		2008	
	£		£	
General fund				
Northern Ireland District		77,200		80,000
Republic of Ireland		1,000		1,100
		78,200		81,100

All of the above grants are Charitable Donations.

7. Legacies

At the balance sheet date no notification (2008 - Nil) had been received in relation to legacies due to the Brigade.

NOTES TO THE ACCOUNTS - continued
FOR THE YEAR ENDED 31 MARCH 2009

8. Administration Expenses

	Supplies £	2009 General £	Total £	2008 £
General Fund transactions:				
Staff costs (excl. exceptional pension contributions and restricted funds)	-	460,763	460,763	498,431
Staff training	-	994	994	1,564
Outsourcing management fee	82,673	-	82,673	76,407
Training/development officers' expenses	-	5,964	5,964	6,392
Travelling	-	26,507	26,507	26,185
Development	-	63,306	63,306	46,771
Training courses	-	19,989	19,989	25,091
Rent and office services	-	34,586	34,586	37,185
Insurance	-	129,742	129,742	142,450
Printing and stationery	-	15,832	15,832	19,805
Computer charges	-	15,886	15,886	14,107
Postage and carriage	24,883	12,575	37,458	35,587
Repairs and maintenance	-	6,126	6,126	4,769
Leasing	-	34,956	34,956	33,097
Depreciation and amortisation	-	14,336	14,336	14,931
Auditors' remuneration	-	11,500	11,500	13,500
Legal and professional fees	-	10,261	10,261	12,624
Committee expenses	-	13,357	13,357	12,628
Communications	-	13,627	13,627	25,716
Sundries	-	15,560	15,560	12,831
Irrecoverable VAT	-	13,999	13,999	14,529
Bank charges	-	15,974	15,974	12,394
Bank interest	-	740	740	2,602
	<u>107,556</u>	<u>936,581</u>	<u>1,044,137</u>	<u>1,089,596</u>
Analysed in the Statement of Financial Activities as:				
Cost of generating funds	107,556	315,512	423,068	585,516
Management and delivery of the charity's purpose	-	585,951	585,951	465,193
Cost of governance	-	35,118	35,118	38,887
	<u>107,556</u>	<u>936,581</u>	<u>1,044,137</u>	<u>1,089,596</u>

Auditors' Remuneration includes £1,085 (2008 - £1,000) in respect of services in relation to the audit of the pension scheme.

Included within Insurance costs above of £129,742 (2008 - £142,450), are costs in relation to Trustee and Officer Indemnity Insurance totalling £5,348 (2008 - £5,825).

Total staff costs, comprises:	2009 £	2008 £
Wages and Salaries	616,506	641,186
National insurance contributions	50,686	55,749
Other pension costs (note 21) - Employer contributions payable - normal	40,834	42,941
- special	95,760	109,400
Pension costs - current service cost (per actuarial valuation report)	24,000	39,000
	<u>827,786</u>	<u>888,276</u>

The average number employed during the year, excluding members of the Brigade Executive, totalled 29 (2008 - 25) full time and 15 (2008 - 15) 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.

NOTES TO THE ACCOUNTS - continued
FOR THE YEAR ENDED 31 MARCH 2009

9. Transfers between Funds

	General Reserve £	Designated Funds £	Restricted Funds £	Endowment Funds £
Transfers to/(from) in respect of:				
Notional Interest	(3,506)	244	3,262	-
Contribution Towards DCSF Fund	(79)	-	79	-
Thurso Centre capital costs expended	93,173	-	(93,173)	-
Heritable Property Fund equalisation transfer	(93,173)	93,173	-	-
	<u>(3,585)</u>	<u>93,417</u>	<u>(89,832)</u>	<u>-</u>

Notional interest is provided on certain 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 2008	33,047
31 March 2009	<u>33,047</u>
Amortisation	
1 April 2008	264
Amortisation for year	265
31 March 2009	<u>529</u>
Net book value	
31 March 2009	<u>32,518</u>
31 March 2008	<u>32,783</u>

11. Tangible Assets

	Freehold Heritable Property £	Furniture, Equipment & Vehicles £	Total £
Cost			
1 April 2008	3,432,281	212,025	3,644,306
Additions	93,173	11,399	104,572
Disposals	-	(3,010)	(3,010)
31 March 2009	<u>3,525,454</u>	<u>220,414</u>	<u>3,745,868</u>
Depreciation			
1 April 2008	21,045	168,209	189,254
Charged during year	-	13,169	13,169
Disposals	-	(2,107)	(2,107)
31 March 2009	<u>21,045</u>	<u>179,271</u>	<u>200,316</u>
Net book value			
31 March 2009	<u>3,504,409</u>	<u>41,143</u>	<u>3,545,552</u>
31 March 2008	<u>3,411,236</u>	<u>43,816</u>	<u>3,455,052</u>

12. Investments

	Unrestricted Funds £	Restricted Funds (Restated) £	Endowment Funds (Restated) £	Total £
Listed on the UK stock exchange:				
Market value				
1 April 2008	218,872	105,792	87,935	412,599
Additions	18,996	13,283	10,774	43,053
Disposals	(22,769)	(5,384)	(11,859)	(40,012)
Investment Brokers capital cash movements	3,773	(13,282)	1,085	(8,424)
Net realised and unrealised gains	(59,204)	(21,585)	(24,687)	(105,476)
31 March 2009	<u>159,668</u>	<u>78,824</u>	<u>63,248</u>	<u>301,740</u>
Cost				
31 March 2009	<u>191,985</u>	<u>100,692</u>	<u>77,467</u>	<u>370,144</u>
31 March 2008	<u>205,992</u>	<u>102,702</u>	<u>84,268</u>	<u>392,962</u>

The Boys' Brigade

NOTES TO THE ACCOUNTS - continued FOR THE YEAR ENDED 31 MARCH 2009

12. Investments (continued..)

In addition to the above, the Brigade holds and administers, as custodian trustee, investments worth approximately £560,000 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	2009 £	2008 £
Consumables	9,899	10,302
Supplies for resale	190,098	165,456
	<u>199,997</u>	<u>175,758</u>

14. Debtors	2009 £	2008 £
Sums due within one year:		
Trade debtors	63,370	62,270
Other debtors	7,043	1,170
Prepayments and accrued income	76,434	97,910
	<u>146,847</u>	<u>161,350</u>

15. Cash at Bank, in Hand and on Deposit	2009 £	2008 £
Attributable to Funds:		
Unrestricted funds	500,034	117,177
Restricted funds	-	393,906
Endowment funds	-	-
	<u>500,034</u>	<u>511,083</u>

16. Other Creditors	2009 £	2008 £
General fund	11,621	8,969
Restricted and endowment funds	16,057	13,652
	<u>27,678</u>	<u>22,621</u>

17. Loans	2009 £	2008 £
Interest free, repayable on demand	8,000	7,000

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.

Movements on expendable endowments:	Balance 1 April 2008 (Restated) £	Income/ (Loss) on Revaluation £	Expenses/ Transfers £	Balance 31 March 2009 £	Total Accumulated Investment Gains/(Losses) £
Cave Allan Legacy	29,761	(6,537)	(269)	23,224	18,174
1st London Company	59,621	(16,904)	(437)	42,717	25,687
	<u>89,382</u>	<u>(23,441)</u>	<u>(706)</u>	<u>65,941</u>	<u>43,861</u>

The Boys' Brigade

NOTES TO THE ACCOUNTS - continued FOR THE YEAR ENDED 31 MARCH 2009

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 uniform and resources for new companies.

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

National Training Appeal - for Brigade training.

John Burke Fund - for outdoor activity.

Felden Development - special development of Felden (Thurso Centre)

KJC Fund - HQ Music Group.

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

Youthlink Development Worker - 3 year contract to employ a new BB development worker in Scotland

Thomas Bequest N Scotland - To employ a new BB development worker in the north of Scotland

Youthlink The Gathering - for funding of "the Gathering" new event

Friends of Carronvale - to be applied towards Carronvale House.

Friends of Felden - to be applied towards Felden Lodge.

1st Hurlford KGV - for officer training.

The Jerusalem Trust - 'Engage a generation' project work.

Norma Leigh Trust - 3 year contract for a project worker in the north west of England, website and resource development.

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.

Department of Children, Schools and Families - 3 year contract to fund 3 new BB development workers.

Cameroon Fund - for overseas work in Cameroon.

MacRobert Trust - Grant of £50,000 in 1973 towards Brigade Training and Development (Prior Year Adjustment this year)

Web Hosting - for ICT development from Youth Link Scotland.

	Balance 1 April 2008 (Restated)		(Loss)/Gain on Revaluation/ Expenses	Transfers	Balance 31 March 2009
	£	Income £	£	£	£
Movements during the year:					
Sir William Smith Memorial	13,090	-	(785)	108	12,413
E L Taylor Bequest	3,425	-	60	28	3,513
National Training Appeal	20,063	-	(3,427)	166	16,802
John Burke Fund	37,107	396	(8,428)	306	29,381
Felden Development	94,072	41,844	-	(92,397)	43,519
KJC Fund	1,375	800	(893)	11	1,293
Edith Blanche Bevis Fund	4,587	-	-	38	4,625
Youthlink Development Worker	-	30,520	(13,976)	-	16,544
Thomas Bequest N Scotland	-	100,285	(1,113)	-	99,172
Youthlink The Gathering	-	10,256	(7,026)	-	3,230
Friends of Carronvale	1,156	3,890	(1,576)	10	3,480
Friends of Felden	4,601	120	(3,308)	38	1,451
1st Hurlford KGV	29,786	-	(3,914)	246	26,118
The Jerusalem Trust	20,000	25,000	(13,274)	165	31,891
Norma Leigh Trust	150,000	-	(36,988)	1,238	114,250
8th Grimsby Funds	23,764	940	(7,882)	-	16,822
International Projects	3,976	-	(154)	33	3,855
Carronvale Appeal	6,312	216	(5,537)	52	1,043
Association of Childrens' Hospices	-	662	-	-	662
Department of Children, Schools and Families	-	135,158	(135,237)	79	-
Cameroon Fund	5,699	14,577	(12,311)	47	8,012
MacRobert Trust	46,437	1,350	(15,275)	-	32,512
Web Hosting	569	-	(569)	-	-
	<u>466,019</u>	<u>366,014</u>	<u>(271,613)</u>	<u>(89,832)</u>	<u>470,588</u>

The Boys' Brigade

NOTES TO THE ACCOUNTS - continued FOR THE YEAR ENDED 31 MARCH 2009

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.

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 (ceased 2008/9)

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.

	Balance 1 April 2008	Gain/Loss) on Revaluation/ Income	Expenses	Transfers	Balance 31 March 2009
	£	£	£	£	£
Movements during the year:					
General Fund	133,388	1,970,826	(2,058,638)	(3,585)	41,991
Heritable Property Fund	3,411,236	-	-	93,173	3,504,409
Other Designated Funds					
Centenary Appeal Fund	68,790	(18,660)	(2,984)	-	47,146
Souness Trust	403	-	-	3	406
David White Memorial Fund	3,216	-	(100)	27	3,143
George Walker Memorial Fund	1,825	-	-	15	1,840
Firm Foundations	19,200	28,557	(28,843)	-	18,914
Crossover	(1,114)	26,809	(25,695)	-	-
Jubilee Fund	7,796	21,842	(16,758)	64	12,944
Lockett / Fidler KGV Fund	4,946	-	(1,000)	41	3,987
Brigade Secretary Reserve Fund	6,756	1,669	(3,081)	56	5,400
Scotland Directors Reserve Fund	4,581	5,039	(7,629)	38	2,029
	116,399	65,256	(86,090)	244	95,809
	3,661,023	2,036,082	(2,144,728)	89,832	3,642,209

21. Pension Scheme

The Brigade operates a defined benefit scheme. An actuarial valuation was carried out at 31 March 2009 by a qualified independent actuary. The major assumptions used by the actuary were:

	31 March 2009	31 March 2008
Rate of increase in salaries	3.0%	3.0%
Rate of increase in pensions in payment (in line with RPI, capped at 5%)	3.0%	3.6%
Discount rate	6.6%	6.3%
Inflation assumption	3.0%	3.6%

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

	Long-term rate of return expected	Value at 31 March 2009 £	Long-term rate of return expected	Value at 31 March 2008 £
Secured pensions	6.6%	738,000	5.4%	773,000
Bonds	6.6%	1,013,000	5.3%	1,192,000
Equities	6.7%	1,851,000	7.8%	2,164,000
Cash	2.0%	19,000	1.5%	28,000
Total market value of assets		3,621,000		4,157,000

NOTES TO THE ACCOUNTS - continued FOR THE YEAR ENDED 31 MARCH 2009

21. Pension Scheme (continued..)

Present value of scheme liabilities	(4,069,000)	(4,026,000)
Net pension deficit (FRS17 2008 surplus of £131,000 restricted to 'Nil')	(448,000)	-

The 2008 pension scheme asset, as determined by the actuary, was 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 2009	31 March 2008
Current service cost	(24,000)	(39,000)

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 Cost, net of Expected Return on Assets	(27,081)	(11,000)

Analysis of amount to be recognised in statement of financial activities

	31 March 2009	31 March 2008
Actual return less expected return on pension scheme assets	(743,000)	(364,000)
Experience gains and losses arising on the scheme liabilities	(22,000)	70,000
Changes in assumptions underlying the present value of the scheme liabilities	55,000	502,000
Actuarial (loss)/gain recognised (before apportionment to restrict opening surplus deficit)	(710,000)	208,000

Movement in surplus during the year:

	31 March 2009 £	31 March 2008 £
Surplus/(Deficit) in scheme at beginning of year - 2008 restated	131,000	(221,000)
Movement in year:		
Current service cost	(162,558)	(39,000)
Contributions	160,000	179,000
Other finance costs	(27,081)	11,000
Actuarial (loss)/gain	(549,361)	208,000
Surplus/(Deficit) in scheme at end of year	(448,000)	138,000
As restricted for accounting purposes (2008 only)	(448,000)	-

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

22. Capital Commitments

	2009 £	2008 £
Authorised expenditure - Felden Thurso Centre development	45,000	95,000

NOTES TO THE ACCOUNTS - continued FOR THE YEAR ENDED 31 MARCH 2009

23. Leasing Commitments

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

	2009 £	2008 £
Land and Buildings		
In over five years	9,400	9,400
Others		
Within one year	4,710	3,938
In two to five years	26,799	14,340
	<u>40,909</u>	<u>27,678</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 £8,000 (2008 - £7,000), which the Brigade originally received and has not yet repaid, were from related parties.

Expenses reimbursed to Executive members totalled £7,356 (2008 - £6,368) during the year. No single Executive member received more than £1,750 (2008 - £1,000) of this total.

The Brigade Secretary's Reserve totalled £5,344 (2008 - £6,756). This reserve is to be utilised by the Brigade Secretary for the enhancement of the charity.

The Scottish Director's Reserve totalled £1,991 (2008 - £4,581). 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 £100,000 (2008 - £117,500) from one of the Boys' Brigade sources. These funds were required to fund the Brigade activities prior to the inflow of capitation fee income. This sum had been repaid as of the year end.

26. Prior Year Adjustment and Amendment of Comparatives

During the year the Brigade investigated the history of the MacRobert Trust Fund, which had previously been accounted for as an Endowment Fund. As a result of this research, it has been discovered that this funding originated from a £50,000 grant given to the Brigade by the MacRobert Trust in March 1973. There was no stipulation with this funding that capital should be maintained, by accounting for this as an Endowment Fund, so these accounts reflect a prior year adjustment to recategorise the £46,437 opening balance as a Restricted Fund. Comparative figures and the analysis of investments have also been restated.

27. Analysis of Net Assets Between Funds

	General Fund £	Designated Funds £	Pension Fund £	Restricted Funds £	Endowment Funds £
Intangible assets	32,518	-	-	-	-
Tangible assets	41,143	3,504,409	-	-	-
Investments	116,369	43,299	-	78,824	63,248
Stock	199,997	-	-	-	-
Debtors	146,847	-	-	-	-
Cash at Bank, in hand and on deposit	53,067	52,510	-	391,764	2,693
Creditors (including deferred income)	(547,950)	-	-	-	-
Provisions	-	-	(448,000)	-	-
	<u>41,991</u>	<u>3,600,218</u>	<u>(448,000)</u>	<u>470,588</u>	<u>65,941</u>