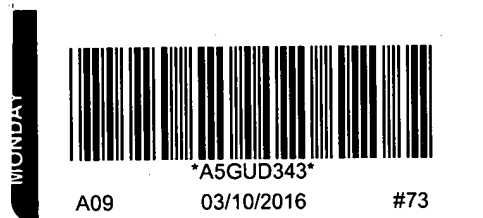


THE BOYS' BRIGADE
(A company limited by guarantee)
**TRUSTEES' REPORT AND
FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 31 MARCH 2016



Whiting & Partners
Chartered Accountants & Business Advisers

THE BOYS' BRIGADE
(A company limited by guarantee)

CONTENTS

	Page
Reference and administrative details of the charity, its trustees and advisers	1 - 2
Brigade Executive's Annual Report	3 - 9
Independent auditors' report	10 - 11
Statement of financial activities	12
Balance sheet	13
Cash flow statement	14
Notes to the financial statements	15 - 34

THE BOYS' BRIGADE

(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEE AND ADVISERS FOR THE YEAR ENDED 31 MARCH 2016

Trustees and members of the Brigade Executive

President	The Reverend Dr The Lord Griffiths of Burry Port
Vice Presidents	M J Smith (resigned 1 February 2016) A S Burrow T W P Donaldson
Treasurer	C Bygrave FCA ATII TEP
Chaplain	The Very Reverend A R C McLellan
Other Trustees	R L Buttimer M Elliott Reverend T McCormick Ms S H Mackey L Maydew C Smith D Sneddon L Stein R J H Thornberry A R Currie L S Hiorns S Rankin A Green S G Lane (retired 31 August 2015) D Richmond (retired 31 August 2015) D Love (appointed 1 September 2015) R Knowles (appointed 1 September 2015) J L Parker (appointed 1 September 2015, resigned 2 March 2016)
Company registered number	145122
Charity registered numbers	305969 and SC038016
Registered office	Felden Lodge Hemel Hempstead Hertfordshire HP3 0BL
Brigade Secretary	W C F Stevenson (acting Chief Executive Officer) (appointed 5 January 2016) A G Johnston (appointed 23 July 2015, resigned 18 December 2015) S Dickinson (to 23 July 2015)

THE BOYS' BRIGADE

(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEE AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2016**

Statutory auditors	Whiting & Partners Chartered Accountants George Court Bartholomew's Walk Ely Cambridgeshire CB7 4JW
Principal Bankers	Barclays Bank Plc 1 Churchill Place London E14 5HP
Investment Managers	Rathbone Investment Management Limited Rathbone Brothers Plc 1 Curzon Street London W1J 5FB

THE BOYS' BRIGADE

(A company limited by guarantee)

BRIGADE EXECUTIVE'S ANNUAL REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2016

The Brigade Executive as Trustees (who are also directors of the charity for the purposes of the Companies Act) present their Annual Report together with the audited financial statements of The Boys' Brigade (the Charity) for the year ended 31 March 2016. The Trustees confirm that the Annual Report and financial statements of the company comply with the current statutory requirements of the Charities Act 2011 and the Companies Act 2006, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

STRUCTURE, GOVERNANCE AND MANAGEMENT

- **Governing document**

The Boys' Brigade is incorporated under the Companies Act as a company limited by guarantee without share capital and is accordingly governed by its Memorandum and Articles of Association, as amended subsequently by special resolution.

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

- **Recruitment and appointment of the Brigade Executive**

Members of the Brigade Executive are both charity Trustees and company directors.

The Companies, Battalions and Districts within an electoral area 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 Regional Committees and one person from each of the Wales and Republic of Ireland Regional Committees. The Brigade Office Bearers, who are nominated by elected members of the Executive and appointed by the Brigade Council, undertake roles such as President, Vice President, Treasurer and Chaplain and are themselves members of the Executive. The Brigade Executive prepares the overall Development Plan in order to achieve the Objects of the Brigade.

- **Induction and training of Trustees**

Trustees are familiar with the work of the Charity, and other than Office Bearers, have been elected to Regional Committee level before being appointed to the Brigade Executive.

Trustees, other than the Vice President, Treasurer and Chaplain, serve for a term of three years and may be reappointed for two further terms. On appointment members receive induction training and a copy of the Brigade Executive Members' Handbook to aid their understanding and to develop the competencies required of Boys' Brigade Trustees on incorporated legal, financial and service delivery matters.

- **Organisational structure and decision making**

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.

Members of The Brigade Executive as Charity Trustees are of the opinion that they have complied with their obligations to have regard to the public benefit guidance as published by the Charity Commission and as required by the Charities and Trustee Investment (Scotland) Act 2005.

The Brigade Secretary is the senior member of staff of the Brigade and also holds the office of Chief Executive, and is the appointed 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 the policies agreed by the Executive.

THE BOYS' BRIGADE

(A company limited by guarantee)

BRIGADE EXECUTIVE'S ANNUAL REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2016

• Related party relationships

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 Boys' Brigade Companies, Battalions and Districts, nor of those charities where it acts as a Custodian Trustee.

The Brigade holds and administers, for various Companies, Districts and Battalions, as custodian Trustee, investments valued at approximately £2,891,705 at 31st March 2016 (2015 £3,042,108), together with certain interests in land and buildings which have not been valued.

The Brigade is the sole Trustee of The Pearson Centre for Young People, a registered charity number 522177, details of which are disclosed in note 26 of the accounts.

None of the Trustees receive remuneration or other financial benefits from their work for the charity.

Details of other related party transactions are disclosed in note 26 to the financial statements.

• Risk management

The Brigade Executive, as Trustees, has introduced a process to assess risk and implement risk management strategies. The risk register has involved identifying the types of risk the Brigade face, 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 financial 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.

Health & Safety

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 :-

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 is 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 to 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 undertake. It will seek to ensure that any reasonable alterations, which can be made, are made for the Brigade to meet its duties as employers under the Disability Discrimination Act 1995 and as service providers under the Disability Discrimination Act 2005 with regard to people with disabilities.

THE BOYS' BRIGADE

(A company limited by guarantee)

BRIGADE EXECUTIVE'S ANNUAL REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2016

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 undertakes the necessary risk assessments and where reasonably practical, implements 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 seeks to ensure that staff and volunteers are aware of the need to report all accidents and dangerous occurrences to Brigade Headquarters, without delay, following any accident or occurrence. The requirement for reporting accidents is set out in the Staff Handbook and the Safety Handbook section 6. Brigade Headquarters will, if required, report under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013.

Safeguarding:-

The Boys' Brigade takes its duties under the Children Act 2004 seriously and has appropriate procedures and staff appointed to meet its duties under the 2004 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 has a policy to vet 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.

- **Pay policy for senior staff**

The Trustees consider the Brigade Executive and the senior management team comprise the key management personnel of the charity in charge of directing, controlling, running and operating the charity on a day to day basis. All Trustees give their time freely and no Trustee received remuneration in the year. Details of Trustees' expenses are disclosed in note 10 to the financial statements.

The pay of the senior staff is reviewed annually by the Remuneration Committee and assessed against comparable market rates for similar charitable institutions, having regard to the particular circumstances of the Brigade

OBJECTIVES, ACTIVITIES AND PUBLIC BENEFIT

- **Policies and objectives**

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

- **Grant making policies**

The Brigade makes an annual grant to The Boys' Brigade Northern Ireland District and to that in the Republic of Ireland Region. Other grants are considered by The Brigade on application.

Achievements and performance (including strategic report)

- **Review of achievements and performance**

The Boys' Brigade continues to be the largest Christian uniformed youth organisation in the UK and the Republic of Ireland. Although we are rightly proud of our heritage we continue to aspire to grow and develop the organisation. We are currently mid-way through a five-year development plan which has a focus on Growth, Quality and Voice.

The Brigade is still committed to our Object of advancing Christ's Kingdom. We have a mission to care for and challenge young people using a programme of informal education. Membership is open to boys and young men between the ages of 4 and 18 and, where Companies have registered a Girls' Association, it is open to girls and young women. Some Companies also operate an Amicus Group which is open to young people aged between 15 and 25.

THE BOYS' BRIGADE

(A company limited by guarantee)

BRIGADE EXECUTIVE'S ANNUAL REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2016

The strength and witness of the Brigade is in partnering churches to provide weekly activities attended by over 50,000 children and young people. The Brigade is reliant on the dedication and commitment of over 12,000 volunteer leaders who give freely of their time and energy. The Brigade works with Churches of many different denominations and over the past year we have aimed to improve the Christian teaching in our groups. We have established a new Christian Faith Group to help assist leaders in teaching the Christian Faith and help signpost leaders to relevant Christian Faith resources.

This year we worked towards achieving greater Growth. We have continued to pilot new ways of working and have successfully piloted "breakfast" groups that meet prior to the school day. A Challenge Plus group has also been operating successfully at the Young Offenders Institute in Wetherby. We are now looking to see how these successes can be replicated in other parts of the country. Funding from Youth United has enabled us to employ a team of development workers across the UK. This has allowed us to establish 59 new companies in areas of high deprivation and also re-start a number of existing groups. Although finding new leaders is often a challenge it is apparent that demand from young people for our activities in many areas is still high.

Work on improving the Quality has included initiating reviews of our programmes for both Under 11 and Over 11 members and delivering additional training for Company Captains. Our training programmes for leaders are being updated and new training videos have been launched.

As part of our Voice campaign we have been successful in raising the profile of the Brigade in many ways. We continue to highlight our activities to members of the Northern Ireland Assembly, the Scottish Parliament and with a number of MP's at Westminster. We are pleased to have seen an increase in press reporting of our work at national and local level. A new website was launched in August and media training has also been delivered to young leaders. We continue to make good use of social media and other digital channels to, both promote positive news about the Brigade and also support leaders and young people with programme ideas.

The Queen's Badge is the highest award in the Brigade and requires considerable effort to gain these awards. We are pleased that in the past session around 800 Queen's Badges have been gained. The young people involved have volunteered for over 50,000 hours both at company level and in their own communities. In order to recognise such volunteering we were delighted that our Make a Difference Awards were presented in special ceremony in the Speaker's Apartments in the Houses of Parliament in September 2015.

The Brigade has again been successful in securing funding from many other trusts and organisations. We were pleased to again receive financial support from the Scottish Government. The Brigade in Scotland also receives support from CashBack funding which has enabled us to deliver a small grants scheme and promote work with young leaders.

After many years of loyal service, Steve Dickinson retired as Brigade Secretary in July 2015. Andrew Johnston was appointed as his successor; however, Mr Johnston left the Brigade's service in December. Since January 2016 Bill Stevenson, the Director for Scotland, has been the Acting Brigade Secretary. The Brigade is served by a dedicated staff team and we thank them for all their work over the past year.

Thanks are again due to the army of volunteers who each week help to run our companies across the country. Particular thanks are extended to the members of our various Regional Committees and the Brigade Executive members who act as our Trustee Board. Thanks are also extended to Mr Matthew Smith who stood down as Chairman of the Brigade Executive during this session. The Brigade is also most grateful to our many other supporters who generously support our work in so many different ways.

• Principal risks and uncertainties

The Executive undertakes regular risk reviews of all key aspects of the operations of the charity.

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, a 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 income 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.

THE BOYS' BRIGADE

(A company limited by guarantee)

BRIGADE EXECUTIVE'S ANNUAL REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2016

FINANCIAL REVIEW

- **Investment policy and performance**

The Executive has agreed that the funds under investment be managed by nominee brokers. The present investment policy is to maximise 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 in institutions 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. 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.

- **Results**

The net operating (deficit)/surplus for the year for all funds, excluding those held as custodian, was £(356,294) (2015 - £535,782), this included the net operating surplus for the year disclosed in the Unrestricted Funds, which amounted to £55,036 (2015 - £12,322). The Brigade in total reports a (deficit)/surplus after all movements of £(405,294) (2015 - £308,035) on funds.

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

- **Reserves policy**

Free reserves available for 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 or designated for any particular purpose.

The broad target of the Trustees is to retain sufficient free reserves to enable the charity to continue its activities for a reasonable period of time should there be a significant fall in incoming recourses.

- **Principal funding**

The Brigade Treasurer, Business Director, Finance Manager and Finance Committee continue to look at all aspects of the Brigade's operations. Ways are being considered to generate income from outside of the Brigade and also to reduce outgoings. The Brigade is grateful for the financial support received from the Youth United, Scottish Government, Youthlink Scotland, Cashback for Communities, Department of Communities and Local Government. The fees paid by Companies and Leaders largely fund the Brigade, and the Brigade Executive is fully aware of the burden this places upon Companies.

As with all charitable organisations, the Brigade 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.

- **Plans for the future**

The Brigade continues to plan for growth and we are encouraged that many new groups are being established. In the course of the next year we are launching a new database system that will provide considerable additional benefits both at local and HQ level.

A review of certain aspects of our governance by our Resourcing the Regions Group will lead to improvements in the way we deliver key services and will aim better to support local groups. A review of other structures and the delivery of training and programme materials are also underway.

THE BOYS' BRIGADE

(A company limited by guarantee)

BRIGADE EXECUTIVE'S ANNUAL REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2016

- **Pension Funds**

The Brigade operates a defined benefit pension scheme for previously eligible permanent employees, the assets of which are funded separately. This scheme continues to be funded for present service but has been closed to new members since November 2000.

In accordance with the requirements of the Financial Reporting Standard 102, the net funding deficit or surplus on this scheme, at each Brigade financial year end, would normally be consolidated onto the Brigade Balance Sheet. At the last valuation, as at 31 March 2016, the actuary calculated that there was a funding surplus of £371,000 on a continuing basis. This asset has not been recognised in the financial statements as the Executive do not consider that it would be recoverable either through reduced contributions in the future or through refunds from the scheme.

Contributions to the scheme are based on triennial valuations prepared under different assumptions. The latest valuation based on the current statement of funding principles as at 1 June 2015 indicated a scheme deficit of £269,000. During the year in addition to normal employer and employee contributions, special contributions made by the Brigade amounted to £69,000 (2015 - £54,380) in respect of this shortfall.

The Brigade also operates a defined contribution pension scheme. Contributions are expensed as they become payable.

THE BOYS' BRIGADE

(A company limited by guarantee)

BRIGADE EXECUTIVE'S ANNUAL REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2016

TRUSTEES' RESPONSIBILITIES STATEMENT

The Trustees (who are also directors of The Boys' Brigade for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP, (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.


The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

PROVISION OF INFORMATION TO AUDITORS

The Trustees at the time when this Trustees' report is approved have confirmed that:

- so far as the Trustees are aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustees have taken all the steps that ought to have been taken as Trustees in order to be aware of any information needed by the charitable company's auditors in connection with preparing their report and to establish that the charitable company's auditors are aware of that information.

This report was approved by the Trustees on 27 July 2016 and signed on their behalf by:


W C F Stevenson
Company Secretary

THE BOYS' BRIGADE

(A company limited by guarantee)

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

We have audited the financial statements of The Boys' Brigade for the year ended 31 March 2016 set out on pages 12 to 34. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of Trustees and auditors

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

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

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 March 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

THE BOYS' BRIGADE

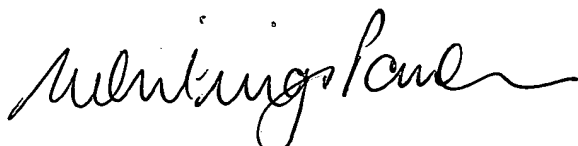
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE BOYS' BRIGADE

Matters on which we are required to report by exception

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

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



Paul Tatum (Senior statutory auditor)

for and on behalf of

Whiting & Partners

Chartered Accountants

George Court
Bartholomew's Walk
Ely
Cambridgeshire
CB7 4JW

Date:

28th July 2016

THE BOYS' BRIGADE

(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 MARCH 2016

	Note	Unrestricted funds 2016 £	Restricted funds 2016 £	Endowment funds 2016 £	Total funds 2016 £	As restated Total funds 2015 £
Income and endowments from:						
Donations and legacies	4	164,135	7,982	-	172,117	252,684
Training centres		594,788	-	-	594,788	579,853
Investments	6	37,740	3,360	1,009	42,109	31,257
Charitable activities:						
Annual capitation contributions		977,787	-	-	977,787	993,240
Supplies sales	3	591,246	-	-	591,246	584,042
Grants receivable	5	14,000	607,203	-	621,203	1,049,861
Annual festival		14,408	-	-	14,408	-
Total income and endowments		2,394,104	618,545	1,009	3,013,658	3,490,937
Expenditure on:						
Raising funds:						
Cost of raising funds	9	250,324	-	-	250,324	572,645
Training centres (non Brigade use)		379,479	-	-	379,479	369,372
Investment management		3,371	1,410	422	5,203	4,430
Charitable activities:						
Supplies - Cost of sales	3	351,857	-	-	351,857	361,638
Supplies - Administration	3	81,272	-	-	81,272	77,955
Grants payable	7	104,666	274,389	-	379,055	219,676
Training centres (Brigade use)		106,469	-	-	106,469	122,430
Management and delivery of activities	9	1,032,159	749,709	-	1,781,868	1,253,559
Total expenditure		2,309,597	1,025,508	422	3,335,527	2,981,705
Net income / (expenditure) before investment gains/(losses)		84,507	(406,963)	587	(321,869)	509,232
Net gains/(losses) on investments	14	(29,471)	(3,792)	(1,162)	(34,425)	26,550
Net income / (expenditure) before transfers		55,036	(410,755)	(575)	(356,294)	535,782
Transfers between Funds	19	23,075	(22,099)	(976)	-	-
Net income / (expenditure) before other gains and losses		78,111	(432,854)	(1,551)	(356,294)	535,782
Actuarial losses on defined benefit pension scheme	24	(49,000)	-	-	(49,000)	(227,747)
Net movement in funds		29,111	(432,854)	(1,551)	(405,294)	308,035
Reconciliation of funds:						
Total funds at 1 April 2015		4,256,115	978,887	34,563	5,269,565	4,961,530
Total funds at 31 March 2016	19	4,285,226	546,033	33,012	4,864,271	5,269,565

All activities relate to continuing operations.

The notes on pages 15 to 34 form part of these financial statements.

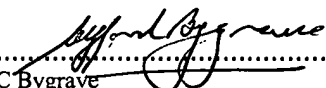
THE BOYS' BRIGADE

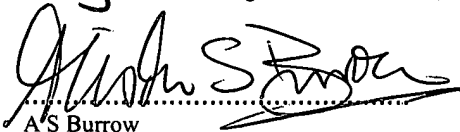
(A company limited by guarantee)
REGISTERED NUMBER: 145122

BALANCE SHEET AS AT 31 MARCH 2016

			2016	2015
	Note	£	£	£
Fixed assets				
Intangible assets	12		30,669	30,933
Tangible assets	13		3,582,175	3,586,723
Investments	14		623,283	659,771
			<u>4,236,127</u>	<u>4,277,427</u>
Current assets				
Stocks	15	264,314		191,992
Debtors	16	222,361		230,576
Cash at bank and in hand		858,783		1,232,795
		<u>1,345,458</u>		<u>1,655,363</u>
Creditors: amounts falling due within one year	17	(321,565)		(288,720)
		<u></u>	<u>1,023,893</u>	<u>1,366,643</u>
Net current assets				
			<u>5,260,020</u>	<u>5,644,070</u>
Total assets less current liabilities				
Deferred income	18	(395,749)		(374,505)
		<u>4,864,271</u>		<u>5,269,565</u>
Net assets				
Charity Funds				
Endowment funds	19		33,012	34,563
Restricted funds	19		546,033	978,887
Unrestricted funds	19		4,285,226	4,256,115
			<u>4,864,271</u>	<u>5,269,565</u>
Total funds				

The financial statements were approved by the Trustees on 27 July 2016 and signed on their behalf, by:


C Bygrave
Brigade Treasurer


A S Burrow
Chairman of the Brigade Executive

The notes on pages 15 to 34 form part of these financial statements.

THE BOYS' BRIGADE

(A company limited by guarantee)

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2016**

	Note	2016 £	2015 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	22	(398,194)	190,102
Cash flows from investing activities:			
Dividends, interest and rents from investments		22,109	15,692
Proceeds from sale of investments		66,095	36,566
Purchase of investments		(64,022)	(129,870)
Net cash provided by/(used in) investing activities		24,182	(77,612)
Cash flows from financing activities:			
Repayments of borrowings		-	(5,951)
Net cash used in financing activities		-	(5,951)
Change in cash and cash equivalents in the year		(374,012)	106,539
Cash and cash equivalents brought forward		1,232,795	1,126,256
Cash and cash equivalents carried forward	22	858,783	1,232,795

THE BOYS' BRIGADE

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015), Charities SORP (FRS 102) (effective 1 January 2015) and the Companies Act 2006.

The financial statements are prepared on a going concern basis under the historical cost convention modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity.

The Boys' Brigade meets the definition of a public benefit entity.

1.2 Reconciliation with previous Generally Accepted Accounting Practice

In preparing these accounts, the Trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP (FRS 102) the restatement of comparative items was required.

In accordance with FRS 102, a reconciliation of opening balances is provided here:

Reconciliation of reported net income	£
Net income as previously stated	600,232
Adjustment for gains/(losses) on investments now presented as a component of net income	26,550
Change in pension scheme net interest income	(91,000)
Net income as restated as at 31 March 2015	535,782

1.3 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

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

1.4 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Annual capitation income

Contributions from companies are recognised on a cash received basis. The capitation year runs from 1 September to 31 August, and 5/12 of the income received after 1 September 2015 is treated as a deferred income at the balance sheet date.

Supplies and training centre income

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

THE BOYS' BRIGADE

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

1. ACCOUNTING POLICIES (continued)

Donations, gifts and legacies

Donations and gifts are recognised on a receivable basis once the charity has entitlement to the income.

For legacies, entitlement is taken as the earlier of the date on which either: the Charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the Charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the Charity, or the Charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Grant funding

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable the income will be received and the amount can be measured reliably and is not deferred.

1.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the Bank.

1.6 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated to the applicable expenditure headings.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Support costs are those costs incurred directly in support of expenditure on the objects of the Charity and include project management carried out at Headquarters. Governance costs are those incurred in connection with administration of the Charity and compliance with constitutional and statutory requirements.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

Irrecoverable VAT is charged against the expenditure heading for which it was incurred where applicable.

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. These costs are allocated between costs of raising funds and expenditure on charitable activities.

1.7 Turnover

Turnover comprises revenue recognised by the Brigade in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts and relates wholly to the United Kingdom.

1.8 Intangible fixed assets and amortisation

Amortisation is provided at the following rates:

Access rights to Felden Lodge	-	straight line over 125 years
Intellectual Property	-	Nil

THE BOYS' BRIGADE

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

1. ACCOUNTING POLICIES (continued)

1.9 Tangible fixed assets and depreciation

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 fund until such time as the appropriate asset has been acquired, after which an appropriate transfer is made to the general fund.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	Nil
Office furniture and equipment	-	10% straight line
Computer equipment	-	20% straight line

No depreciation has been charged on freehold property since 1991 where the remaining useful economic life of the properties is so long, and the residual value so high, that such depreciation charges would be deemed to be immaterial. Annual impairment reviews are undertaken to confirm that the recoverable amount is not less than the carrying value in the accounts.

1.10 Investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value with changes recognised in 'net gains / (losses) on investments' in the Statement of Financial Activities if the investments are publicly traded or their fair value can otherwise be measured reliably.

1.11 Stocks

Stocks are valued at the lower of cost, using a first in, first out method, and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.12 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.13 Cash and Cash equivalents

Cash and cash equivalents comprise cash in hand and at bank and short term deposits with a maturity of less than one year.

1.14 Creditors and provisions

Creditors and provisions are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

1.15 Financial instruments

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

1.16 Operating leases

Rentals under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

THE BOYS' BRIGADE

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

1. ACCOUNTING POLICIES (continued)

1.17 Taxation

As a registered charity, the Brigade is exempt from corporation tax on income and gains which are applied for charitable purposes. 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.

1.18 Pensions

The Charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Charity to the fund in respect of the year.

The Charity also operates a defined benefit pension scheme and the pension charge is determined from movements in the value of the fund based on annual reports made by the scheme actuary.

1.19 Concessionary loans

Concessionary loans include those payable and receivable to or from a third party which are interest free or below market interest rates and are made to advance charitable purposes. Where loans are repayable on demand within one year, the loan is measured at cost, less impairment. Where the loan is repayable after more than one year, the loan is initially measured at fair value and subsequently measured at amortised cost using the effective interest rate method, less impairment, where material to the accounts

1.20 Judgements in applying accounting policies and key sources of estimation uncertainty

Estimates and judgements are based on historical experience and other factors, including expectations of future events, that are believed to be reasonable under the circumstances and are subject to continuous monitoring.

The Brigade makes estimates and assumptions relating to future events which will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

i. Useful economic lives of tangible assets.

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

ii. Impairment of debtors

The Brigade makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, its financial circumstances, the ageing profile of debtors and historical experience.

iii. Provisions

Provision is made for asset retirement obligations, dilapidations and contingencies. These provisions require managements best estimate of the costs that will be incurred based on legislative and contractual requirements. In addition, the timing of the cash flows and the discount rates used to establish net present value of the obligations require management's judgement.

iv. Defined benefit pension scheme

The Brigade has obligations to pay pension benefits to certain past and present employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including; life expectancy, salary increases, asset valuations and the discount rate on investments. These factors are estimated in determining the net pension obligation in the balance sheet based on actuarial advice received. The assumptions reflect historical experience and current trends.

THE BOYS' BRIGADE

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

2. INCOMING AND OUTGOING RESOURCES ON UNRESTRICTED FUNDS

	2016	As restated 2015
	£	£
Incoming resources		
Donations and legacies	164,135	107,132
Training centres and other rental income	594,788	579,853
Investment income	37,740	26,925
Annual capitation contributions	977,787	993,240
Supplies sales	591,246	584,042
Other grants	14,000	-
Annual festival	14,408	-
Total incoming resources	2,394,104	2,291,192
Resources expended		
Cost of raising funds	250,324	572,645
Training centres non Brigade use	379,479	369,372
Investment management fees	3,371	2,721
Supplies - cost of sales	351,857	361,638
Supplies - administration	81,272	77,956
Grants to Battalions and Districts	104,666	103,081
Staff training	106,469	122,657
Management and delivery of the charity's purposes	1,032,159	693,313
Total resources expended	2,309,597	2,303,383
Net income/(expenditure) before investment gains	84,507	(12,191)
Investment gains/(losses)	(29,471)	24,513
	55,036	12,322
Transfers from other funds	23,075	140,066
	78,111	152,388
Actuarial losses on defined benefit pension scheme	(49,000)	(227,747)
Net movement in funds for year	29,111	75,359

THE BOYS' BRIGADE

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

3. SUPPLIES

	2016	2015
	£	£
Sales	591,246	584,042
Cost of sale	(351,857)	(361,638)
	<u>239,389</u>	<u>222,404</u>
Administration	(81,272)	(77,955)
Net surplus	<u>158,117</u>	<u>144,449</u>

Supplies relates to sales of uniforms and merchandise to Companies, Battalions and Districts.

4. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted funds 2016 £	Restricted funds 2016 £	Endowment funds 2016 £	Total funds 2016 £	Total funds 2015 £
Donations	42,611	7,982	-	50,593	17,334
Legacies	31,050	-	-	31,050	151,879
Grants (note 5)	90,474	-	-	90,474	83,471
	<u>164,135</u>	<u>7,982</u>	<u>-</u>	<u>172,117</u>	<u>252,684</u>

THE BOYS' BRIGADE

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

5. GRANTS RECEIVABLE

	2016	2015
	£	£
General fund:-		
Children, Young people and social care	50,000	50,000
Youth United	32,888	12,173
Action Fund/Challenge Fund Project management	7,586	21,298
	<u>90,474</u>	<u>83,471</u>
Designated funds:-		
Awards For All	10,000	-
The Scottish Football Trust	4,000	-
	<u>14,000</u>	<u>-</u>
Department for Communities and Local Government		
Youth United Black Country Queen's Trust	-	33,375
YUF Laing Foundation Grant	-	46,000
YUF Challenge Grant	-	103,991
YUF Luton Grant	-	40,200
YUF Recruitment Material Grant	-	10,000
YUF Company Finder Software Grant	-	5,000
YUF Social Action Rural Fund	91,885	138,129
Youthlink Glasgow Development Worker	24,000	12,000
Youthlink Cashback for Communities	37,850	21,899
Stirling Battalion and Robertson Trust	10,000	35,000
Young People Take the Lead	68,744	43,722
Youthlink - Lanarkshire Development Worker	32,440	33,833
YUF Social Action Grant	333,284	512,090
Youthlink Support 2015/16	9,000	-
Youthlink Support 2014/15	-	5,652
Supporting Inclusion Programme	-	8,970
	<u>607,203</u>	<u>1,049,861</u>
	<u><u>711,677</u></u>	<u><u>1,133,332</u></u>

THE BOYS' BRIGADE

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

6. INVESTMENT INCOME

	Unrestricted funds 2016 £	Restricted funds 2016 £	Endowment funds 2016 £	Total funds 2016 £	As restated Total funds 2015 £
Deposit interest	2,154	-	-	2,154	2,565
Income from investments	15,586	3,360	1,009	19,955	15,692
Pension income	20,000	-	-	20,000	13,000
	<u>37,740</u>	<u>3,360</u>	<u>1,009</u>	<u>42,109</u>	<u>31,257</u>

In 2015 investment income by fund was: Unrestricted funds - £26,925, Restricted funds - £3,364, Endowment funds - £968.

7. GRANTS PAYABLE

	Unrestricted funds 2016 £	Restricted funds 2016 £	Unrestricted Funds 2015 £	Restricted Funds 2015 £
Northern Ireland District	100,666	-	99,081	-
Republic of Ireland	4,000	-	4,000	-
Other Battalions, Districts and Companies	-	274,389	-	116,595
	<u>104,666</u>	<u>274,389</u>	<u>103,081</u>	<u>116,595</u>

8. GOVERNANCE COSTS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Endowment funds 2016 £	Total funds 2016 £	Total funds 2015 £
Auditors' remuneration	18,526	-	-	18,526	16,367
Committee expenses	26,128	-	-	26,128	31,325
Legal and professional fees	19,508	-	-	19,508	11,468
Annual report	1,218	-	-	1,218	-
Pension fund legal and professional fees	13,462	-	-	13,462	71,998
	<u>78,842</u>	<u>-</u>	<u>-</u>	<u>78,842</u>	<u>131,158</u>

Included within legal and professional costs are amounts of £7,462 (2015 - £12,750) paid to the Brigade's auditors in respect of non-audit services.

THE BOYS' BRIGADE

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

9. ADMINISTRATION AND SUPPORT COSTS

	Cost of generating funds £	Supplies £	Management and delivery of charity's purposes £	2016 £	As restated 2015 £
Staff costs	122,151	-	433,082	555,233	551,876
Staff training	185	-	660	845	755
Outsourcing management fee	-	55,140	-	55,140	53,015
Training/development officer	224	-	793	1,017	1,539
Travelling	6,401	-	22,695	29,096	25,628
Development	4,039	-	14,320	18,359	31,045
Training courses	9,102	-	32,272	41,374	47,176
Office services	4,842	-	17,167	22,009	25,958
Insurance	29,462	-	104,457	133,919	152,876
Printing and stationery	3,275	-	11,612	14,887	14,875
Computer expenses	10,489	-	37,188	47,677	38,373
Postage and carriage	2,715	26,132	9,626	38,473	36,374
Repairs and maintenance	1,501	-	5,321	6,822	6,110
Leasing	4,330	-	15,352	19,682	22,105
Depreciation	58	-	206	264	123
Communications	13,010	-	46,125	59,135	57,285
Sundries	3,933	-	13,944	17,877	18,015
Irrecoverable VAT	5,374	-	19,052	24,426	27,655
Bank charges	3,528	-	12,507	16,035	15,634
Subscription to Global Fellowship	-	-	3,500	3,500	3,000
Pension scheme costs	8,360	-	29,640	38,000	32,000
Governance costs	17,345	-	61,497	78,842	131,158
Direct expenditure attributable to Designated Funds	-	-	141,143	141,143	51,566
	<u>250,324</u>	<u>81,272</u>	<u>1,032,159</u>	<u>1,363,755</u>	<u>1,344,141</u>
Included above are support costs of:-					
Staff costs	14,800	-	52,473	67,273	66,601
Other costs	587	-	2,080	2,667	3,133
Governance costs	17,345	-	61,497	78,842	131,158
	<u>32,732</u>	<u>-</u>	<u>116,050</u>	<u>148,782</u>	<u>200,892</u>

Support costs have been allocated on the basis of staff time.

THE BOYS' BRIGADE

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

10. NET INCOMING RESOURCES/(RESOURCES EXPENDED)

This is stated after charging:

	2016 £	2015 £
Operating lease expense	26,101	32,629
Amortisation charged	264	265
Depreciation of tangible fixed assets:		
- owned by the charity	4,548	5,496
Auditors' remuneration – audit services	9,500	9,500
Auditors' remuneration – other services	16,488	19,167
Trustee and officer indemnity insurance	4,484	4,198

During the year, no Trustees received any remuneration (2015 - £NIL).

During the year, no Trustees received any benefits in kind (2015 - £NIL).

14 Trustees received reimbursement of expenses amounting to £4,233 in the current year, (2015 - 11 Trustees - £3,972).

Trustees are provided with overnight accommodation, if required, when attending meetings.

11. STAFF COSTS

Staff costs were as follows:

	2016 £	2015 £
Wages and salaries	1,142,289	1,002,452
Social security costs	90,839	82,611
Defined contribution pension costs	8,215	-
Defined benefit pension operating costs	14,000	14,000
	<u>1,255,343</u>	<u>1,099,063</u>

The average monthly number of employees was: 62 (2015: 61) and the average monthly number of employees during the year expressed as full time equivalents was as follows (including casual and part-time staff):

	2016 No.	2015 No.
Full time	44	39
Part time	18	22
	<u>62</u>	<u>61</u>

No employee received remuneration amounting to more than £60,000 in either year.

Remuneration and benefits received by key management personnel in the year were £279,137 (2015 - £251,136)

THE BOYS' BRIGADE

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

12. INTANGIBLE FIXED ASSETS

	Access Rights to Felden Lodge £	Copyrights £	Total £
Cost			
At 1 April 2015 and 31 March 2016	<u>33,047</u>	<u>1</u>	<u>33,048</u>
Amortisation			
At 1 April 2015	2,115	-	2,115
Charge for the year	<u>264</u>	<u>-</u>	<u>264</u>
At 31 March 2016	<u>2,379</u>	<u>-</u>	<u>2,379</u>
Net book value			
At 31 March 2016	<u>30,668</u>	<u>1</u>	<u>30,669</u>
At 31 March 2015	<u>30,932</u>	<u>1</u>	<u>30,933</u>

13. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures & fittings £	Total £
Cost			
At 1 April 2015 and 31 March 2016	<u>3,588,232</u>	<u>257,133</u>	<u>3,845,365</u>
Amortisation			
At 1 April 2015	21,044	237,598	258,642
Charge for the year	<u>-</u>	<u>4,548</u>	<u>4,548</u>
At 31 March 2016	<u>21,044</u>	<u>242,146</u>	<u>263,190</u>
Net book value			
At 31 March 2016	<u>3,567,188</u>	<u>14,987</u>	<u>3,582,175</u>
At 31 March 2015	<u>3,567,188</u>	<u>19,535</u>	<u>3,586,723</u>

THE BOYS' BRIGADE

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

14. FIXED ASSET INVESTMENTS

Investment portfolio:-

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2016 £
1 April 2015 (as restated)	511,630	113,578	34,563	659,771
Additions	36,668	24,930	2,424	64,022
Disposals	(38,397)	(24,878)	(2,810)	(66,085)
Net realised and unrealised gains and losses	(29,471)	(3,792)	(1,162)	(34,425)
31 March 2016	480,430	109,838	33,015	623,283

The fair value of listed investments is determined by reference to the quoted price at 31 March 2016.

The fair value of investments comprise Equities £615,262 (2015 - £648,377) and cash held within the portfolio of £8,021 (2015 - £11,394). The original cost of investments excluding cash is £544,487 (2015 - £531,142).

15. STOCKS

	2016 £	2015 £
Consumables	7,825	8,323
Supplies for resale	256,489	183,669
	264,314	191,992

Stock movement at cost recognised in the Statement of Financial Activities was £72,322 (2015 - £4,360)

16. DEBTORS

	2016 £	2015 £
Trade debtors	62,366	51,780
Concessionary loans	27,041	30,315
Other debtors	13,720	23,040
Prepayments and accrued income	119,234	125,441
	222,361	230,576

Concessionary loans include £23,442 (2015 - £26,715) due after one year.

THE BOYS' BRIGADE

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

17. CREDITORS:

Amounts falling due within one year

	2016	2015
	£	£
Other loans	7,000	7,000
Payments received on account	8,210	6,532
Trade creditors	117,968	145,253
Other taxation and social security	41,781	31,255
Other creditors	33,162	26,208
Accruals and deferred income	113,444	72,472
	<u>321,565</u>	<u>288,720</u>

18. ACCRUALS AND DEFERRED INCOME

	2016	2015
	£	£
Annual capitation contributions received in advance	<u>395,749</u>	<u>374,505</u>

THE BOYS' BRIGADE

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

19. STATEMENT OF FUNDS

	As restated Brought Forward £	Incoming resources £	Resources expended £	Transfers in/out £	Gains/(losses) £	Carried forward £
Designated funds						
Freehold Property Fund	3,567,189	-	-	-	-	3,567,189
David White Memorial Fund	1,662	-	(875)	-	-	787
Jubilee Fund	1,220	-	-	-	-	1,220
Lockett Fidler KGV1 Fund	1,991	-	-	-	-	1,991
Brigade Secretary's Reserve Fund	2,326	-	(232)	(2,094)	-	-
Scotland Director's Reserve Fund	1,147	68	(1,215)	-	-	-
Britannia Dinner	772	-	(772)	-	-	-
Development Fund	83,353	1,500	(21,984)	(1,239)	-	61,630
Building Fund	59,614	-	-	10,000	-	69,614
Unite Christian Festivals England	4,831	14,408	(10,966)	1,500	-	9,773
Carronvale Appeal	57,034	39,737	(103,600)	20,000	-	13,171
Children and Youthwork Fund	-	-	-	65,000	-	65,000
	<u>3,781,139</u>	<u>55,713</u>	<u>(139,644)</u>	<u>93,167</u>	<u>-</u>	<u>3,790,375</u>
General funds						
General Fund	474,976	2,289,391	(2,169,953)	(70,092)	(29,471)	494,851
Pension reserve	-	49,000	-	-	(49,000)	-
	<u>474,976</u>	<u>2,338,391</u>	<u>(2,169,953)</u>	<u>(70,092)</u>	<u>(78,471)</u>	<u>494,851</u>
Total Unrestricted funds	<u>4,256,115</u>	<u>2,394,104</u>	<u>(2,309,597)</u>	<u>23,075</u>	<u>(78,471)</u>	<u>4,285,226</u>

Designated fund relate to amounts transferred from general funds for purposes designated by the Trustees as follows:-

- Freehold Property Fund - To represent the book value of freehold property held within the accounts.
- David White Memorial Fund - Young officer training.
- Jubilee Fund - For commemorative events.
- Lockett / Fidler KGV1 Fund - For work with King George VI officer training.
- Brigade Secretary's Reserve Fund - To be used at the Brigade Secretary's discretion for the benefit of the Brigade.
- Scotland Director's Reserve Fund - To be used at the Scottish Director's discretion for the benefit of the Brigade.
- Britannia Dinner - For development work in Scotland.
- Development Fund - For Brigade development.
- Building Fund - For property maintenance.
- Unite Christian Festivals England - to support Christian events within England.
- Carronvale Appeal - for the refurbishment of Carronvale House and grounds.
- Children and Youthwork Fund - for leader training, development and safeguarding responsibilities.

A claim made during the year relating to a health and safety matter has not yet been fully quantified, nor the likely outcome assessed with certainty. However, a provision has been made relating to this under the Children and Youthwork fund.

	Brought Forward £	Incoming resources £	Resources expended £	Transfers in/out £	Gains/(losses) £	Carried forward £
Endowment funds						
Cave Allan Legacy	34,563	1,009	(422)	(976)	(1,162)	33,012

Donors have directed that capital should be held, with investment income arising therefrom 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.

THE BOYS' BRIGADE

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

19. STATEMENT OF FUNDS (continued)

	As restated Brought Forward £	Incoming resources £	Resources expended £	Transfers in/out £	Gains/(losses) £	Carried forward £
Restricted funds						
Sir William Smith Memorial	780	-	(780)	-	-	-
National Training Appeal	5,664	-	-	-	-	5,664
John Burke Fund	38,182	810	(741)	-	(931)	37,320
Edith Blanche Bevis Fund	4,631	-	-	-	-	4,631
Thomas Bequest	1,062	-	(2,257)	1,195	-	-
Friends of Carronvale	170	2,210	(2,096)	-	-	284
Friends of Felden	1,988	3,437	(1,747)	-	-	3,678
1st Hurlford KGV1	3,262	-	(3,262)	-	-	-
Youth United - Social Action Fund	329,087	333,284	(493,186)	-	-	169,185
8th Grimsby Funds	32,832	1,031	(1,334)	-	(1,126)	31,403
Youth United Social Action Rural Fund	136,362	91,885	(132,949)	-	-	95,298
Youthlink Support 2015-16	-	9,000	(7,826)	1,427	-	2,601
Make a Difference	28,994	2,090	(3,833)	(22,099)	-	5,152
Overseas work	2,061	245	(515)	-	-	1,791
Stirling Battalion - Mid Scottish Development	21,188	10,000	(29,294)	-	-	1,894
Bloemfontein Road	43,984	1,519	(547)	-	(1,735)	43,221
Youthlink Cashback	1,000	37,850	(38,850)	-	-	-
Felden New Bed Scheme	34	-	(34)	-	-	-
Youthlink Lanarkshire	11,180	32,441	(30,340)	-	-	13,281
Youth United - Inkind Direct	5,000	-	-	(5,000)	-	-
Youth United SIP Underspend	19,085	-	(48,330)	29,245	-	-
Youth United - Black Country Queen's Trust	21,149	-	(21,149)	-	-	-
Youth United Challenge Project	62,210	-	(62,210)	-	-	-
Youth United Luton Development Worker	18,586	-	(10,514)	(8,072)	-	-
Youth United Recruitment Materials	4,685	-	-	(4,685)	-	-
Youth United Laing Foundation	19,408	-	(7,929)	-	-	11,479
Youth United Company Finder Software	5,000	-	-	(5,000)	-	-
Youthlink Support 2014-15	3,809	-	(2,382)	(1,427)	-	-
Youth United Start Up Matched Funding	404	-	(404)	-	-	-
Young Start - Glasgow Development Worker	5,596	24,000	(21,137)	-	-	8,459
Youth United Start Up Core	101,933	-	(58,738)	(6,488)	-	36,707
Robert Fernan Smith Legacy	31,990	-	-	-	-	31,990
Andrew Melville Dunn Legacy	10,000	-	-	-	-	10,000
Cashback - Young People Take the Lead	7,571	68,743	(43,124)	(1,195)	-	31,995
	<u>978,887</u>	<u>618,545</u>	<u>(1,025,508)</u>	<u>(22,099)</u>	<u>(3,792)</u>	<u>546,033</u>
Total Funds	<u>5,269,565</u>	<u>3,013,658</u>	<u>(3,335,527)</u>	<u>-</u>	<u>(83,425)</u>	<u>4,864,271</u>

THE BOYS' BRIGADE

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

19. STATEMENT OF FUNDS (continued)

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.
- National Training Appeal - For Brigade training.
- John Burke Fund - For outdoor activity.
- Edith Blanche Bevis Fund - For Methodist companies within the area of Clacton-on-Sea.
- Thomas Bequest - For Brigade development in Scotland
- Friends of Carronvale - To be applied towards Carronvale House.
- Friends of Felden - To be applied towards Felden Lodge.
- 1st Hurlford KGVI - For officer training in Scotland.
- Youth United Social Action Fund - to fund development work.
- 8th Grimsby Funds - For Anglican companies in formation.
- Youth United Social Action Fund Rural Grant – to fund development work in isolated rural communities.
- Make a Difference - For the development of the Brigade.
- Overseas Work - For overseas work in the Caribbean.
- Stirling Battalion - Mid Scottish Development - Development worker for mid Scottish region.
- Bloemfontein Road / 23rd Hammersmith - for development work within the area of Bloemfontein Road, London
- Youthlink Cashback - To support local youth groups within Scotland.
- Felden New Bed Scheme - To fund the purchase of new beds for Felden Lodge.
- Youthlink - Lanarkshire - Development worker for Lanarkshire region.
- Youth United Inkind Direct - goods and supplies to support new units.
- Youth United SIP Underspend – agreed figure from Social Inclusion Programme to be carried forward to 2015.
- Youth United Black Country Queen's Trust – to fund a development worker in the Black Country.
- Youth United Challenge Project – to promote National Citizen Service (NCS) and fund a development worker in deprived areas.
- Youth United Luton Development Worker - to fund development work targeting churches within the African Caribbean community in the Luton area.
- Youth United Recruitment Materials – to fund further development of recruiting materials for use within the Social Inclusion Programme (SIP) areas.
- Youth United Laing Foundation – to fund development work in the boroughs of Croydon, Southwark, Greenwich and Wandsworth.
- Youth United Company Finder Software – to cover the costs of upgrading the company finders on the website.
- Youthlink Support Fund - For IT training and progressive programme of education and sporting activities in Scotland.
- Youth United Start Up Matched Funding - For marketing & promotional material to support development workers and 2 new units in Birmingham B28 postcode area.
- Youth United Start Up Core Funding - For the funding of core start-up costs within the specified regions.
- Youth United Community - For a series of community events within the specified regions.
- Young Start – sports development worker in Glasgow.
- Youthlink Glasgow - Sports development worker in Glasgow.
- Robert Fernan Smith Legacy – residual legacy to be used in Scotland.
- Andrew Melville Dunn – pecuniary legacy for furtherance of work in Scotland.
- Young People Take The Lead - Scottish development worker and support to companies.

SUMMARY OF FUNDS

	As restated Brought Forward £	Incoming resources £	Resources expended £	Transfers in/out £	Gains/(losses) £	Carried forward £
Designated funds	3,781,139	55,713	(139,644)	93,167	-	3,790,375
General funds	474,976	2,338,391	(2,169,953)	(70,092)	(78,471)	494,851
	<u>4,256,115</u>	<u>2,394,104</u>	<u>(2,309,597)</u>	<u>23,075</u>	<u>(78,471)</u>	<u>4,285,226</u>
Endowment funds	34,563	1,009	(422)	(976)	(1,162)	33,012
Restricted funds	978,887	618,545	(1,025,508)	(22,099)	(3,792)	546,033
	<u>5,269,565</u>	<u>3,013,658</u>	<u>(3,335,527)</u>	<u>-</u>	<u>(83,425)</u>	<u>4,864,271</u>

THE BOYS' BRIGADE

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

19. STATEMENT OF FUNDS (continued)

Funds include unrealised gains on investments of:-

General Fund	£48,485
Restricted Fund	£18,205
Endowment Fund	£2,770

PRIOR PERIOD ADJUSTMENT

The opening reserves at 1 April 2014 have been restated by way of a prior period adjustment to include fixed asset investments which had not previously been recognised. The effect was to increase reserves at 1 April 2014 by £42,328 and recognise income and gains in the year ended 31 March 2015 of £1,656.

20. FINANCIAL INSTRUMENTS

	2016 £	2015 £
Financial assets		
Financial assets that are debt instruments measured at amortised cost	84,206	92,840
Financial assets that are measured at fair value	<u>615,262</u>	<u>648,377</u>
	<u>699,468</u>	<u>741,217</u>
Financial assets that are debt instruments comprise trade debtors and other receivables.		
Financial liabilities		
Financial liabilities measured at amortised cost	<u>124,968</u>	<u>152,243</u>
Financial liabilities comprise trade creditors and other loans.		

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Endowment funds 2016 £	Total funds 2016 £	Total funds 2015 £
Tangible fixed assets	3,582,175	-	-	3,582,175	3,586,723
Intangible fixed assets	30,669	-	-	30,669	30,933
Fixed asset investments	480,433	109,838	33,012	623,283	659,771
Current assets	909,263	436,195	-	1,345,458	1,655,363
Creditors due within one year	(321,565)	-	-	(321,565)	(288,720)
Deferred income	(395,749)	-	-	(395,749)	(374,505)
	<u>4,285,226</u>	<u>546,033</u>	<u>33,012</u>	<u>4,864,271</u>	<u>5,269,565</u>

THE BOYS' BRIGADE

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

22. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2016 £	2015 £
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(356,294)	626,782
Adjustment for:		
Depreciation charges	4,812	5,498
(Gains)/losses on investments	34,425	(26,550)
Dividends, interest and rents from investments	(22,109)	(15,692)
Adjustment in respect of defined benefit pension scheme	(49,010)	(319,158)
(Increase)/decrease in stocks	(72,322)	4,360
Decrease/(increase) in debtors	8,215	(22,843)
Increase/(decrease) in creditors	54,089	(62,295)
Net cash (used in)/provided by operating activities	(398,194)	190,102

23. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2016 £	2015 £
Cash at bank and in hand	858,783	1,232,795

24. PENSION COMMITMENTS

The Brigade operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge included in the Statement of Financial Activities represents contributions payable by the charity and amounted to £8,215 (2015 - £NIL)

The Brigade operates a defined benefit pension scheme.

The scheme was closed to new members in November 2000.

The administration of the scheme is the responsibility of the Trustees of the scheme, and its assets are held separately from the Brigade. Contributions to the scheme are determined by a qualified actuary on the basis of triennial valuations. The last full actuarial valuation was as of 1 June 2015.

The amounts recognised in the Balance sheet are as follows:

	2016 £	2015 £
Fair value of scheme assets	6,102,000	6,194,000
Present value of funded obligations	(5,731,000)	(5,538,000)
Surplus not recognised	371,000	656,000

The fair value of scheme assets above has been reduced by the surplus of £371,000 (2015- £656,000) which has not been recognised on the basis that the Trustees cannot be reasonably certain that future economic benefits in the form of reduced contributions or a scheme refund will result..

THE BOYS' BRIGADE

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

24. PENSION COMMITMENTS (continued)

The amounts recognised in the Statement of Financial Activities are as follows:

	2016	As restated
	£	2015
		£
Current service cost	(14,000)	(14,000)
Interest on obligation	(174,000)	(212,000)
Interest on assets	194,000	225,000
Expenses paid by fund	(38,000)	(32,000)
	<u>(32,000)</u>	<u>(33,000)</u>
Actuarial gains/(losses)	<u>(49,000)</u>	<u>(227,747)</u>

Movements in the present value of the defined benefit obligation were as follows:

	2016	2015
	£	£
Opening defined benefit obligation	5,628,000	5,103,000
Current service cost	14,000	14,000
Interest cost	174,000	212,000
Actuarial Losses	127,000	581,000
Benefits paid	(212,000)	(282,000)
Closing defined benefit obligation	<u>5,731,000</u>	<u>5,628,000</u>

Changes in the fair value of scheme assets were as follows:

	2016	2015
	£	£
Opening fair value of scheme assets	5,628,000	5,103,000
Interest on assets	194,000	225,000
Actuarial gains and (losses)	78,000	353,252
Contributions by employer	81,000	698,000
Benefits paid	(212,000)	(282,000)
Expenses paid by scheme	(38,000)	(32,000)
Special contribution - s.75 debt obligation	-	(437,252)
	<u>5,731,000</u>	<u>5,628,000</u>

A number of Battalions and Districts have contributed to the scheme as associated employers. As there are no remaining employees within the associated employers a cessation event has been triggered under the Pensions Act 2005. This has resulted in a liability on the associated employers due to the scheme under s.75 of the Act (s.75 Debt). The total s.75 liability arising in the 2015 financial statements was £601,000 of which the associated employers have contributed £437,252; the shortfall of £163,748 was met by the Brigade.

The Brigade expects to contribute £49,000 to the defined benefit pension scheme in 2017.

THE BOYS' BRIGADE

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

24. PENSION COMMITMENTS (continued)

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	2016 £	2015 £
Equities	58.00%	54.20%
Bonds	28.40%	28.60%
Cash	5.30%	7.80%
Annuities	8.30%	9.40%

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages):

	2016 £	2015 £
Discount rate at 31 March	3.40%	3.20%
Future salary increases	3.00%	3.00%
Future pension increases	2.80%	2.70%
Retail price inflation	2.90%	2.80%
Consumer price inflation	2.10%	2.00%

Mortality assumptions used for current pensioners at age 65 were 22.1 years for men and 24.1 years for women. Assumptions for future pensioners at age of 65 were 23.4 years for men and 25.2 years for women.

25. OPERATING LEASE COMMITMENTS

At 31 March 2016 the Brigade had annual commitments under non-cancellable operating leases as follows:

	2016 £	2015 £
Expiry date:		
Within one year	22,629	31,108
Between 1 and 5 years	33,957	42,145
	<u>56,856</u>	<u>73,253</u>

26. RELATED PARTY TRANSACTIONS

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

Other loans, totalling £7,000 (2015 - £7,000), which the Brigade originally received and has not yet repaid, were from related parties.

At the year end the North Staffordshire Battalion owed £27,042 to the Brigade, which was the balance outstanding on the loan granted (2015 - £30,315). This loan is being repaid via monthly instalments of £300 and interest is accruing at 1.5% per annum (or at a rate equal to the Bank of England base rate should this exceed 2.5%).

The Brigade is the sole trustee of the Pearson Centre for Young People Trust, a registered charity, number 522177, which operates a youth organisation from premises in Nottingham. The day to day activity of the facility is administered by a separate management committee. The Brigade has no direct interest in the income and expenditure of the charity but does retain a residual beneficial interest in the premises in the event that the 17th Nottingham Boys Brigade company based at the premises ceases to exist. These accounts do not include any financial transactions or assets of the charity.