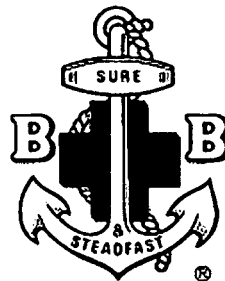
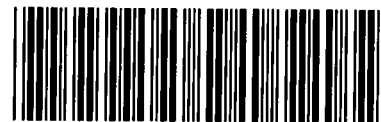


**THE BOYS' BRIGADE****(A company limited by guarantee)****TRUSTEES' REPORT AND  
FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 MARCH 2019****Whiting & Partners****Chartered Accountants & Business Advisers  
Statutory Auditors**

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**THE BOYS' BRIGADE**  
**(A company limited by guarantee)**

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# 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 2019

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### Trustees and members of the Brigade Executive

<b>President</b>	The Reverend Dr The Lord Griffiths of Burry Port
<b>Vice Presidents</b>	A S Burrow D J Aubrey QC
<b>Treasurer</b>	C Bygrave FCA CTA TEP
<b>Other Trustees</b>	R L Buttimer (retired 31 <sup>st</sup> August 2018) M Elliott (retired 31 <sup>st</sup> August 2018) S H Mackey (retired 31 <sup>st</sup> August 2018) C C Smith (retired 31 <sup>st</sup> August 2018) D H Sneddon (retired 31 <sup>st</sup> August 2018) L Stein (retired 31 <sup>st</sup> August 2018) L S Hiorns (retired 31 <sup>st</sup> August 2018) S J Rankin D J Love R M Knowles P M Haggan N Clingan P McKinley S A Buchanan MBE R Campbell (appointed 1 <sup>st</sup> September 2018) C A Brace (appointed 28 <sup>th</sup> September 2018) M A Baldwin (appointed 1 <sup>st</sup> September 2018) P T McCarroll (appointed 1 <sup>st</sup> September 2018) P A J Daley (appointed 1 <sup>st</sup> September 2018) Rev B Anderson (appointed 20 <sup>th</sup> October 2018) R J C Cunningham (appointed 1 <sup>st</sup> September 2018) V Brownlee (appointed 28 <sup>th</sup> September 2018)
<b>Company registered number</b>	145122
<b>Charity registered numbers</b>	305969 and SC038016
<b>Registered office</b>	Felden Lodge Hemel Hempstead Hertfordshire HP3 0BL
<b>Brigade Secretary</b>	W C F Stevenson (Chief Executive Officer)

# 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 2019

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<b>Statutory auditors</b>	Whiting & Partners Chartered Accountants George Court Bartholomew's Walk Ely Cambridgeshire CB7 4JW
<b>Principal Bankers</b>	Barclays Bank Plc 1 Churchill Place London E14 5HP
<b>Investment Managers</b>	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 2019

The Brigade Executive as Trustees (who are also directors of the charity for the purposes of the Companies Act) present their Annual Report (including Strategic Report) together with the audited financial statements of The Boys' Brigade (the Charity) for the year ended 31 March 2019. 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 maintain 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 President, Vice Presidents, 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. Brigade Office Bearers are elected annually by Brigade Council. The President and Vice Presidents are subject to a term of nine years and in the case of the Chaplain three years. The Treasurer's term of office is not time limited.

#### • 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 2019

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#### • 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 £3,384,847 at 31st March 2019 (2018 - £3,382,248). The investments are managed by professional fund managers in separately designated accounts. The Brigade also holds legal title as nominee in certain land and buildings in which various Companies, Districts and Battalions are interested.

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 benefit other than travel expenses 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 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 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 the 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 2019

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#### 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**

During the year we marked the 135<sup>th</sup> Anniversary of the founding of the Brigade in Glasgow in 1883 by Sir William Alexander Smith. So many young people have benefited from membership of the BB and we give thanks for the thousands of lives that have been changed as a result of young people joining the BB. We are still rightly proud to be the largest of the uniformed Christian youth organisations in the UK and the Republic of Ireland. Our main aim is still to promote our Object of advancing Christ's Kingdom. Through our different activities we aim to care for and challenge young people and allow them to develop and have fun at the same time.

Membership of the Brigade is open to boys and young men between the ages of 4 and 18 and where Companies have registered a Girls' Association, we also welcome girls and young women. We are delighted that during the year we were able to establish a further ten new companies. It is exciting to know that churches from over twenty Christian denominations wish to partner with us in our work. Many of our chaplains see the Brigade as a key opportunity not only to reach out to young people, but to the whole community.

## **THE BOYS' BRIGADE**

**(A company limited by guarantee)**

### **BRIGADE EXECUTIVE'S ANNUAL REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2019**

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During the session we launched a development campaign "Raise the Bar" which has challenged all leaders in the Brigade to help raise the quality of our work. In addition, over the past three years, we have been reviewing the programmes for our Under 11's age group. This process is now complete and plans are in hand to start distributing new programme materials to our Companies. A review of the programmes for the other age groups has also been completed. Our Youth Leader Training scheme has been revised, and updated training resources have been created for our network of Brigade Training Officers. We are particularly grateful to the volunteers and staff team who have carried out this work.

We were again delighted to receive continued funding from the Youth United Foundation in England, Gannochy Trust, Heritage Lottery Fund and from the CashBack scheme in Scotland. The Scottish Government also makes a contribution towards core costs in Scotland. These additional funds have allowed us to continue to increase the reach of our work. We have also invested further in our online database OBM which as well as providing statistical data to Brigade Staff has helped many leaders to streamline their group's administration. Consideration has also been given to how to increase the "voice" of young people in the Brigade and to increase the promotion of our work at local level.

The day to day work of the Brigade is carried out by around 11,000 adult volunteers who tirelessly give up their time. These leaders help organise residential, badge classes, bands, sporting events and so many more additional activities for members throughout the country. Without their dedication and commitment, the Brigade would be unable to operate. We are still proud to have over 40,000 young people in membership, but we are aware many of our groups have capacity to grow in number.

Our two national training centres Carronvale House in Larbert and Felden Lodge in Hemel Hempstead continue to be well used by BB groups and many other different organisations. Over the year both centres have made a positive contribution to the Brigade finances. Many guests comment on the warm welcome they receive at these centres and the house staff continually look to see how we can improve guest satisfaction. For many young people attending a Queen's Badge Completion Course is their first introduction to these centres. Many other courses are also run to allow leaders to develop their skills. Our KGV1 Training courses also take place at Carronvale and Felden, these are very popular and are designed to enable more young people to take on leadership roles in the Brigade.

Brigade Council in Edinburgh in September 2018 proved an ideal opportunity to celebrate the work of our young leaders. The Brigade in Scotland was an active participant in the Scottish Government's Year of Young People. We are also involved in many other networks including British Youth Council and were delighted that one of our young leaders, Lee Bird, was chosen to Chair Youth United's Youth Panel. The BB All Party Parliamentary Group has continued to promote our work at Westminster, and we continue to develop links with other parliamentarians across the UK and Republic of Ireland.

The Brigade's finances have still been a cause for concern. In October the trustees set up two sub-committees to examine our budgets and staffing requirements in detail. Recommendations from these groups are now being implemented and it is hoped that this will help to improve the Brigade's financial situation. During the year there have been continued discussions about creating greater transparency and accountability in how income from companies is spent, both at HQ and Regional level, this has resulted in finalising proposals for a new two-tier capitation system.

Once again, we would like to pay tribute to all the many dedicated BB leaders who do so much to support our work at local level. Thanks are also due to all those who hold office at Battalion and District level and to the members of our various Regional Committees and the Brigade Executive members who act as our trustees. Several trustees completed their term of office at the conclusion of the last session and we are most grateful to them for all the time they devoted to the Brigade. The Brigade operates with a small but dedicated staff team which continues to serve the membership, thanks too are due to them for all their hard work over the past year. We continue to be very grateful to those individuals and groups who have generously supported our work in so many ways.



# THE BOYS' BRIGADE

(A company limited by guarantee)

## BRIGADE EXECUTIVE'S ANNUAL REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2019

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- **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 control 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.

### 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 surplus/(deficit) for the year for all funds, excluding those held as custodian, was £38,759 (2018 - £(200,041)), this included the net operating deficit for the year disclosed in the Unrestricted Funds, which amounted to £76,807 (2018 - £167,493). The Brigade in total reports a deficit after all movements of £5,241 (2018 - £242,041) on funds.

- **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 resources.

- **Principal funding**

The Brigade Treasurer, Business Director, Finance Manager and Finance Committee continue to review 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 Scottish Government, Youthlink Scotland, Cashback for Communities and Youth United. 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.

# THE BOYS' BRIGADE

(A company limited by guarantee)

## BRIGADE EXECUTIVE'S ANNUAL REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2019

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- **Statement of Trustees relating to their responsibilities under the Charities (Protection and Social Investments) Act 2016.**

The Trustees recognise their responsibilities under this Act and confirm that under the Fundraising Provisions of that Act, they did not employ external fundraisers during the year.

The Trustees have also considered the impact of the General Data Protection Regulations on fundraising activities.

- **Plans for the future**

The trustees have started work on developing a new Strategic Plan that will take effect from autumn 2020. We continue to review what structures we require to best support our volunteer base and to ensure we can do our best to support Companies in future years.

Brigade Council in 2019 will be asked to consider the size of the Brigade Executive (our trustee board). We continue to look at ways of streamlining administration, and a new staffing structure is being introduced. We still aim to continue to be the organisation of choice for thousands of young people and believe that despite the challenges we face the Brigade continues to be as relevant as ever for young people in this changing age.

- **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 2019, the actuary calculated that there was a funding surplus of £1,156,000 (2018 - £780,000) on a continuing basis. This asset has not been recognised in the financial statements as, with the volatile investment market, the Executive does 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 available 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 amounted to £30,000 (2018 - £30,000) 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 2019

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### 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 judgements 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 1st June 2019 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**

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#### **Opinion**

We have audited the financial statements of The Boys' Brigade (the 'Charity') for the year ended 31 March 2019 set out on pages 12 to 37. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2019 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).

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

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

#### **Other information**

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

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

We have nothing to report in this regard.

#### **Opinion on other matters prescribed by the Companies Act 2006**

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

- the information given in the Trustees' report for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report incorporating the Strategic report have been prepared in accordance with applicable legal requirements.

## THE BOYS' BRIGADE

(A company limited by guarantee)

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

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#### Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report.

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, 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' remunerations specified by law not made; or
- we have not received all the information and explanations we require for our audit.

#### Responsibilities of trustees

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, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

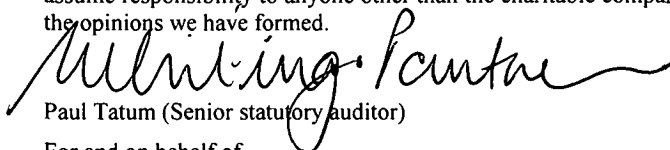
#### Auditors' responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' report.

#### Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company'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 charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Paul Tatum (Senior statutory auditor)

For and on behalf of

#### Whiting & Partners

Chartered Accountants  
Statutory Auditor

George Court  
Bartholomew's Walk  
Ely  
Cambridgeshire  
CB7 4JW

Date:

18th July 2019

Whiting & Partners are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

# THE BOYS' BRIGADE

(A company limited by guarantee)

## STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 MARCH 2019

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Endowment funds 2019 £	Total funds 2019 £	Total funds 2018 £
<b>Income and endowments from:</b>						
Donations and legacies	4	49,662	28,658	-	78,320	101,297
Training centres		670,642	-	-	670,642	626,250
Investments	6	39,742	2,446	1,544	43,732	44,174
Charitable activities:						
Annual capitation contributions		914,094	-	-	914,094	961,623
Supplies sales	3	485,789	-	-	485,789	500,182
Grants receivable	5	95,166	334,519	-	429,685	184,116
Annual festival and other events		62,846	-	-	62,846	71,750
<b>Total income and endowments</b>		<b>2,317,941</b>	<b>365,623</b>	<b>1,544</b>	<b>2,685,108</b>	<b>2,489,392</b>
<b>Expenditure on:</b>						
Raising funds:						
Cost of raising funds	9	320,986	-	-	320,986	337,804
Training centres (non Brigade use)		493,071	-	-	493,071	478,886
Investment management		4,852	1,070	450	6,372	5,882
Charitable activities:						
Supplies - Cost of sales	3	298,473	-	-	298,473	308,466
Supplies - Administration	3	84,694	-	-	84,694	73,848
Grants payable	7	112,702	16,990	-	129,692	108,916
Training centres (Brigade use)		73,726	-	-	73,726	85,396
Management and delivery of activities	9	1,024,999	232,718	984	1,258,701	1,286,827
<b>Total expenditure</b>		<b>2,413,503</b>	<b>250,778</b>	<b>1,434</b>	<b>2,665,715</b>	<b>2,686,025</b>
<b>Net income / (expenditure) before investment gains/(losses)</b>		<b>(95,562)</b>	<b>114,845</b>	<b>110</b>	<b>19,393</b>	<b>(196,633)</b>
Net gains/(losses) on investments	14	18,755	261	350	19,366	(3,408)
<b>Net income / (expenditure) before transfers</b>		<b>(76,807)</b>	<b>115,106</b>	<b>460</b>	<b>38,759</b>	<b>(200,041)</b>
Transfers between Funds	19	(2,818)	2,818	-	-	-
<b>Net income / (expenditure) before other gains and losses</b>		<b>(79,625)</b>	<b>117,924</b>	<b>460</b>	<b>38,759</b>	<b>(200,041)</b>
Actuarial losses on defined benefit pension scheme	24	(44,000)	-	-	(44,000)	(42,000)
<b>Net movement in funds</b>		<b>(123,625)</b>	<b>117,924</b>	<b>460</b>	<b>(5,241)</b>	<b>(242,041)</b>
<b>Reconciliation of funds:</b>						
Total funds at 1 April 2018		4,095,564	242,187	36,493	4,374,244	4,616,285
<b>Total funds at 31 March 2019</b>	<b>19</b>	<b>3,971,939</b>	<b>360,111</b>	<b>36,953</b>	<b>4,369,003</b>	<b>4,374,244</b>

All activities relate to continuing operations.

The notes on pages 15 to 37 form part of these financial statements.

# THE BOYS' BRIGADE

(A company limited by guarantee)  
REGISTERED NUMBER: 145122

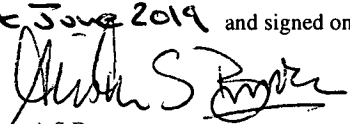
## BALANCE SHEET AS AT 31 MARCH 2019

			2019	2018
	Note	£	£	£
<b>Fixed assets</b>				
Intangible assets	12		29,875	30,140
Tangible assets	13		3,568,532	3,573,080
Investments	14		575,550	695,672
			<u>4,173,957</u>	<u>4,298,892</u>
<b>Current assets</b>				
Stocks	15	152,223		212,449
Debtors	16	216,508		209,328
Cash at bank and in hand	23	470,447		361,390
			<u>839,179</u>	<u>783,167</u>
<b>Creditors: amounts falling due within one year</b>	17	(294,567)		(342,854)
			<u>544,612</u>	<u>440,313</u>
<b>Net current assets</b>				
			<u>4,718,569</u>	<u>4,739,205</u>
<b>Total assets less current liabilities</b>				
<b>Deferred income</b>	18	(349,566)		(364,961)
			<u>4,369,003</u>	<u>4,374,244</u>
<b>Net assets</b>				
<b>Charity Funds</b>				
Endowment funds	19		36,953	36,493
Restricted funds	19		360,111	242,184
Unrestricted funds	19		3,971,939	4,095,567
			<u>4,369,003</u>	<u>4,374,244</u>
<b>Total funds</b>				

The financial statements were approved by the Trustees on 1st June 2019 and signed on their behalf, by:

C Bygrave  
Brigade Treasurer



  
A S Burrow  
Chairman of the Brigade Executive

The notes on pages 15 to 37 form part of these financial statements.

**THE BOYS' BRIGADE****(A company limited by guarantee)****CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2019**

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	Note	2019 £	2018 £
<b>Cash flows from operating activities</b>			
Net cash (used in)/provided by operating activities	22	<u>(52,121)</u>	<u>(302,303)</u>
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		21,684	23,516
Proceeds from sale of investments		239,774	209,084
Purchase of investments		(100,280)	(189,350)
<b>Net cash provided by/(used in) investing activities</b>		<u>161,178</u>	<u>43,250</u>
<b>Change in cash and cash equivalents in the year</b>		109,057	(259,053)
Cash and cash equivalents brought forward		361,390	620,443
<b>Cash and cash equivalents carried forward</b>	23	<u><u>470,447</u></u>	<u><u>361,390</u></u>

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# THE BOYS' BRIGADE

(A company limited by guarantee)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

### 1. ACCOUNTING POLICIES

#### 1.1 General information and basis of preparation of financial statements

The Boys' Brigade is a company limited by guarantee incorporated in England. It is also a registered charity and subject to regulation of the Charities Commission. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principle activities are 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.

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 under FRS 102.

#### 1.2 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.

#### 1.3 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 2018 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.

##### 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 Charity 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 that the income will be received and the amount can be measured reliably and is not deferred.

# THE BOYS' BRIGADE

(A company limited by guarantee)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

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### 1. ACCOUNTING POLICIES (continued)

#### 1.4 Interest receivable

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

#### 1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

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.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities are costs incurred in the Charity's educational operations.

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.

All resources expended are inclusive of irrecoverable VAT.

#### 1.6 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.

#### 1.7 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

#### 1.8 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.

# THE BOYS' BRIGADE

(A company limited by guarantee)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

### 1. ACCOUNTING POLICIES (continued)

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. 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.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities incorporating income and expenditure account.

#### 1.9 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.

#### 1.10 Stocks

Stocks are valued at the lower of cost 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. Stock is recorded on a first-in first-out basis.

#### 1.11 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.

#### 1.12 Cash and Cash equivalents

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

#### 1.13 Creditors and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation.

#### 1.14 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.

#### 1.15 Operating leases

Rentals under operating leases are charged to the Statement of financial activities incorporating income and expenditure account 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 2019

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### 1. ACCOUNTING POLICIES (continued)

#### 1.16 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.

#### 1.17 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 triennial reports made by the scheme actuary.

#### 1.18 Loans

Loans 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

#### 1.19 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 impairment obligations, dilapidations and contingencies. These provisions require management's 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 scheme liabilities. 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 2019**

**2. INCOMING AND OUTGOING RESOURCES ON UNRESTRICTED FUNDS**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Incoming resources</b>		
Donations and legacies	49,662	83,082
Training centres and other rental income	670,642	626,250
Investment income	39,742	39,793
Annual capitation contributions	914,094	961,623
Supplies sales	485,789	500,182
Grants	95,166	56,985
Annual festival and other events	62,846	71,750
<b>Total incoming resources</b>	<u>2,317,941</u>	<u>2,339,665</u>
<b>Resources expended</b>		
Cost of raising funds	320,987	337,804
Training centres (non Brigade use)	493,071	478,886
Investment management fees	4,852	4,016
Supplies - cost of sales	298,473	308,466
Supplies - administration	84,694	73,848
Grants to Battalions and Districts	112,702	108,421
Training centres (Brigade use)	73,725	85,396
Management and delivery of the charity's purposes	1,024,999	1,103,124
<b>Total resources expended</b>	<u>2,413,503</u>	<u>2,499,961</u>
Net expenditure before investment gains	(95,562)	(160,296)
Investment gains/(losses)	<u>18,755</u>	<u>(7,197)</u>
	(76,807)	(167,493)
Transfers from other funds	<u>(2,818)</u>	<u>15,000</u>
	(79,625)	(152,493)
Actuarial losses on defined benefit pension scheme	(44,000)	(42,000)
<b>Net movement in funds for year</b>	<u><u>(123,625)</u></u>	<u><u>(194,493)</u></u>

**THE BOYS' BRIGADE****(A company limited by guarantee)****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019****3. SUPPLIES**

	2019 £	2018 £
Sales	485,789	500,182
Cost of sales	(298,473)	(308,466)
	<u>187,316</u>	<u>191,716</u>
Administration	(84,694)	(73,848)
Net surplus	<u>102,622</u>	<u>117,868</u>

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

**4. INCOME FROM DONATIONS AND LEGACIES**

	Unrestricted funds 2019 £	Restricted funds 2019 £	Endowment funds 2019 £	Total funds 2019 £	Total funds 2018 £
Donations	36,759	26,658	-	63,417	49,946
Legacies	12,903	2,000	-	14,903	51,351
	<u>49,662</u>	<u>28,658</u>	<u>-</u>	<u>78,320</u>	<u>101,297</u>

In 2018 the total income from donations and legacies was £83,082 to unrestricted funds and £18,215 to restricted funds.

**THE BOYS' BRIGADE**

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

**5. GRANTS RECEIVABLE**

	2019	2018
	£	£
<b>General fund:-</b>		
Children, Young People and Families Early Intervention Fund	69,166	50,000
Scotland Income from Charitable Trust	9,000	-
Building Fund	13,000	-
Carronvale Appeal	4,000	-
Youthlink NVYO Support Fund	-	6,985
	<u>95,166</u>	<u>56,985</u>
<b>Restricted funds:-</b>		
Youth Scotland Generation Cashback Phase 4	52,625	77,181
NVYO Support Fund	29,000	-
Stirling Battalion and Gannochy Trust	15,500	13,000
Young People Take the Lead	-	11,250
Youthlink - Lanarkshire Development Worker	-	5,000
Youth United Stronger Foundations	141,582	-
HLF YOYP Big Roadshow Grant	3,900	-
Youthlink NVYO Support Fund	-	20,700
Youth United Reach	91,912	-
	<u>334,519</u>	<u>127,131</u>
	<u><u>429,685</u></u>	<u><u>184,116</u></u>

**6. INVESTMENT INCOME**

	Unrestricted funds 2019 £	Restricted funds 2019 £	Endowment funds 2019 £	Total funds 2019 £	Total funds 2018 £
Deposit interest	1,048	-	-	1,048	658
Income from investments	17,694	2,446	1,544	21,684	23,516
Pension income	21,000	-	-	21,000	20,000
	<u>39,742</u>	<u>2,446</u>	<u>1,544</u>	<u>43,732</u>	<u>44,174</u>

In 2018, of the total investment income, £39,793 was to unrestricted funds, £3,752 was to restricted funds and £629 was to endowment funds.

**THE BOYS' BRIGADE**

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

**7. GRANTS PAYABLE**

	Unrestricted funds 2019 £	Restricted funds 2019 £	Unrestricted Funds 2018 £	Restricted Funds 2018 £
Northern Ireland District	108,702	-	104,421	-
Republic of Ireland	4,000	-	4,000	-
Other Battalions, Districts and Companies	-	16,990	-	495
	<u>112,702</u>	<u>16,990</u>	<u>108,421</u>	<u>495</u>

**8. GOVERNANCE COSTS**

	Unrestricted funds 2019 £	Restricted funds 2019 £	Endowment funds 2019 £	Total funds 2019 £	Total funds 2018 £
Auditors' remuneration	18,500	-	-	18,500	21,525
Committee expenses	14,046	-	-	14,046	22,892
Legal and professional fees	23,642	-	-	23,642	22,691
Annual report	1,621	-	-	1,621	2,969
	<u>57,809</u>	<u>-</u>	<u>-</u>	<u>57,809</u>	<u>70,077</u>

Included within legal and professional costs are amounts of £5,572 (2018 - £4,539) 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 2019**

**9. ADMINISTRATION AND SUPPORT COSTS**

	Cost of generating funds £	Supplies £	Management and delivery of charity's purposes £	Total 2019 £	2018 £
Staff costs	155,671	-	467,012	622,683	635,211
Staff training	931	-	2,792	3,723	1,014
Outsourcing management fee	-	49,352	-	49,352	48,658
Travelling	12,968	-	38,906	51,874	52,968
Development	4,074	-	12,222	16,296	37,095
Training courses	12,045	-	36,134	48,179	62,355
Office services	7,009	-	21,028	28,037	27,667
Insurance	31,931	-	95,792	127,723	129,224
Printing and stationery	3,533	-	10,599	14,132	17,225
IT expenses	10,493	-	31,480	41,973	38,384
Postage and carriage	2,619	35,342	7,856	45,817	35,819
Repairs and maintenance	2,136	-	6,407	8,543	6,032
Leasing	6,968	-	20,905	27,873	26,337
Amortisation	66	-	199	265	265
Communications	14,480	-	43,440	57,920	66,484
Sundries	2,139	-	6,416	8,555	10,967
Irrecoverable VAT	11,556	-	34,667	46,223	45,913
Bank charges	4,011	-	12,033	16,044	24,112
Subscription to Global Fellowship	-	-	3,000	3,000	5,490
Online Brigade Manager	14,365	-	43,100	57,465	67,260
Pension scheme costs	-	-	38,153	38,153	49,933
Governance costs	23,991	-	33,818	57,809	70,077
Direct expenditure attributable to Designated Funds	-	-	59,040	59,040	56,286
	<u>320,986</u>	<u>84,694</u>	<u>1,024,999</u>	<u>1,430,679</u>	<u>1,514,776</u>

Included above are support costs of:-

Staff costs	-	-	113,041	113,041	110,160
Other costs	-	-	4,951	4,951	4,667
Governance costs	23,991	-	33,818	57,809	70,077
	<u>23,991</u>	<u>-</u>	<u>151,810</u>	<u>175,801</u>	<u>184,904</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 2019

### 10. NET INCOMING RESOURCES/ (RESOURCES EXPENDED)

This is stated after charging:

	2019 £	2018 £
Operating lease expense	87,325	90,366
Amortisation charged	265	265
Depreciation of tangible fixed assets:		
- owned by the charity	4,548	4,548
Auditors' remuneration – audit services	9,500	9,500
Auditors' remuneration – other services	14,572	16,565
Trustee and officer indemnity insurance	6,608	3,438

During the year, no Trustees received any remuneration (2018 - £NIL).

During the year, no Trustees received any benefits in kind (2018 - £NIL).

13 Trustees received reimbursement of expenses amounting to £3,019 in the current year, (2018 - 12 Trustees - £5,248).

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

### 11. STAFF COSTS

Staff costs were as follows:

	2019 £	2018 £
Wages and salaries	919,153	939,491
Social security costs	67,769	68,497
Defined contribution pension costs	24,553	17,045
Defined benefit pension operating costs	17,000	18,000
	<u>1,028,475</u>	<u>1,043,033</u>

The average monthly number of employees was: 55 (2018: 53) and the average monthly number of employees during the year expressed as full time equivalents was as follows (including casual and part-time staff):

	2019 No.	2018 No.
Full time	39	41
Part time	16	12
	<u>55</u>	<u>53</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 £302,153 (2018 - £292,866).

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

**12. INTANGIBLE FIXED ASSETS**

	<b>Access Rights to Felden Lodge £</b>	<b>Copyrights £</b>	<b>Total £</b>
<b>Cost</b>			
At 1 April 2018 and 31 March 2019	33,047	1	33,048
<b>Amortisation</b>			
At 1 April 2018	2,908	-	2,908
Charge for the year	265	-	265
At 31 March 2019	3,173	-	3,173
<b>Net book value</b>			
At 31 March 2019	29,874	1	29,875
At 31 March 2018	30,139	1	30,140

**13. TANGIBLE FIXED ASSETS**

	<b>Freehold property £</b>	<b>Fixtures &amp; fittings £</b>	<b>Total £</b>
<b>Cost</b>			
At 1 April 2018 and 31 March 2019	3,588,232	257,133	3,845,365
<b>Depreciation</b>			
At 1 April 2018	21,044	251,241	272,285
Charge for the year	-	4,548	4,548
At 31 March 2019	21,044	255,789	276,833
<b>Net book value</b>			
At 31 March 2019	3,567,188	1,344	3,568,532
At 31 March 2018	3,567,188	5,892	3,573,080

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**NOTES TO THE FINANCIAL STATEMENTS  
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**14. FIXED ASSET INVESTMENTS**

**Investment portfolio:-**

	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Endowment Funds £</b>	<b>Total 2019 £</b>
1 April 2018	543,627	115,315	36,730	695,672
Additions	99,824	456	-	100,280
Disposals	(201,833)	(37,849)	(86)	(239,768)
Net realised and unrealised gains/(losses)	18,755	261	350	19,366
31 March 2019	<u>460,373</u>	<u>78,183</u>	<u>36,994</u>	<u>575,550</u>

The fair value of listed investments is determined by reference to the quoted price at 31 March 2019.

The fair value of investments comprise Equities £565,060 (2018 - £674,923) and cash held within the portfolio of £10,490 (2018 - £20,749). The original cost of investments excluding cash is £458,819 (2018 - £537,021).

**15. STOCKS**

	<b>2019 £</b>	<b>2018 £</b>
Consumables	7,940	9,219
Supplies for resale	144,283	203,230
	<u>152,223</u>	<u>212,449</u>

Stock movement at cost recognised in the Statement of Financial Activities was £298,473 (2018 - £308,466).

**16. DEBTORS**

	<b>2019 £</b>	<b>2018 £</b>
Trade debtors	71,118	31,473
Loans	11,184	14,580
Other Debtors	1,657	-
Prepayments and accrued income	132,549	163,275
	<u>216,508</u>	<u>209,328</u>

Loans include £7,584 (2018 - £10,980) due after one year.

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FOR THE YEAR ENDED 31 MARCH 2019**

**17. CREDITORS:**

**Amounts falling due within one year**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Other loans	5,000	7,000
Payments received on account	9,645	14,178
Trade creditors	132,544	154,829
Other taxation and social security	45,924	37,161
Other creditors	42,164	62,831
Accruals and deferred income	59,290	66,855
	<u>294,567</u>	<u>342,854</u>

**18. ACCRUALS AND DEFERRED INCOME**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Annual capitation contributions received in advance	<u>349,566</u>	<u>364,961</u>

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

**19. STATEMENT OF FUNDS – CURRENT YEAR**

	<b>Brought Forward £</b>	<b>Incoming resources £</b>	<b>Resources expended £</b>	<b>Transfers in/out £</b>	<b>Gains/(losses) £</b>	<b>Carried forward £</b>
<b>Designated funds</b>						
Freehold Property Fund	3,567,189	-	-	-	-	3,567,189
David White Memorial Fund	737	-	-	-	-	737
Jubilee Fund	1,220	-	-	-	-	1,220
Lockett Fidler KGV1 Fund	1,991	-	-	-	-	1,991
Development Fund	50,732	-	-	(30,000)	-	20,732
Building Fund	30,467	13,000	(24,153)	(6,444)	-	12,870
Unite Christian Festival England	14,556	20,132	(17,895)	-	-	16,793
Carronvale Appeal	4,866	10,229	(12,660)	3,626	-	6,061
Children and Youthwork Fund	47,025	-	(4,332)	23,000	-	65,693
	<b>3,718,783</b>	<b>43,361</b>	<b>(59,040)</b>	<b>(9,818)</b>	<b>-</b>	<b>3,693,286</b>
<b>General funds</b>						
General Fund	376,781	2,230,580	(2,354,463)	7,000	18,755	278,653
Pension reserve	-	44,000	-	-	(44,000)	-
	<b>376,781</b>	<b>2,274,580</b>	<b>(2,354,463)</b>	<b>7,000</b>	<b>(25,245)</b>	<b>278,653</b>
<b>Total Unrestricted funds</b>	<b>4,095,564</b>	<b>2,317,941</b>	<b>(2,413,503)</b>	<b>(2,818)</b>	<b>(25,245)</b>	<b>3,971,939</b>

Designated funds 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.

Development Fund - For Brigade development.

Building Fund - For property maintenance.

Unite Christian Festival 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.

	<b>Brought Forward £</b>	<b>Incoming resources £</b>	<b>Resources expended £</b>	<b>Transfers in/out £</b>	<b>Gains/(losses) £</b>	<b>Carried forward £</b>
<b>Endowment funds</b>						
Cave Allan Legacy	36,493	1,544	(1,434)	-	350	36,953

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 equally between the London District and the Boys' Brigade.

Included within funds brought forward is accumulated unexpended investment income to be expended in future periods.

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

### 19. STATEMENT OF FUNDS – CURRENT YEAR (continued)

	Brought Forward £	Incoming resources £	Resources expended £	Transfers in/out £	Gains/(losses) £	Carried forward £
<b>Restricted funds</b>						
National Training Appeal	5,664	-	(1,750)	-	-	3,914
John Burke Fund	45,775	1,263	(505)	-	179	46,712
Edith Blanche Bevis Fund	4,631	-	-	-	-	4,631
Friends of Carronvale	555	1,434	(4,807)	2,818	-	-
Friends of Felden	3,450	732	(2,289)	-	-	1,893
8th Grimsby Funds	38,139	1,060	(981)	-	175	38,393
Youthlink Support	5,148	-	-	-	-	5,148
Make a Difference	5,152	-	-	(5,152)	-	-
Overseas work	2,070	185	-	-	-	2,255
Stirling Battalion and Gannochy Trust - Mid Scottish Development	3,381	15,500	(23,372)	15,185	-	10,694
Bloemfontein Road	4,769	123	(9,951)	5,152	(93)	-
Roy Inglis Legacy	25,000	2,000	-	(10,000)	-	17,000
Patrons Fund	2,500	-	-	-	-	2,500
Robert Fernan Smith Legacy	35,657	-	(20,366)	-	-	15,291
Cashback - Young People Take the Lead	23,539	-	-	-	-	23,539
Youthlink NVYO Support Fund	8,637	-	(3,452)	(5,185)	-	-
Youth Scotland Generation CashBack	28,120	52,625	(63,621)	-	-	17,124
Youth United Stronger Foundations	-	141,582	(42,702)	-	-	98,880
Events England Region	-	10,000	-	-	-	10,000
Youthlink NVYO Support 18- 19	-	29,000	(17,733)	-	-	11,267
HLF YOYP Big Roadshow Grant	-	3,900	(1,432)	-	-	2,468
Church of Scotland – Guild Project	-	14,306	-	-	-	14,306
Youth United Reach	-	91,913	(57,817)	-	-	34,096
	<u>242,187</u>	<u>365,623</u>	<u>(250,778)</u>	<u>2,818</u>	<u>261</u>	<u>360,111</u>
<b>Total funds</b>	<u>4,374,244</u>	<u>2,685,108</u>	<u>(2,665,715)</u>	<u>-</u>	<u>(24,634)</u>	<u>4,369,003</u>

**THE BOYS' BRIGADE**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

**19. STATEMENT OF FUNDS – PRIOR YEAR (continued)**

	<b>As restated Brought Forward £</b>	<b>Incoming resources £</b>	<b>Resources expended £</b>	<b>Transfers in/out £</b>	<b>Gains/(losses) £</b>	<b>Carried forward £</b>
<b>Designated funds</b>						
Freehold Property Fund	3,567,189	-	-	-	-	3,567,189
David White Memorial Fund	1,787	-	(1,000)	-	-	737
Jubilee Fund	1,220	-	-	-	-	1,220
Lockett Fidler KGV1 Fund	1,991	-	-	-	-	1,991
Development Fund	61,436	-	(9,302)	(1,402)	-	50,732
Building Fund	36,844	-	-	(6,377)	-	30,467
Unite Christian Festival						
England	13,716	12,141	(11,301)	-	-	14,556
Carronvale Appeal	9,433	14,641	(29,208)	10,000	-	4,866
Children and Youthwork Fund	32,500	-	(5,475)	20,000	-	47,025
	<u>3,726,066</u>	<u>26,782</u>	<u>(56,286)</u>	<u>22,221</u>	<u>-</u>	<u>3,718,783</u>
<b>General funds</b>						
General Fund	563,994	2,270,883	(2,443,675)	(7,221)	(7,197)	376,784
Pension reserve	-	42,000	-	-	(42,000)	-
	<u>563,994</u>	<u>2,312,883</u>	<u>(2,443,675)</u>	<u>(7,221)</u>	<u>(49,197)</u>	<u>376,784</u>
<b>Total Unrestricted funds</b>	<u>4,290,060</u>	<u>2,339,665</u>	<u>(2,499,961)</u>	<u>15,000</u>	<u>(49,197)</u>	<u>4,095,567</u>
	<b>Brought Forward £</b>	<b>Incoming resources £</b>	<b>Resources expended £</b>	<b>Transfers in/out £</b>	<b>Gains/(losses) £</b>	<b>Carried forward £</b>
<b>Endowment funds</b>						
Cave Allan Legacy	<u>37,257</u>	<u>629</u>	<u>(1,572)</u>	<u>-</u>	<u>179</u>	<u>36,493</u>



# THE BOYS' BRIGADE

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

### 19. STATEMENT OF FUNDS – PRIOR YEAR (continued)

	As restated Brought Forward £	Incoming resources £	Resources expended £	Transfers in/out £	Gains/(losses) £	Carried forward £
<b>Restricted funds</b>						
National Training Appeal	5,664	-	-	-	-	5,664
John Burke Fund	43,715	1,327	(1,037)	-	1,770	45,775
Edith Blanche Bevis Fund	4,631	-	-	-	-	4,631
Friends of Carronvale	2,459	2,167	(4,071)	-	-	555
Friends of Felden	3,615	800	(965)	-	-	3,450
8th Grimsby Funds	36,342	1,142	(951)	-	1,606	38,139
Youthlink Support	5,167	-	(19)	-	-	5,148
Make a Difference	5,152	-	-	-	-	5,152
Overseas work	1,922	248	(100)	-	-	2,070
Stirling Battalion and Gannochy Trust - Mid Scottish Development	11,045	13,000	(30,664)	10,000	-	3,381
Bloemfontein Road	40,020	1,283	(36,768)	-	234	4,769
Youthlink Lanarkshire	1,155	5,000	(18,540)	12,385	-	-
Roy Inglis Legacy	30,000	15,000	-	(20,000)	-	25,000
Patrons Fund	2,500	-	-	-	-	2,500
Rural Challenge North Wales	31,629	-	(31,629)	-	-	-
Robert Fernan Smith Legacy	31,990	-	(4,336)	8,000	-	35,654
Cashback - Young People Take the Lead	31,962	11,250	(2,288)	(17,385)	-	23,539
Youthlink NVYO Support Fund	-	20,700	(4,063)	(8,000)	-	8,637
Youthlink Scotland Generation CashBack	-	77,181	(49,061)	-	-	28,120
	<u>288,968</u>	<u>149,098</u>	<u>(184,492)</u>	<u>(15,000)</u>	<u>3,610</u>	<u>242,184</u>
<b>Total Funds</b>	<u>4,616,285</u>	<u>2,489,392</u>	<u>(2,686,025)</u>	<u>-</u>	<u>(45,408)</u>	<u>4,374,244</u>

# THE BOYS' BRIGADE

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

### 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:

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.  
 Friends of Carronvale - To be applied towards Carronvale House.  
 Friends of Felden - To be applied towards Felden Lodge.  
 8th Grimsby Funds - For Anglican companies in formation.  
 Youthlink Support Fund - For IT training and progressive programme of education and sporting activities in Scotland.  
 Make a Difference - For the development of the Brigade.  
 Overseas Work - For overseas work.  
 Stirling Battalion and Gannochy Trust - Mid Scottish Development - Development worker for mid Scottish region.  
 Bloemfontein Road / 23rd Hammersmith - for development work within the area of Bloemfontein Road, London.  
 Youthlink Lanarkshire Development worker for Lanarkshire region.  
 Youthlink Cashback - To support local youth groups within Scotland.  
 Roy Inglis Legacy - Development work in Scotland.  
 Patrons Fund - Young people events.  
 Rural Challenge North Wales - Development worker in North Wales.  
 Robert Fernan Smith Legacy - residual legacy to be used in Scotland.  
 Young People Take The Lead - Scottish development worker and support to companies.  
 Youthlink NVYO Support Fund - Support for the young leaders network in Scotland.  
 Youth Scotland Generation CashBack - Offering a programme of engaging activities to young people in deprived communities.  
 Youth United Stronger Foundations - to enhance the infrastructure of the Brigade.  
 Events England Region - For events in England.  
 HLF YOYP Big Roadshow Grant - To involve young people design, delivery and evaluation of heritage, sports and community activities.  
 Youth United Reach - Support work in designated areas and those with specific needs.  
 Church of Scotland Guild Project - Small grant scheme for Boys Brigade companies in Scotland.

### SUMMARY OF FUNDS - CURRENT YEAR

	Brought Forward £	Incoming resources £	Resources expended £	Transfers in/out £	Gains/(losses) £	Carried forward £
Designated funds	3,718,783	43,361	(59,040)	(9,818)	-	3,693,286
General funds	376,781	2,274,580	(2,354,463)	7,000	(25,245)	278,653
	<u>4,095,564</u>	<u>2,317,941</u>	<u>(2,413,503)</u>	<u>(2,818)</u>	<u>(25,245)</u>	<u>3,971,939</u>
Endowment funds	36,493	1,544	(1,434)	-	350	36,953
Restricted funds	242,187	365,623	(250,778)	2,818	261	360,111
	<u>4,374,244</u>	<u>2,685,108</u>	<u>(2,665,715)</u>	<u>-</u>	<u>(24,634)</u>	<u>4,369,003</u>

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

**19. STATEMENT OF FUNDS – PRIOR YEAR (continued)**

	As restated Brought Forward £	Incoming resources £	Resources expended £	Transfers in/out £	Gains/(losses) £	Carried forward £
Designated funds	3,726,066	26,782	(56,286)	22,221	-	3,718,783
General funds	563,994	2,312,883	(2,443,675)	(7,221)	(49,197)	376,784
	<u>4,290,060</u>	<u>2,339,665</u>	<u>(2,499,961)</u>	<u>15,000</u>	<u>(49,197)</u>	<u>4,095,567</u>
Endowment funds	37,257	629	(1,572)	-	179	36,493
Restricted funds	288,968	149,098	(184,492)	(15,000)	3,610	242,184
	<u>4,616,285</u>	<u>2,489,392</u>	<u>(2,686,025)</u>	<u>-</u>	<u>(45,408)</u>	<u>4,374,244</u>

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

**20. FINANCIAL INSTRUMENTS**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Financial assets</b>		
Financial assets that are debt instruments measured at amortised cost	554,406	407,443
Financial assets that are measured at fair value	<u>575,550</u>	<u>695,672</u>
	<u><u>1,129,956</u></u>	<u><u>1,103,115</u></u>
Financial assets that are debt instruments comprise cash, trade debtors, loans and other debtors.		

**Financial liabilities**

Financial liabilities measured at amortised cost	<u>137,544</u>	<u>161,829</u>
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Financial liabilities comprise trade creditors and other loans.

**21. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

**ANALYSIS OF NET ASSETS BETWEEN FUNDS – CURRENT YEAR**

	<b>Unrestricted funds 2019 £</b>	<b>Restricted funds 2019 £</b>	<b>Endowment funds 2019 £</b>	<b>Total funds 2019 £</b>	<b>Total funds 2018 £</b>
Tangible fixed assets	3,568,532	-	-	3,568,532	3,573,080
Intangible fixed assets	29,875	-	-	29,875	30,140
Fixed asset investments	460,411	78,186	36,953	575,550	695,672
Current assets	557,254	281,925	-	839,179	783,167
Creditors due within one year	(294,567)	-	-	(294,567)	(342,854)
Deferred income	(349,566)	-	-	(349,566)	(364,961)
	<u>3,971,939</u>	<u>360,111</u>	<u>36,953</u>	<u>4,369,003</u>	<u>4,374,244</u>

**ANALYSIS OF NET ASSETS BETWEEN FUNDS – PRIOR YEAR**

	<b>Unrestricted funds 2018 £</b>	<b>Restricted funds 2018 £</b>	<b>Endowment funds 2018 £</b>	<b>Total funds 2018 £</b>	<b>Total funds 2017 £</b>
Tangible fixed assets	3,573,080	-	-	3,573,080	3,577,627
Intangible fixed assets	30,140	-	-	30,140	30,406
Fixed asset investments	543,862	115,317	36,493	695,672	702,899
Current assets	656,300	126,867	-	783,167	1,028,250
Creditors due within one year	(342,854)	-	-	(342,854)	(356,607)
Deferred income	(364,961)	-	-	(364,961)	(366,290)
	<u>4,095,567</u>	<u>242,184</u>	<u>36,493</u>	<u>4,374,244</u>	<u>4,616,285</u>

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

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

	2019 £	2018 £
Net (expenditure)/income for the year (as per Statement of Financial Activities)	38,759	(200,041)
Adjustment for:		
Depreciation charges	4,812	4,812
(Gains)/losses on investments	(19,366)	(12,504)
Dividends, interest and rents from investments	(21,684)	(23,516)
Adjustment in respect of defined benefit pension scheme	(44,000)	(42,000)
(Increase)/decrease in stocks	60,220	(25,844)
Decrease/(increase) in debtors	(7,179)	11,874
Increase/(decrease) in creditors	(63,683)	(15,084)
<b>Net cash (used in)/provided by operating activities</b>	<b>(52,121)</b>	<b>(302,303)</b>

### 23. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2019 £	2018 £
Cash at bank and in hand	470,447	361,390

### 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 £24,553 (2018 - £17,045).

The Brigade also operates a defined benefit pension scheme which 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 available full actuarial valuation was as of 1 June 2015 with the next valuation date being 1 June 2018.

The amounts recognised in the Balance sheet are as follows:

	2019 £	2018 £
Fair value of scheme assets	6,833,000	6,679,000
Present value of funded obligations	(5,677,000)	(5,899,000)
<b>Surplus not recognised</b>	<b>1,156,000</b>	<b>780,000</b>

The fair value of scheme assets above has been reduced by the surplus of £1,156,000 (2018- £780,000) 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.

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

### 24. PENSION COMMITMENTS (continued)

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

	2019 £	2018 £
Current service cost	(17,000)	(18,000)
Interest on obligation	(150,000)	(148,000)
Interest on assets	171,000	168,000
Expenses paid by fund	-	-
	<u>4,000</u>	<u>2,000</u>
Actuarial gains/(losses)	<u>(44,000)</u>	<u>(42,000)</u>

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

	2019 £	2018 £
Opening defined benefit obligation	5,899,000	6,006,000
Current service cost	17,000	18,000
Employee contributions	5,000	5,000
Interest cost	150,000	148,000
Actuarial Losses/(gains)	(122,000)	(53,000)
Benefits paid	(272,000)	(225,000)
Closing defined benefit obligation	<u>5,677,000</u>	<u>5,899,000</u>

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

	2019 £	2018 £
Opening fair value of scheme assets	5,899,000	6,006,000
Interest on assets	171,000	168,000
Actuarial gains and (losses)	(166,000)	(95,000)
Contributions by employer	40,000	40,000
Employee contributions	5,000	5,000
Benefits paid	(272,000)	(225,000)
Expenses paid by scheme	-	-
	<u>5,677,000</u>	<u>5,899,000</u>

The Brigade expects to contribute £5,000 to the defined benefit pension scheme in 2019.

A High Court ruling in October 2018 held that relevant defined benefit pension schemes with Guaranteed Minimum Pensions ("GMP") accruals between certain dates must equalise for the different effect of these GMP's between men and women. This is likely to result in an additional scheme funding requirement. The methodology to determine the amount of the obligation has not yet been agreed between the Brigade and Scheme Trustees and it is therefore not possible at this stage to quantify the amount of the obligation.

# THE BOYS' BRIGADE

(A company limited by guarantee)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

### 24. PENSION COMMITMENTS (continued)

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

	2019 £	2018 £
Equities	56.4%	58.5%
Bonds	32.8%	33.8%
Cash	6.7%	0.5%
Annuities	4.1%	7.2%

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

	2019 £	2018 £
Discount rate at 31 March	2.35%	2.60%
Future salary increases	3.00%	3.00%
Future pension increases	3.10%	3.00%
Retail price inflation	3.10%	3.00%

Mortality assumptions used for current pensioners at age 65 were 21.3 years for men and 23.3 years for women. Assumptions for future pensioners at age of 65 were 22.4 years for men and 24.5 years for women.

### 25. OPERATING LEASE COMMITMENTS

At 31 March 2019 the Brigade had future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
<b>Amounts payable:</b>		
Within one year	79,512	87,325
Between 1 and 5 years	121,243	200,763
	<u>200,755</u>	<u>288,088</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 £5,000 (2018 - £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 £11,184 to the Brigade, which was the balance outstanding on the loan made to the Battalion in 2015 (2018 - £14,580). 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, 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 had no direct interest in the income and expenditure of the charity but retains a residual beneficial interest in the premises in the event that the 17<sup>th</sup> Nottingham Boys Brigade company based at the premises ceased to exist. These accounts do not include any financial transactions or assets of the charitable undertaking, but remains custodian trustee of the property and investments deriving from the original trust assets with continuing beneficial interest as before. From 1 December 2018 the charitable undertaking was transferred to a CIO at which point the Brigade ceased to be a trustee. The Brigade retains an interest in the property subsequent to the formation of the CIO.