

THE BOYS' BRIGADE

(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017



Whiting & Partners

Chartered Accountants & Business Advisers

THE BOYS' BRIGADE
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REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEE AND ADVISERS FOR THE YEAR ENDED 31 MARCH 2017

Trustees and members of the Brigade Executive

President	The Reverend Dr The Lord Griffiths of Burry Port
Vice Presidents	A S Burrow T W P Donaldson (resigned 31 August 2016) D J Aubrey (appointed 1 September 2016) D S Blevins (appointed 1 September 2016)
Treasurer	C Bygrave FCA ATII TEP
Chaplain	The Very Reverend A R C McLellan (resigned 31 August 2016) Reverend M A Barry (appointed 1 September 2016)
Other Trustees	R L Buttimer M Elliott Reverend T McCormick S H Mackey L A Maydew (resigned 31 August 2016) C C Smith D H Sneddon L Stein R J H Thornberry (resigned 15 October 2016) A R Currie L S Hiorns S J Rankin A Green D J Love R M Knowles P M Haggan (appointed 1 September 2016) N Clingan (appointed 15 October 2016)
Company registered number	145122
Charity registered numbers	305969 and SC038016
Registered office	Felden Lodge Hemel Hempstead Hertfordshire HP3 0BL
Brigade Secretary	W Stevenson (Chief Executive Officer)

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEE AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2017**

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

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BRIGADE EXECUTIVE'S ANNUAL REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2017

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 2017. 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 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.

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BRIGADE EXECUTIVE'S ANNUAL REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2017

• 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 £3,316,315 at 31st March 2017 (2016 - £2,891,705). 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 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.

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BRIGADE EXECUTIVE'S ANNUAL REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2017

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. Over the past year we have continued to try and grow the organisation and have recorded a number of notable successes. We are now starting to come to the end of our current five year development plan which has a focus on Growth, Quality and Voice.

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BRIGADE EXECUTIVE'S ANNUAL REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2017

The Brigade's primary focus is still on promoting our Object of advancing Christ's Kingdom. We aim 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 strength and witness of the Brigade is in partnering churches to provide weekly activities attended by around 45,000 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. We want to partner Churches of different denominations and continue to strive to improve the Christian teaching in our groups.

This year our work on achieving greater Growth was supported by an innovative campaign called "One for All". All sections were challenged to gain at least one new member and a number of new resources including videos and social media tools were provided to raise awareness of our programmes. Many companies have reported a substantial increase in numbers as a result of these efforts. However, we are also conscious that many groups still have space for new members and the reducing numbers in some groups is a cause for concern. A successful development conference for full time staff was held in November and some of the outcomes from that gathering will be used to plan future campaigns.

As part of our plan to improve the quality of our work programme, groups have been continuing to review our programmes for both Under 11 and Over 11 members. Further specialised training has been held for company captains and we have been encouraging companies to hold more residential events. Over the year, we also celebrated more than 60 years involvement with the Duke of Edinburgh Award Scheme. The Brigade was involved in the initial pilot for the Award and it is still a key component of our work with senior members. Our new database package OBM is now live and is being used by companies to record membership details and awards. It is also used as a management tool at HQ level and has allowed us access to increased statistical data.

Our Voice campaign has helped us to increase the profile of the BB in so many different ways. We were delighted to launch an All Party Parliamentary Group at Westminster. The initial meeting was well supported by members of both the House of Commons and the Lords and we were delighted to have support from so many different political parties. Over the course of the year we have also engaged with parliamentarians in the devolved parliaments / assemblies. In this session we also promoted a number of special workshops relating to Mental Health in Young People. These were particularly well supported and it was good to see the Brigade highlighting this important work.

Our young people spend considerable time and effort gaining awards during their time in the Brigade. The Queen's Badge is our premier award and we are pleased to see another increase in the number of young people gaining this award in the Brigade. It requires particular stamina to gain these awards and we calculate that these young people have volunteered for over 50,000 hours both at company level and in their own communities. Our Make A Difference Awards mark exceptional volunteering by some individuals and we were delighted that Chris Evans interviewed this year's winners live on Radio 2.

We continue to be successful in securing funding from many other trusts and organisations. Once again we received 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. Funding from Youth United has also enabled us to support many different projects across the Brigade.

Bill Stevenson was appointed as Brigade Secretary on a permanent basis in October 2016. Natalie Whipday was also appointed in a new post as Director for England and Wales. In January 2017 John Sharp was recruited as the new Director for Scotland. A new England and Wales Office and staff team has been established and now provides frontline support to these Regions. The Brigade is served by a dedicated staff team and we would like to take this opportunity to thank them for all their work over the past year.

Thanks too are again due to the vast number 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. The Brigade is also most grateful to our many other supporters who generously support our work in so many different ways.

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BRIGADE EXECUTIVE'S ANNUAL REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2017

- **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.

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 £(224,984) (2016 - £(356,294)), this included the net operating (deficit)/surplus for the year disclosed in the Unrestricted Funds, which amounted to £4,793 (2016 - £65,036). The Brigade in total reports a (deficit)/surplus after all movements of £(247,984) (2016 - £(405,294)) 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.

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BRIGADE EXECUTIVE'S ANNUAL REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2017

- **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, that they did not employ external fundraisers during the year.

- **Plans for the future**

The Brigade continues to plan for future growth and is working on plans to increase retention of members. Over the course of 2017 we will be celebrating the 100th Anniversary of the Boy Life Reserves the forerunner of the current Junior Section. We are still looking to establish new groups in many areas but also realise the importance of supporting and growing the numbers in some of our existing groups.

Work is still ongoing to improve various aspects of our governance and we are aiming to supply companies wishing to register as charities with a model constitution. New training and programme ideas are always being sought. We are also looking to generate additional funding from ex members and other sources.

- **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 2017, the actuary calculated that there was a funding surplus of £787,000 (2016 - £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 amounted to £39,750 (2016 - £69,000) in respect of this shortfall.

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

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**BRIGADE EXECUTIVE'S ANNUAL REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2017**

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 10th June 2017 and signed on their behalf by:



W C F Stevenson
Company Secretary

THE BOYS' BRIGADE

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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 2017 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 2017 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.

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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 2017

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STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 MARCH 2017

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Endowment funds 2017 £	Total funds 2017 £	Total funds 2016 £
Income and endowments from:						
Donations and legacies	4	118,835	39,248	-	158,083	81,643
Training centres		654,957	-	-	654,957	594,788
Investments	6	31,282	3,622	1,097	36,001	42,109
Charitable activities:						
Annual capitation contributions		968,631	-	-	968,631	977,787
Supplies sales	3	576,341	-	-	576,341	591,246
Grants receivable	5	62,500	173,641	-	236,141	711,677
Annual festival		6,551	-	-	6,551	14,408
Total income and endowments		2,419,097	216,511	1,097	2,636,705	3,013,658
Expenditure on:						
Raising funds:						
Cost of raising funds	9	362,372	-	-	362,372	250,324
Training centres (non Brigade use)		446,527	-	-	446,527	379,479
Investment management		3,705	1,461	428	5,594	5,203
Charitable activities:						
Supplies - Cost of sales	3	348,425	-	-	348,425	351,857
Supplies - Administration	9	79,374	-	-	79,374	81,272
Grants payable	7	105,874	68,323	-	174,197	379,055
Training centres (Brigade use)		133,383	-	-	133,383	106,469
Management and delivery of activities	9	1,012,180	397,602	188	1,409,970	1,781,868
Total expenditure		2,491,840	467,386	616	2,959,842	3,335,527
Net income / (expenditure) before investment gains/(losses)		(72,743)	(250,875)	481	(323,137)	(321,869)
Net gains/(losses) on investments	14	77,536	16,853	3,764	98,153	(34,425)
Net income / (expenditure) before transfers		4,793	(234,022)	4,245	(224,984)	(356,294)
Transfers between Funds	19	23,043	(23,043)	-	-	-
Net income / (expenditure) before other gains and losses		27,836	(257,065)	4,245	(224,984)	(356,294)
Actuarial losses on defined benefit pension scheme	24	(23,000)	-	-	(23,000)	(49,000)
Net movement in funds		4,836	(257,065)	4,245	(247,984)	(405,294)
Reconciliation of funds:						
Total funds at 1 April 2016		4,285,226	546,033	33,012	4,864,271	5,269,565
Total funds at 31 March 2017	19	4,290,062	288,968	37,257	4,616,287	4,864,271

All activities relate to continuing operations.

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

THE BOYS' BRIGADE
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REGISTERED NUMBER: 145122

BALANCE SHEET
AS AT 31 MARCH 2017

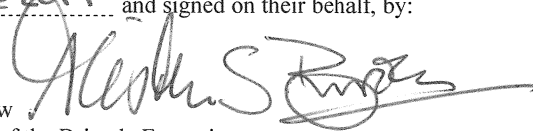
			2017	2016
	Note	£	£	£
Fixed assets				
Intangible assets	12		30,405	30,669
Tangible assets	13		3,577,628	3,582,175
Investments	14		702,900	623,283
			<u>4,310,933</u>	<u>4,236,127</u>
Current assets				
Stocks	15	186,606		264,314
Debtors	16	221,202		222,361
Cash at bank and in hand		620,443		858,783
			<u>1,028,251</u>	<u>1,345,458</u>
Creditors: amounts falling due within one year	17	(356,607)		(321,565)
Net current assets			<u>671,644</u>	<u>1,023,893</u>
Total assets less current liabilities			<u>4,982,577</u>	<u>5,260,020</u>
Deferred income	18	(366,290)		(395,749)
Net assets			<u><u>4,616,287</u></u>	<u><u>4,864,271</u></u>
Charity Funds				
Endowment funds	19		37,257	33,012
Restricted funds	19		288,968	546,033
Unrestricted funds	19		4,290,062	4,285,226
Total funds			<u><u>4,616,287</u></u>	<u><u>4,864,271</u></u>

The financial statements were approved by the Trustees on 10th June 2017 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 2017**

		2017	2016
	Note	£	£
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	22	<u>(278,876)</u>	<u>(398,194)</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		22,000	22,109
Proceeds from sale of investments		84,520	66,095
Purchase of investments		(65,984)	(64,022)
Net cash provided by/(used in) investing activities		<u>40,536</u>	<u>24,182</u>
Change in cash and cash equivalents in the year		(238,340)	(374,012)
Cash and cash equivalents brought forward		858,783	1,232,795
Cash and cash equivalents carried forward	23	<u><u>620,443</u></u>	<u><u>858,783</u></u>

THE BOYS' BRIGADE

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

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 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 2016 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 2017

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 2017

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.

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. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

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 2017

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 annual reports made by the scheme actuary.

1.18 Concessionary loans

Concessionary loans include those payable and receivable to 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

1.19 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 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 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 2017**

2. INCOMING AND OUTGOING RESOURCES ON UNRESTRICTED FUNDS

	2017	2016
	£	£
Incoming resources		
Donations and legacies	118,835	73,661
Training centres and other rental income	654,957	594,788
Investment income	31,282	37,740
Annual capitation contributions	968,631	977,787
Supplies sales	576,341	591,246
Grants	62,500	114,474
Annual festival	6,551	14,408
Total incoming resources	<u>2,419,097</u>	<u>2,404,104</u>
Resources expended		
Cost of raising funds	362,372	250,324
Training centres (non Brigade use)	446,527	379,479
Investment management fees	3,705	3,371
Supplies - cost of sales	348,425	351,857
Supplies - administration	79,374	81,272
Grants to Battalions and Districts	105,874	104,666
Training centres (Brigade use)	133,383	106,469
Management and delivery of the charity's purposes	1,012,180	1,032,159
Total resources expended	<u>2,491,840</u>	<u>2,309,597</u>
Net income/(expenditure) before investment gains	(72,743)	94,507
Investment gains/(losses)	<u>77,536</u>	<u>(29,471)</u>
	4,793	65,036
Transfers from other funds	<u>23,043</u>	<u>13,075</u>
	27,836	78,111
Actuarial losses on defined benefit pension scheme	(23,000)	(49,000)
Net movement in funds for year	<u><u>4,836</u></u>	<u><u>29,111</u></u>

THE BOYS' BRIGADE

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

3. SUPPLIES

	2017	2016
	£	£
Sales	576,341	591,246
Cost of sale	(348,425)	(351,857)
	<u>227,916</u>	<u>239,389</u>
Administration	(79,374)	(81,272)
Net surplus	<u>148,542</u>	<u>158,117</u>

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

4. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted funds 2017 £	Restricted funds 2017 £	Endowment funds 2017 £	Total funds 2017 £	Total funds 2016 £
Donations	65,616	9,248	-	74,864	50,593
Legacies	53,219	30,000	-	83,219	31,050
	<u>118,835</u>	<u>39,248</u>	<u>-</u>	<u>158,083</u>	<u>81,643</u>

THE BOYS' BRIGADE

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

5. GRANTS RECEIVABLE

	2017	2016
	£	£
General fund:-		
Children, Young People and Families Early Intervention Fund	62,500	60,000
Youth United	-	32,888
Action Fund/Challenge Fund Project management	-	7,586
	<u>62,500</u>	<u>100,474</u>
Designated funds:-		
Awards For All	-	10,000
The Scottish Football Trust	-	4,000
	<u>-</u>	<u>14,000</u>
Restricted funds:-		
Rural Development Rhosymedre and Ruabon, North Wales	19,500	-
YUF Social Action Rural Fund	-	91,885
Young Start Glasgow Development Worker	12,000	24,000
Youthlink Cashback for Communities	39,565	37,850
Stirling Battalion and Gannochy Trust	44,629	10,000
Young People Take the Lead	49,016	68,744
Youthlink - Lanarkshire Development Worker	-	22,440
YUF Social Action Grant	3,881	333,284
Youthlink Support	5,050	9,000
	<u>173,641</u>	<u>597,203</u>
	<u>236,141</u>	<u>711,677</u>

6. INVESTMENT INCOME

	Unrestricted funds 2017 £	Restricted funds 2017 £	Endowment funds 2017 £	Total funds 2017 £	Total funds 2016 £
Deposit interest	1,001	-	-	1,001	2,154
Income from investments	17,281	3,622	1,097	22,000	19,955
Pension income	13,000	-	-	13,000	20,000
	<u>31,282</u>	<u>3,622</u>	<u>1,097</u>	<u>36,001</u>	<u>42,109</u>

In 2016, of the total investment income, £37,740 was to unrestricted funds, £3,360 was to restricted funds and £1,009 was to endowment funds.

THE BOYS' BRIGADE

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

7. GRANTS PAYABLE

	Unrestricted funds 2017 £	Restricted funds 2017 £	Unrestricted Funds 2016 £	Restricted Funds 2016 £
Northern Ireland District	101,874	-	100,666	-
Republic of Ireland	4,000	-	4,000	-
Other Battalions, Districts and Companies	-	68,323	-	274,389
	<u>105,874</u>	<u>68,323</u>	<u>104,666</u>	<u>274,389</u>

8. GOVERNANCE COSTS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Endowment funds 2017 £	Total funds 2017 £	Total funds 2016 £
Auditors' remuneration	17,974	-	-	17,974	18,526
Committee expenses	27,106	-	-	27,106	26,128
Legal and professional fees	20,155	-	-	20,155	19,508
Annual report	1,740	-	-	1,740	1,218
Pension fund legal and professional fees	13,916	-	-	13,916	13,462
	<u>80,891</u>	<u>-</u>	<u>-</u>	<u>80,891</u>	<u>78,842</u>

Included within legal and professional costs are amounts of £10,875 (2016 - £7,462) 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 2017**

9. ADMINISTRATION AND SUPPORT COSTS

	Cost of generating funds £	Supplies £	Management and delivery of charity's purposes £	2017 £	As restated 2016 £
Staff costs	160,589	-	412,942	573,531	555,233
Staff training	438	-	1,126	1,564	845
Outsourcing management fee	-	51,951	-	51,951	55,140
Development officer expenses	660	-	1,697	2,357	1,017
Travelling	16,227	-	41,727	57,954	29,096
Development	13,513	-	34,748	48,261	18,359
Training courses	13,234	-	34,031	47,265	41,374
Office services	7,731	-	19,880	27,611	22,009
Insurance	36,561	-	94,013	130,574	133,919
Printing and stationery	3,926	-	10,097	14,023	14,887
IT expenses	9,927	-	25,528	35,455	47,677
Postage and carriage	3,698	27,423	9,510	40,631	38,473
Repairs and maintenance	2,662	-	6,844	9,506	6,822
Leasing	6,670	-	17,152	23,822	19,682
Depreciation	74	-	190	264	264
Communications	16,004	-	41,152	57,156	59,135
Sundries	4,886	-	12,563	17,449	17,877
Irrecoverable VAT	10,213	-	26,263	36,476	24,426
Bank charges	4,575	-	11,764	16,339	16,035
Subscription to Global Fellowship	-	-	6,635	6,635	3,500
Online Brigade Manager	18,335	-	47,146	65,481	-
Pension scheme costs	9,800	-	25,200	35,000	38,000
Governance costs	22,649	-	58,242	80,891	78,842
Direct expenditure attributable to Designated Funds	-	-	73,730	73,730	141,143
	<u>362,372</u>	<u>79,374</u>	<u>1,012,180</u>	<u>1,453,926</u>	<u>1,363,755</u>

Included above are support costs of:-

Staff costs	20,059	-	71,117	91,176	67,273
Other costs	895	-	3,175	4,070	2,667
Governance costs	17,796	-	63,095	80,891	78,842
	<u>38,750</u>	<u>-</u>	<u>137,387</u>	<u>176,137</u>	<u>148,782</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 2017****10. NET INCOMING RESOURCES/(RESOURCES EXPENDED)**

This is stated after charging:

	2017	2016
	£	£
Operating lease expense	64,340	26,101
Amortisation charged	264	264
Depreciation of tangible fixed assets:		
- owned by the charity	4,547	4,548
Auditors' remuneration – audit services	9,500	9,500
Auditors' remuneration – other services	19,349	16,488
Trustee and officer indemnity insurance	4,490	4,484
	<u>4,490</u>	<u>4,484</u>

During the year, no Trustees received any remuneration (2016 - £NIL).

During the year, no Trustees received any benefits in kind (2016 - £NIL).

16 Trustees received reimbursement of expenses amounting to £7,344 in the current year, (2016 - 14 Trustees - £4,233).

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

11. STAFF COSTS

Staff costs were as follows:

	2017	2016
	£	£
Wages and salaries	965,678	1,142,289
Social security costs	75,763	90,839
Defined contribution pension costs	14,327	8,215
Defined benefit pension operating costs	14,000	14,000
	<u>1,069,768</u>	<u>1,255,343</u>

The average monthly number of employees was: 57 (2016: 62) and the average monthly number of employees during the year expressed as full time equivalents was as follows (including casual and part-time staff):

	2017	2016
	No.	No.
Full time	40	44
Part time	17	18
	<u>57</u>	<u>62</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 £209,400 (2016 - £279,137)

THE BOYS' BRIGADE

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

12. INTANGIBLE FIXED ASSETS

	Access Rights to Felden Lodge £	Copyrights £	Total £
Cost			
At 1 April 2016 and 31 March 2017	33,047	1	33,048
Amortisation			
At 1 April 2016	2,379	-	2,379
Charge for the year	264	-	264
At 31 March 2017	2,643	-	2,643
Net book value			
At 31 March 2017	30,404	1	30,405
At 31 March 2016	30,668	1	30,669

13. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures & fittings £	Total £
Cost			
At 1 April 2016 and 31 March 2017	3,588,232	257,133	3,845,365
Amortisation			
At 1 April 2016	21,044	242,146	263,190
Charge for the year	-	4,547	4,547
At 31 March 2017	21,044	246,693	267,737
Net book value			
At 31 March 2017	3,567,188	10,440	3,577,628
At 31 March 2016	3,567,188	14,987	3,582,175

THE BOYS' BRIGADE

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

14. FIXED ASSET INVESTMENTS

Investment portfolio:-

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2017 £
1 April 2016	480,430	109,838	33,015	623,283
Additions	59,109	2,025	4,850	65,984
Disposals	(62,739)	(17,076)	(4,705)	(84,520)
Net realised and unrealised gains and losses	77,536	16,853	3,764	98,153
31 March 2017	<u>554,336</u>	<u>111,640</u>	<u>36,924</u>	<u>702,900</u>

The fair value of listed investments is determined by reference to the quoted price at 31 March 2017.

The fair value of investments comprise Equities £698,074 (2016 - £615,262) and cash held within the portfolio of £4,826 (2016 - £8,021). The original cost of investments excluding cash is £531,016 (2016 - £544,487).

15. STOCKS

	2017 £	2016 £
Consumables	8,349	7,825
Supplies for resale	178,257	256,489
	<u>186,606</u>	<u>264,314</u>

Stock movement at cost recognised in the Statement of Financial Activities was £348,425 (2016 - £351,857).

16. DEBTORS

	2017 £	2016 £
Trade debtors	49,666	62,366
Concessionary loans	23,925	27,041
Other debtors	-	13,720
Prepayments and accrued income	147,611	119,234
	<u>221,202</u>	<u>222,361</u>

Concessionary loans include £20,325 (2016 - £23,442) due after one year.

THE BOYS' BRIGADE

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

17. CREDITORS:

Amounts falling due within one year

	2017	2016
	£	£
Other loans	7,000	7,000
Payments received on account	11,620	8,210
Trade creditors	194,977	117,968
Other taxation and social security	33,546	41,781
Other creditors	54,618	33,162
Accruals and deferred income	54,846	113,444
	<u>356,607</u>	<u>321,565</u>

18. ACCRUALS AND DEFERRED INCOME

	2017	2016
	£	£
Annual capitation contributions received in advance	<u>366,290</u>	<u>395,749</u>

THE BOYS' BRIGADE

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

19. STATEMENT OF FUNDS

	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	787	1,000	(50)	-	-	1,737
Jubilee Fund	1,220	-	-	-	-	1,220
Lockett Fidler KGV1 Fund	1,991	-	-	-	-	1,991
Development Fund	61,630	3,000	-	(3,194)	-	61,436
Building Fund	69,614	-	520	(33,290)	-	36,844
Unite Christian Festivals						
England	9,773	9,145	(5,202)	-	-	13,716
Carronvale Appeal	13,171	32,759	(36,497)	-	-	9,433
Children and Youthwork Fund	65,000	-	(32,500)	-	-	32,500
	<u>3,790,375</u>	<u>45,904</u>	<u>(73,729)</u>	<u>(36,484)</u>	<u>-</u>	<u>3,726,066</u>
General funds						
General Fund	494,851	2,350,193	(2,418,111)	59,527	77,536	563,996
Pension reserve	-	23,000	-	-	(23,000)	-
	<u>494,851</u>	<u>2,373,193</u>	<u>(2,418,111)</u>	<u>59,527</u>	<u>54,536</u>	<u>563,996</u>
Total Unrestricted funds	<u>4,285,226</u>	<u>2,419,097</u>	<u>(2,491,840)</u>	<u>23,043</u>	<u>54,536</u>	<u>4,290,062</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.

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.

Youth and Childrens Development - For leader training, development and safeguarding responsibilities.

	Brought Forward £	Incoming resources £	Resources expended £	Transfers in/out £	Gains/(losses) £	Carried forward £
Endowment funds						
Cave Allan Legacy	<u>33,012</u>	<u>1,097</u>	<u>(616)</u>	<u>-</u>	<u>3,764</u>	<u>37,257</u>

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.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

19. STATEMENT OF FUNDS (continued)

	As restated Brought Forward £	Incoming resources £	Resources expended £	Transfers in/out £	Gains/(losses) £	Carried forward £
Restricted funds						
National Training Appeal	5,664	-	-	-	-	5,664
John Burke Fund	37,320	1,192	(464)	-	5,667	43,715
Edith Blanche Bevis Fund	4,631	-	-	-	-	4,631
Friends of Carronvale	284	3,235	(1,060)	-	-	2,459
Friends of Felden	3,678	3,382	(3,445)	-	-	3,615
Youth United - Social Action Fund	169,185	3,881	(148,340)	(24,726)	-	-
8th Grimsby Funds	31,403	1,023	(944)	-	4,860	36,342
Youth United Social Action Rural Fund	95,298	-	(57,530)	(37,768)	-	-
Youthlink Support	2,601	5,050	(2,484)	-	-	5,167
Make a Difference	5,152	-	-	-	-	5,152
Overseas work	1,791	131	-	-	-	1,922
Stirling Battalion - Mid Scottish Development	1,894	39,565	(30,414)	-	-	11,045
Bloemfontein Road	43,221	1,407	(23,934)	13,000	6,326	40,020
Youthlink Lanarkshire	13,281	-	(31,126)	19,000	-	1,155
Youth United Laing Foundation	11,479	-	(11,479)	-	-	-
Young Start - Glasgow Development Worker	8,459	12,000	(20,459)	-	-	-
South Scotland Development Worker	-	-	(20,083)	20,083	-	-
Youthlink Cashback	-	44,629	(45,734)	1,105	-	-
Roy Inglis Legacy	-	30,000	-	-	-	30,000
Patrons Fund	-	2,500	-	-	-	2,500
Rural Challenge North Wales	-	19,500	(3,027)	15,156	-	31,629
Youth United Start Up Core	36,707	-	(36,707)	-	-	-
Robert Fernan Smith Legacy	31,990	-	-	-	-	31,990
Andrew Melville Dunn Legacy	10,000	-	-	(10,000)	-	-
Cashback - Young People Take the Lead	31,995	49,016	(30,156)	(18,893)	-	31,962
	546,033	216,511	(467,386)	(23,043)	16,853	288,968
Total Funds	4,864,271	2,636,705	(2,959,842)	-	75,153	4,616,287

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

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.
 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.
 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 - 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.
 Youth United Laing Foundation – to fund development work in the boroughs of Croydon, Southwark, Greenwich and Wandsworth.
 Young Start – sports development worker in Glasgow.
 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.
 Youth United Start Up Core Funding - For the funding of core start-up costs within the specified regions.
 Robert Fernan Smith Legacy – residual legacy to be used in Scotland.
 Andrew Melville Dunn – pecuniary legacy for south of Scotland development worker.
 Young People Take The Lead - Scottish development worker and support to companies.

SUMMARY OF FUNDS

	Brought Forward £	Incoming resources £	Resources expended £	Transfers in/out £	Gains/(losses) £	Carried forward £
Designated funds	3,790,375	45,904	(73,729)	(36,484)	-	3,726,066
General funds	494,851	2,373,193	(2,418,111)	59,527	54,536	563,996
	<u>4,285,226</u>	<u>2,419,097</u>	<u>(2,491,840)</u>	<u>23,043</u>	<u>54,536</u>	<u>4,290,062</u>
Endowment funds	33,012	1,097	(616)	-	3,764	37,257
Restricted funds	546,033	216,511	(467,386)	(23,043)	16,853	288,968
	<u>4,864,271</u>	<u>2,636,705</u>	<u>(2,959,842)</u>	<u>-</u>	<u>75,153</u>	<u>4,616,287</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

20. FINANCIAL INSTRUMENTS

	2017	2016
	£	£
Financial assets		
Financial assets that are debt instruments measured at amortised cost	73,591	84,206
Financial assets that are measured at fair value	<u>702,900</u>	<u>615,262</u>
	<u><u>776,491</u></u>	<u><u>699,468</u></u>
Financial assets that are debt instruments comprise trade debtors and other receivables.		
Financial liabilities		
Financial liabilities measured at amortised cost	<u><u>201,977</u></u>	<u><u>124,968</u></u>
Financial liabilities comprise trade creditors and other loans.		

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Endowment funds 2017 £	Total funds 2017 £	Total funds 2016 £
Tangible fixed assets	3,577,628	-	-	3,577,628	3,582,175
Intangible fixed assets	30,405	-	-	30,405	30,669
Fixed asset investments	554,336	111,640	36,924	702,900	623,283
Current assets	850,590	177,328	333	1,028,251	1,345,458
Creditors due within one year	(356,607)	-	-	(356,607)	(321,565)
Deferred income	(366,290)	-	-	(366,290)	(395,749)
	<u><u>4,290,062</u></u>	<u><u>288,968</u></u>	<u><u>37,257</u></u>	<u><u>4,616,287</u></u>	<u><u>4,864,271</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

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

	2017	2016
	£	£
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(224,984)	(356,294)
Adjustment for:		
Depreciation charges	4,812	4,812
(Gains)/losses on investments	(98,153)	34,425
Dividends, interest and rents from investments	(22,000)	(22,109)
Adjustment in respect of defined benefit pension scheme	(23,000)	(49,010)
(Increase)/decrease in stocks	77,708	(72,322)
Decrease/(increase) in debtors	1,159	8,215
Increase/(decrease) in creditors	5,582	54,089
Net cash (used in)/provided by operating activities	(278,876)	(398,194)

23. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2017	2016
	£	£
Cash at bank and in hand	620,443	858,783

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 £14,327 (2016 - £8,215)

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:

	2017	2016
	£	£
Fair value of scheme assets	6,793,000	6,102,000
Present value of funded obligations	(6,006,000)	(5,731,000)
Surplus not recognised	787,000	371,000

The fair value of scheme assets above has been reduced by the surplus of £787,000 (2016- £371,000) 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 2017**

24. PENSION COMMITMENTS (continued)

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

	2017	2016
	£	£
Current service cost	(14,000)	(14,000)
Interest on obligation	(185,000)	(174,000)
Interest on assets	198,000	194,000
Expenses paid by fund	(35,000)	(38,000)
	<u>(36,000)</u>	<u>(32,000)</u>
Actuarial gains/(losses)	<u>(23,000)</u>	<u>(49,000)</u>

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

	2017	2016
	£	£
Opening defined benefit obligation	5,731,000	5,628,000
Current service cost	14,000	14,000
Interest cost	185,000	174,000
Actuarial Losses	477,000	127,000
Benefits paid	(213,000)	(212,000)
Closing defined benefit obligation	<u>6,194,000</u>	<u>5,731,000</u>

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

	2017	2016
	£	£
Opening fair value of scheme assets	5,731,000	5,628,000
Interest on assets	198,000	194,000
Actuarial gains and (losses)	454,000	78,000
Contributions by employer	59,000	81,000
Benefits paid	(213,000)	(212,000)
Expenses paid by scheme	(35,000)	(38,000)
	<u>6,194,000</u>	<u>5,731,000</u>

The Brigade expects to contribute £30,000 to the defined benefit pension scheme in 2018.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

24. PENSION COMMITMENTS (continued)

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

	2017 £	2016 £
Equities	59.4%	58.00%
Bonds	31.1%	28.40%
Cash	1.7%	5.30%
Annuities	7.8%	8.30%

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

	2017 £	2016 £
Discount rate at 31 March	2.50%	3.40%
Future salary increases	3.00%	3.00%
Future pension increases	3.10%	2.80%
Retail price inflation	3.10%	2.90%
Consumer price inflation	2.10%	2.10%

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 2017 the Brigade had annual commitments under non-cancellable operating leases as follows:

	2017 £	2016 £
Expiry date:		
Within one year	85,106	22,629
Between 1 and 5 years	276,969	33,957
	<u>362,075</u>	<u>56,856</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 (2016 - £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 £23,925 to the Brigade, which was the balance outstanding on the loan granted (2016 - £27,042). 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.