

THE BOYS' BRIGADE
(A company limited by guarantee)

CONTENTS

	Page
Reference and administrative details of the charity, its trustees and advisers	1 - 2
Brigade Executive's Annual Report	3 - 9
Independent auditors' report	10 - 11
Statement of financial activities	12
Balance sheet	13
Cash flow statement	14
Notes to the financial statements	15 - 37

THE BOYS' BRIGADE

(A company limited by guarantee)

BRIGADE EXECUTIVE'S ANNUAL REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2018

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 2018. 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.

THE BOYS' BRIGADE

(A company limited by guarantee)

BRIGADE EXECUTIVE'S ANNUAL REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2018

- **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.

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

- **Plans for the future**

We are now coming to the close of our current five year development plan and there is an ideal opportunity to look ahead and create a new plan for future years. Many of our structures were established in the early 20th century and there is a need to ensure we now have a sustainable way of maintaining support to companies in future years, whilst recognising the different ways of operating across the regions. We are still establishing new groups but there is also a realisation that existing units also have their own particular support needs.

The Executive is currently considering ways to reduce the overall number of trustees and also reviewing other aspects of our governance. Further improvements to leaders training are required and plans are also in hand to improve the current award scheme and programme resources.

- **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 2018, the actuary calculated that there was a funding surplus of £780,000 (2017 - £787,000) 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 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 (2017 - £39,750) 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)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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 2018**

3. SUPPLIES

	2018	2017
	£	£
Sales	500,182	576,341
Cost of sales	(308,466)	(348,425)
	<u>191,716</u>	<u>227,916</u>
Administration	(73,848)	(79,374)
Net surplus	<u><u>117,868</u></u>	<u><u>148,542</u></u>

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

4. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Endowment funds 2018 £	Total funds 2018 £	Total funds 2017 £
Donations	46,731	3,215	-	49,946	74,864
Legacies	36,351	15,000	-	51,351	83,219
	<u>83,082</u>	<u>18,215</u>	<u>-</u>	<u>101,297</u>	<u>158,083</u>

In 2017 the total income from donations and legacies was £118,835 to unrestricted funds and £39,248 to restricted funds.

THE BOYS' BRIGADE

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

5. GRANTS RECEIVABLE

	2018	2017
	£	£
General fund:-		
Children, Young People and Families Early Intervention Fund	50,000	62,500
Youthlink NVYO Support Fund	6,985	-
	<u>56,985</u>	<u>62,500</u>
Restricted funds:-		
Rural Development Rhosymedre and Ruabon, North Wales	-	19,500
Young Start Glasgow Development Worker	-	12,000
Youthlink Cashback for Communities	-	39,565
Stirling Battalion and Gannochy Trust	13,000	44,629
Young People Take the Lead	11,250	49,016
Youthlink - Lanarkshire Development Worker	5,000	-
YUF Social Action Grant	-	3,881
Youthlink Support	-	5,050
Youthlink NVYO Support Fund	20,700	-
Youth Scotland Generation CashBack	77,181	-
	<u>127,131</u>	<u>173,641</u>
	<u>184,116</u>	<u>236,141</u>

6. INVESTMENT INCOME

	Unrestricted funds 2018 £	Restricted funds 2018 £	Endowment funds 2018 £	Total funds 2018 £	Total funds 2017 £
Deposit interest	658	-	-	658	1,001
Income from investments	19,135	3,752	629	23,516	22,000
Pension income	20,000	-	-	20,000	13,000
	<u>39,793</u>	<u>3,752</u>	<u>629</u>	<u>44,174</u>	<u>36,001</u>

In 2017, of the total investment income, £31,282 was to unrestricted funds, £3,622 was to restricted funds and £1,097 was to endowment funds.

THE BOYS' BRIGADE

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

7. GRANTS PAYABLE

	Unrestricted funds 2018 £	Restricted funds 2018 £	Unrestricted Funds 2017 £	Restricted Funds 2017 £
Northern Ireland District	104,421	-	101,874	-
Republic of Ireland	4,000	-	4,000	-
Other Battalions, Districts and Companies	-	495	-	68,323
	108,421	495	105,874	68,323

8. GOVERNANCE COSTS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Endowment funds 2018 £	Total funds 2018 £	Total funds 2017 £
Auditors' remuneration	21,525	-	-	21,525	17,974
Committee expenses	22,892	-	-	22,892	27,106
Legal and professional fees	22,691	-	-	22,691	20,155
Annual report	2,969	-	-	2,969	1,740
	70,077	-	-	70,077	66,975

Included within legal and professional costs are amounts of £4,539 (2017 - £10,875) 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 2018**

9. ADMINISTRATION AND SUPPORT COSTS

	Cost of generating funds £	Supplies £	Management and delivery of charity's purposes £	2018 £	2017 £
Staff costs	164,303	-	470,908	635,211	573,531
Staff training	253	-	761	1,014	1,564
Outsourcing management fee	-	48,658	-	48,658	51,951
Development officer expenses	197	-	592	789	2,357
Travelling	13,045	-	39,134	52,179	57,954
Development	9,274	-	27,821	37,095	48,261
Training courses	15,589	-	46,766	62,355	47,265
Office services	6,917	-	20,750	27,667	27,611
Insurance	32,306	-	96,918	129,224	130,574
Printing and stationery	4,306	-	12,919	17,225	14,023
IT expenses	9,596	-	28,788	38,384	35,455
Postage and carriage	2,657	25,190	7,972	35,819	40,631
Repairs and maintenance	1,508	-	4,524	6,032	9,506
Leasing	6,584	-	19,753	26,337	23,822
Depreciation	66	-	199	265	264
Communications	16,621	-	49,863	66,484	57,156
Sundries	2,742	-	8,225	10,967	17,449
Irrecoverable VAT	11,478	-	34,435	45,913	36,476
Bank charges	6,028	-	18,084	24,112	16,339
Subscription to Global Fellowship	-	-	5,490	5,490	6,635
Online Brigade Manager	16,815	-	50,445	67,260	65,481
Pension scheme costs	-	-	49,933	49,933	48,916
Governance costs	17,519	-	52,558	70,077	66,975
Direct expenditure attributable to Designated Funds	-	-	56,286	56,286	73,730
	<u>337,804</u>	<u>73,848</u>	<u>1,103,124</u>	<u>1,514,776</u>	<u>1,453,926</u>
Included above are support costs of:-					
Staff costs	-	-	110,160	110,160	91,176
Other costs	-	-	4,667	4,667	4,070
Governance costs	17,519	-	52,558	70,077	66,975
	<u>17,519</u>	<u>-</u>	<u>167,385</u>	<u>184,904</u>	<u>162,221</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 2018

10. NET INCOMING RESOURCES/(RESOURCES EXPENDED)

This is stated after charging:

	2018 £	2017 £
Operating lease expense	90,366	64,340
Amortisation charged	265	264
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	16,565	19,349
Trustee and officer indemnity insurance	3,438	4,490
	<u>3,438</u>	<u>4,490</u>

During the year, no Trustees received any remuneration (2017 - £NIL).

During the year, no Trustees received any benefits in kind (2017 - £NIL).

12 Trustees received reimbursement of expenses amounting to £5,248 in the current year, (2017 - 16 Trustees - £7,344).

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

11. STAFF COSTS

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	939,491	965,678
Social security costs	68,497	75,763
Defined contribution pension costs	17,045	14,327
Defined benefit pension operating costs	18,000	14,000
	<u>1,043,033</u>	<u>1,069,768</u>

The average monthly number of employees was: 53 (2017: 57) and the average monthly number of employees during the year expressed as full time equivalents was as follows (including casual and part-time staff):

	2018 No.	2017 No.
Full time	41	40
Part time	12	17
	<u>53</u>	<u>57</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 £292,866 (2017 - £235,729)

THE BOYS' BRIGADE

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

12. INTANGIBLE FIXED ASSETS

	Access Rights to Felden Lodge £	Copyrights £	Total £
Cost			
At 1 April 2017 and 31 March 2018	<u>33,047</u>	<u>1</u>	<u>33,048</u>
Amortisation			
At 1 April 2017	2,643	-	2,643
Charge for the year	<u>265</u>	<u>-</u>	<u>265</u>
At 31 March 2018	<u>2,908</u>	<u>-</u>	<u>2,908</u>
Net book value			
At 31 March 2018	<u>30,139</u>	<u>1</u>	<u>30,140</u>
At 31 March 2017	<u>30,404</u>	<u>1</u>	<u>30,405</u>

13. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures & fittings £	Total £
Cost			
At 1 April 2017 and 31 March 2018	<u>3,588,232</u>	<u>257,133</u>	<u>3,845,365</u>
Amortisation			
At 1 April 2017	21,044	246,693	267,737
Charge for the year	<u>-</u>	<u>4,548</u>	<u>4,548</u>
At 31 March 2018	<u>21,044</u>	<u>251,241</u>	<u>272,285</u>
Net book value			
At 31 March 2018	<u>3,567,188</u>	<u>5,892</u>	<u>3,573,080</u>
At 31 March 2017	<u>3,567,188</u>	<u>10,440</u>	<u>3,577,628</u>

THE BOYS' BRIGADE

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

17. CREDITORS:

Amounts falling due within one year

	2018	2017
	£	£
Other loans	7,000	7,000
Payments received on account	14,178	11,620
Trade creditors	154,829	194,977
Other taxation and social security	37,161	33,546
Other creditors	62,831	54,618
Accruals and deferred income	66,855	54,846
	<u>342,854</u>	<u>356,607</u>

18. ACCRUALS AND DEFERRED INCOME

	2018	2017
	£	£
Annual capitation contributions received in advance	<u>364,961</u>	<u>366,290</u>

THE BOYS' BRIGADE

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

19. STATEMENT OF FUNDS – CURRENT YEAR

	Brought Forward £	Incoming resources £	Resources expended £	Transfers in/out £	Gains/(losses) £	Carried forward £
Designated funds						
Freehold Property Fund	3,567,189	-	-	-	-	3,567,189
David White Memorial Fund	1,737	-	(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 Festivals						
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>
General funds						
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>
Total Unrestricted funds	<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>

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 Festivals England - To support Christian events within England.
- Carronvale Appeal - For the refurbishment of Carronvale House and grounds.
- Children and Youthwork Fund - For leader training, development and safeguarding responsibilities.

	Brought Forward £	Incoming resources £	Resources expended £	Transfers in/out £	Gains/(losses) £	Carried forward £
Endowment funds						
Cave Allan Legacy	<u>37,257</u>	<u>629</u>	<u>(1,572)</u>	<u>-</u>	<u>179</u>	<u>36,493</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.

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

THE BOYS' BRIGADE

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

19. STATEMENT OF FUNDS – CURRENT YEAR (continued)

	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	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 - 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
Youth 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>
Total Funds	<u><u>4,616,285</u></u>	<u><u>2,489,392</u></u>	<u><u>(2,686,025)</u></u>	<u><u>-</u></u>	<u><u>(45,408)</u></u>	<u><u>4,374,244</u></u>

THE BOYS' BRIGADE

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

19. STATEMENT OF FUNDS – PRIOR YEAR (continued)

	As restated Brought Forward £	Incoming resources £	Resources expended £	Transfers in/out £	Gains/(losses) £	Carried forward £
Designated funds						
Freehold Property Fund	3,567,189	-	-	-	-	3,567,189
David White Memorial Fund	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	-	518	(33,290)	-	36,842
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
	3,790,375	45,904	(73,731)	(36,484)	-	3,726,064
General funds						
General Fund	494,851	2,350,193	(2,418,111)	59,527	77,536	563,996
Pension reserve	-	23,000	-	-	(23,000)	-
	494,851	2,373,193	(2,418,111)	59,527	54,536	563,996
Total Unrestricted funds	4,285,226	2,419,097	(2,491,842)	23,043	54,536	4,290,060
	Brought Forward £	Incoming resources £	Resources expended £	Transfers in/out £	Gains/(losses) £	Carried forward £
Endowment funds						
Cave Allan Legacy	33,012	1,097	(616)	-	3,764	37,257

THE BOYS' BRIGADE

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

19. STATEMENT OF FUNDS – PRIOR YEAR (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
Youth United Start Up Core	36,707	-	(36,707)	-	-	-
Andrew Melville Dunn Legacy	10,000	-	-	(10,000)	-	-
Patrons Fund	-	2,500	-	-	-	2,500
Rural Challenge North Wales	-	19,500	(3,027)	15,156	-	31,629
Robert Fernan Smith Legacy	31,990	-	-	-	-	31,990
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	(2,959,844)	-	75,153	4,616,285

THE BOYS' BRIGADE

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

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 Scotland development worker.
 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.

SUMMARY OF FUNDS – CURRENT YEAR

	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>

THE BOYS' BRIGADE

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

19. STATEMENT OF FUNDS – PRIOR YEAR (continued)

	As restated Brought Forward £	Incoming resources £	Resources expended £	Transfers in/out £	Gains/(losses) £	Carried forward £
Designated funds	3,790,375	45,904	(73,731)	(36,484)	-	3,726,064
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>(2,491,842)</u>	<u>23,043</u>	<u>54,536</u>	<u>4,290,060</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>(2,959,844)</u>	<u>-</u>	<u>75,153</u>	<u>4,616,285</u>

THE BOYS' BRIGADE

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

20. FINANCIAL INSTRUMENTS

	2018	2017
	£	£
Financial assets		
Financial assets that are debt instruments measured at amortised cost	407,443	694,034
Financial assets that are measured at fair value	<u>695,672</u>	<u>702,899</u>
	<u>1,103,115</u>	<u>1,396,933</u>
Financial assets that are debt instruments comprise cash, trade debtors and other receivables.		
Financial liabilities		
Financial liabilities measured at amortised cost	<u>161,829</u>	<u>201,977</u>
Financial liabilities comprise trade creditors and other loans.		

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS – CURRENT YEAR

	Unrestricted funds 2018 £	Restricted funds 2018 £	Endowment funds 2018 £	Total funds 2018 £	Total funds 2017 £
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>

ANALYSIS OF NET ASSETS BETWEEN FUNDS – PRIOR YEAR

	Unrestricted funds 2017 £	Restricted funds 2017 £	Endowment funds 2017 £	Total funds 2017 £	Total funds 2016 £
Tangible fixed assets	3,577,627	-	-	3,577,627	3,582,175
Intangible fixed assets	30,406	-	-	30,406	30,669
Fixed asset investments	554,335	111,640	36,924	702,899	623,283
Current assets	850,589	177,328	333	1,028,250	1,345,458
Creditors due within one year	(356,607)	-	-	(356,607)	(321,565)
Deferred income	(366,290)	-	-	(366,290)	(395,749)
	<u>4,290,060</u>	<u>288,968</u>	<u>37,257</u>	<u>4,616,285</u>	<u>4,864,271</u>

THE BOYS' BRIGADE

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

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

	2018	2017
	£	£
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(200,041)	(224,983)
Adjustment for:		
Depreciation charges	4,812	4,812
(Gains)/losses on investments	(12,504)	(98,152)
Dividends, interest and rents from investments	(23,516)	(22,000)
Adjustment in respect of defined benefit pension scheme	(42,000)	(23,000)
(Increase)/decrease in stocks	(25,844)	77,708
Decrease/(increase) in debtors	11,874	1,159
Increase/(decrease) in creditors	(15,084)	5,582
Net cash (used in)/provided by operating activities	(302,303)	(278,874)

23. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018	2017
	£	£
Cash at bank and in hand	361,390	620,443

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 £17,045 (2017 - £14,327).

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 full actuarial valuation was as of 1 June 2015.

The amounts recognised in the Balance sheet are as follows:

	2018	2017
	£	£
Fair value of scheme assets	6,679,000	6,793,000
Present value of funded obligations	(5,899,000)	(6,006,000)
Surplus not recognised	780,000	787,000

The fair value of scheme assets above has been reduced by the surplus of £780,000 (2017- £787,000) which has not been recognised on the basis that the Trustees cannot be reasonably certain that future economic benefits in the form of reduced contributions or a scheme refund will result.

THE BOYS' BRIGADE

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

24. PENSION COMMITMENTS (continued)

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

	2018	2017
	£	£
Current service cost	(18,000)	(14,000)
Interest on obligation	(148,000)	(185,000)
Interest on assets	168,000	198,000
Expenses paid by fund	-	(35,000)
	2,000	(36,000)
	(42,000)	(23,000)

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

	2018	2017
	£	£
Opening defined benefit obligation	6,006,000	5,538,000
Current service cost	18,000	14,000
Employee contributions	5,000	5,000
Interest cost	148,000	185,000
Actuarial Losses	(53,000)	477,000
Benefits paid	(225,000)	(213,000)
	5,899,000	6,006,000

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

	2018	2017
	£	£
Opening fair value of scheme assets	6,006,000	5,538,000
Interest on assets	168,000	198,000
Actuarial gains and (losses)	(95,000)	454,000
Contributions by employer	40,000	59,000
Employee contributions	5,000	5,000
Benefits paid	(225,000)	(213,000)
Expenses paid by scheme	-	(35,000)
	5,899,000	6,006,000

The Brigade expects to contribute £30,000 to the defined benefit pension scheme in 2019.

THE BOYS' BRIGADE

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

24. PENSION COMMITMENTS (continued)

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

	2018 £	2017 £
Equities	58.5%	59.4%
Bonds	33.8%	31.1%
Cash	0.5%	1.7%
Annuities	7.2%	7.8%

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

	2018 £	2017 £
Discount rate at 31 March	2.60%	2.50%
Future salary increases	3.00%	3.00%
Future pension increases	3.00%	3.10%
Retail price inflation	3.00%	3.10%
Consumer price inflation	2.00%	2.10%

Mortality assumptions used for current pensioners at age 65 were 21.8 years for men and 23.7 years for women. Assumptions for future pensioners at age of 65 were 22.9 years for men and 24.9 years for women.

25. OPERATING LEASE COMMITMENTS

At 31 March 2018 the Brigade had future minimum lease payments under non-cancellable operating leases as follows:

	2018 £	2017 £
Amounts payable:		
Within one year	87,325	85,106
Between 1 and 5 years	200,763	276,969
	<u>288,088</u>	<u>362,075</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 (2017 - £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 £14,580 to the Brigade, which was the balance outstanding on the loan granted (2017 - £23,925). 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.