

The Boys' Brigade Glasgow Battalion

A Charity registered in Scotland – Number SC013200



The Boys' Brigade, Glasgow Battalion
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FINANCIAL STATEMENTS

Year to 31 March 2019

INDEPENDENT EXAMINERS

Milne Craig
Chartered Accountants
Abercorn House, 79 Renfrew Road
Paisley, PA3 4DA

REPORT OF THE BOARD OF TRUSTEES

The Board of Trustees present their annual report and financial statements of the charity for the year ended 31st March 2019. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's rules, the Charities and Trustee Investment (Scotland) Act 2005, The Charities Accounts (Scotland) Regulations 2006 (as amended) and 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 published on 16 July 2014.

Objectives and Principal Activities

The principal objectives of the Battalion's programme are in support of 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.

The Battalion supports, encourages and co-ordinates Companies in the fulfilment of the Object, encouraging our young people, who come from diverse backgrounds, to develop values which empowers them to make a positive contribution to society.

Membership of the Battalion comprises Companies throughout the Greater Glasgow area. Whilst the Battalion operates under the national Brigade structure, it remains a financially independent body, accountable to its membership. Companies within the Battalion are part of the Churches and Christian bodies to which they belong, and are responsible for their own finance, property and accounts.

Review of Activities and Planning

The Battalion continue to invest resources to support the informal education of our members in a wide range of activities and events contributing to their learning and development. Our long-established programmes are identifiable with the seven Youthlink Scotland outcomes for youth work. Evidenced through our members being confident, resilient and optimistic for the future and able to:

- manage personal, social and formal relationships
 - create, describe and apply their learning and skills
 - participate safely and effectively in groups
 - consider risk, make reasoned decisions and take control
 - express their voice and demonstrate social commitment
 - broaden their perspectives through new experiences and thinking.
- To build on existing skills and progress new initiatives **over 750 hours of volunteer led training courses were provided to 303 Young People & Leaders throughout the session.** These courses, arranged with the support of member Companies across the city, included Youth Leader Training, Safeguarding, Skills for Queen's Badge, Building Skills, Captains' Training, and our Queen's Badge Completion Residential Course. The Battalion supported Companies with the provision of a **Training Credit** against course costs.
 - **The programme resources available**, specifically designed for all four of our sections, are well utilised and are used by our Training Team to explain fully the wide range of opportunities available for planning and delivering effective activities that contribute to the ongoing positive personal development of our young people. Additional resource was again provided to promote the **Earl of Wessex Award**, a precursor to the Duke of Edinburgh Award. We are pleased that additional Companies have now introduced this initiative and young people from the 2nd East Kilbride & 212th Glasgow Companies were presented with the awards achieved through the Battalion. The Boys from 2nd East Kilbride received their awards from HRH the Earl of Wessex at an event held at The Trades House of Glasgow.
 - **Volunteering and Community Support** are emphasised through our badge work programme at an early stage in Company Section work, building concepts and patterns that will service and support community work and responsibilities in the years ahead. Many of our young people continue to volunteer beyond the period needed for their awards.
 - **Our website & social media development** continues with positive feedback received on our archive & history section which continues to be of interest to a large number of users, particularly from overseas.

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- **The Battalion provides a full range of activities for young people at all ages at city and local level.** These activities include, athletics, badminton, band-work, creative writing, cross-country, drill, photography, swimming and table tennis as well as a range of games and interest activities for Junior Sections and Anchor Boys.
- **The Battalion Pipes & Drums** performed again at the Annual Queen's Badge Parade.
- **The Anchor Boy & Junior Section Pantomime event** held at Battalion HQ attracted over 200 young people from 21 Companies and a similar attendance was recorded at our **Junior Section Athletics event** held at the Emirates Arena, an event that continues to be popular with the Boys.
- **Heartstart affiliation**, through the Youth Glasgow initiative, and now in its 12th year, provides important life-saving skills benefitting the wider community with Leader Training being cascaded through the organisations involved in the project.
- **Companies in the Battalion continue to offer a wide-ranging programme for young people from ages 5 – 18.**
- **The Queen's Badge completion course** in March 2019 was attended by 64 young people, with an encouraging input by Queen's Men from inside and outside the Battalion. Numbers of young men gaining the Queen's Badge each session remain healthy although we expect a slight reduction in the coming years.
- **The "Kilbryde Hike"** has seen a rise in participation numbers, including teams from outside the Boys' Brigade. The hike offers an opportunity for members to undertake expedition type activities in a controlled, mildly-competitive and enjoyable manner.
- **The Battalion office provides support and guidance** to leaders on a confidential basis. Data management services have been developed to offer support with the demands of PVG checks and other regulatory requirements. Companies utilise in-house colour printing facilities to aid promotion and recruitment and a free colour poster pack was again provided to subscribing sections in August 2018. The Board of Trustees expresses its thanks to the volunteer staff who provide dedicated service and give freely of their time to support the Battalion in its activities.

Future Plans

Initiatives for 2019/2020 include:

- Continuation of the 'Faith in Young People' presentations highlighting the unique role the Boys' Brigade can play as a mission partner for churches in our area.
- Promotion of the Brigade UK 'Raise the Bar' initiative and the Brigade Scotland 'Growth, Quality, Voice' projects.
- A Volunteer Recognition Event
- Networking with external agencies to highlight the benefits of the work of the Brigade, developing initiatives that highlight the importance of Boys' Brigade work as part of the national educational Curriculum for Excellence programme.
- Training courses on Safeguarding, First Aid Skills, Sports Leadership, Holiday Leadership and Physical Recreation and an assessment of Mental Health First Aid training opportunities.
- Development of Company Section Discover programme materials.
- Ongoing development of coaching & equipment resources to allow delivery of additional/new sports and active lifestyle programmes.
- Training for Leaders to utilise the new Boys' Brigade UK Online Brigade Manager Database.
- Delivery of Training to support the new Under 11 Resources for Anchor & Junior Sections

Review of Financial Position

The Battalion continues to operate on an independent financial basis from The Boys' Brigade nationally and receives no direct financial support from that source. The Battalion rules allow for the provision for raising direct levies against the Companies within the Battalion but being aware of the increasing financial burden placed on Companies in meeting their running costs, Battalion Council has voted to continue with the practice of not raising any such levies.

The Battalion's income is largely reliant on the voluntary contributions of Trust Funds, businesses, grant awards, legacies and individuals. A large number of donations continue to be received under the Gift Aid scheme, which enables the Battalion to enhance the value of the contributions received through the tax

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reclaimed from the HM Revenue & Customs. The Battalion remains grateful for the regular support provided by Trusts, businesses and individuals, for without this support its work would not be possible.

The Board of Trustees remains conscious of the need to exercise prudent and proportional governance in the operations of the Battalion and is grateful for the continued high level of quality output from Battalion staff and helpers to assist the Companies and Districts throughout the Battalion to meet the needs of the Boys of the Brigade within their care. The Board of Trustees acknowledges the Battalion's limited resources and insecurities over funding and the need for good governance in delivering the required level of professional support to Companies, through continued efforts in obtaining funding awards and in appropriate cost control and reduction.

The results for the year ended 31 March 2019 are shown on the Statement of Financial Activities on page 9. This shows that there was an operating deficit of £27,739. While this is an improvement on the previous year, it is not a sustainable position. Fortunately, our reserves give us some breathing space, but at the cost of reduced investment income in future years. Costs have been kept under control but the shortage of funds available from government and major corporate funders is putting a strain on the charity sector and there is therefore considerably more demand on the Battalion's traditional funding sources. There are signs that some of our traditional funders are able to revert to earlier levels of funding and our general donations increased by 44%. We also benefited from a substantial legacy. The Board of Trustees will continue to pursue new sources of income and to control levels of expenditure.

The stock market has been volatile during the period under review. The market reached a record high in July 2018 and our broker locked-in some profits. There was a sharp correction in December. A rally in the spring resulted in an increase in value at the year end. Our broker believes that volatility will continue and has concentrated the portfolio on what he believes to be good quality stocks, which will retain dividend yield as far as is possible without putting the capital values under undue risk.

Reserves Policy

It is the policy of the Battalion to maintain unrestricted funds, i.e. funds not committed or invested in fixed assets, at a level that equates to approximately three months unrestricted expenditure. This allows sufficient funds to enable the ongoing work of the Battalion to be maintained. Per Note 12 on page 16, the un-invested funds of the General Fund as at 31 March 2019 amounted to £27,260 (2018 - £nil). *Funds received from the disposal of the former Battalion Headquarters and the Outdoor Centre are invested to secure an income which augments the charitable donations necessary to finance The Battalion's work.*

Investment Policy

The Board of Trustees has the power to invest in such stocks, shares, investments and property in the UK as it sees fit. Investment Advisors are engaged to offer a professional opinion. Investments are made in line with agreed parameters established with the Investments Advisors, and in accordance with an ethical policy agreed with them. The investments are regularly monitored and reviewed with the Advisors.

The increase in the value of the portfolio in the year ended 31 March 2019, adjusted for realisations, is in line with market fluctuations.

Grant Making Policy

Grants are discretionary and are included in the financial statements when paid.

Risk Management

The Board of Trustees continues to assess regularly the major risks to which the Battalion is exposed, in particular those related to the operations and finances of the Battalion, and remains of the view that adequate systems are in place to mitigate exposure to major risk, whilst providing ongoing support for the work ahead. Internal control risks are minimised by the implementation of procedures for authorisation of transactions and projects. Procedures are in place to ensure compliance with health and safety of staff, volunteers and youth members.

Organisational Structure

The Battalion Council consists of all Leaders and Young Persons of The Boys' Brigade serving with Companies comprised within the Battalion. Companies in the Battalion are allocated to a number of Districts (currently 5) to provide local support and activities.

The Board of Trustees comprises a Chairman (selected by the Board), Chaplain, Treasurer, Activities & Events Trustee, Training Trustee, PR Trustee, Company Trustee, and 2 members appointed by the Seniors & Young Leaders Committee. Additional Trustees are added to ensure adequate links to each of the Districts within the Battalion. Those who served as Board of Trustees members during the year and to the date of this report are shown on page 6. A Battalion Secretary is employed by the Board of Trustees on such terms as it deems appropriate.

The Board of Trustees met 6 times during the year and is responsible for supervision and control of the work of the Battalion, its development and extension. Authority for specific areas of duty is remitted to various committees who report to Board of Trustees. Day-to-day executive authority for the operation of the charity is delegated to the Battalion Secretary who is also responsible for the supervision of the staff team.

Actions of the Battalion are governed by The Battalion Rules, and Rules of Procedure, which are subject to the Constitution and Regulations of The Boys' Brigade.

Related Parties

The Glasgow Battalion of the Boys' Brigade forms part of the national organisation of the Boys' Brigade in the United Kingdom whose Executive Committee have the power to review the work of the Battalion and its Companies.

The Battalion currently comprises 2,568 members in 57 Companies. In addition, the Battalion offers training support services to Lennox & Argyll Battalion and welcomes the participation of Companies outside Glasgow in activities and training

Structure, Governance and Management

The Boys' Brigade, Glasgow Battalion ("the Battalion"), was formed on 12 October 1885 and is established under the Constitution of the Boys' Brigade and the Rules of Glasgow Battalion. The Battalion is a registered Scottish charity (Number: SC013200).

Authority for management of the Battalion is vested in the Board of Trustees whose appointment is confirmed annually by Battalion Council. The Trustees seek to ensure adequate diversity of skill range and representation across its membership as well as particular skills and expertise relative to responsibilities held. In accordance with the regulations of the Boys' Brigade all members comply with selection and appointment procedures and all statutory requirements for working with young people.

Most members of the Board of Trustees are already familiar with the practical work of the charity through active, or former, service as leaders in Companies and other responsibilities. The Trustee members are encouraged to take active roles in the support of the work of the Charity and, where required, in training.

Members of the Board of Trustees are provided with guidance on conduct and responsibilities outlined by the Brigade and, prior to election, appropriate meetings with the Secretary to ensure understanding of specific responsibilities and duties relative to the post held. All Trustees are actively involved in the discussion and approval of accounts as well as future budgets, plans and objectives.

At Board of Trustee meetings, the trustees agree the broad strategy for the charity, including consideration of grant making, investment, risk management policies and performance. The day to day administration of the charity is delegated to the Battalion Secretary.

Key management personnel remuneration

The trustees consider the Board of trustees and the Battalion Secretary as comprising the key management personnel of the charity in charge of directing and controlling the charity and running and operating the charity on a day to day basis. All trustees give of their time freely and no trustee remuneration was paid in the year.

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Trustees are required to disclose all relative interests and in accordance with the charity's policy withdraw from decisions where a conflict of interest arises.

The pay of the Battalion Secretary is reviewed annually and normally increased in accordance with increases in the rate of pay of a comparable employee in local government. The grade of local government employee to which comparison is made is reviewed every three years as part of the annual performance review of the charity's employees.

Reference and administrative information

Honorary Office Bearers

Sir Alex Ferguson, CBE	Honorary President
Lord Macfarlane of Bearsden	Honorary Vice-President
Lady Ann Calman	Honorary Vice-President
Professor Anton Muscatelli	Honorary Vice-President
Moderator of the Presbytery of Glasgow, The Church of Scotland	Honorary Vice-President

Office Bearers

Col. John Kelly MBE	President
Ross Stewart	Vice-President

Staff

James McVean	Development Officer and Battalion Secretary
Stuart Buchanan	Office Support and Technology Manager

Principal Office

The Boys' Brigade, Glasgow Battalion, Ibrox Parish Church, 67 Clifford Street GLASGOW G51 1QH

Scottish Charity Number SC013200

BANKERS	Bank of Scotland 54-62 Sauchiehall Street GLASGOW G2 3AH	SOLICITORS	T C Young LLP 7 West George Street GLASGOW G2 5LB
INVESTMENT ADVISORS	Speirs & Jeffrey Limited 50 George Square GLASGOW G2 1EH	INDEPENDENT EXAMINER	Milne Craig Chartered Accountants Abercorn House 79 Renfrew Road Paisley PA3 4DA

Board of Trustees

Ronald Campbell	Chairman & Activities/Events Trustee	(to 14/6/2018)
Robin Linton	Honorary Treasurer	
Rev Neil Galbraith	Battalion Chaplain	
Alan Murray	Chairman & Training Trustee	(Chairman from 16/6/2018)
Maureen McKillop	Company Trustee	
John Armour	Seniors & Young Leaders	
Stephen Dott	Seniors & Young Leaders	
Gary McQueen	PR Trustee	
Craig Manson	Activities & Events Trustee	from (14/6/2018)

Responsibilities of the Board of Trustees

The charity trustees are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in Scotland requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, of the charity for that period. In preparing the financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charity Accounts (Scotland) Regulations 2006 (as amended), and the provisions of the Trust deed. They are also responsible for safeguarding the assets of the charity and taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by and signed by order of the members of the Board of Trustees on 23 May 2019.

James McVean, Battalion Secretary
(for and on behalf of Board of Trustees)

Independent Examiner's Report *to the Board of Trustees of The Boys' Brigade Glasgow Battalion for the year ended 31 March 2019.*

I report on the accounts of the charity for the year ended 31 March 2019 which are set out on pages 9 to 16.

Respective responsibilities of the Board of Trustees and Examiner

The charity's trustees are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. The charity trustees consider that the audit requirement of Regulation 10(1) (a) to (c) of the Accounts Regulations does not apply. It is my responsibility to examine the accounts as required under section 44(1) (c) of the Act and to state whether particular matters have come to my attention.

Basis of Independent Examiner's Statement

My examination is carried out in accordance with Regulation 11 of the Charities Accounts (Scotland) Regulations 2006. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts and seeks explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently I do not express an audit opinion on the view given by the accounts.

Independent Examiner's Statement

In the course of my examination, no matter has come to my attention

1. which gives me reasonable cause to believe that in any material respect the requirements:-
 - to keep accounting records in accordance with Section 44(1) (a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations, and
 - to prepare accounts which accord with the accounting records and comply with Regulation 8 of the 2006 Accounts regulations have not been met, or
2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

William Vernal BA CA
Milne Craig
Chartered Accountants
Abercorn House
79 Renfrew Road
Paisley PA3 4DA

24th May 2019

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Income & Expenditure Account & Statement of Financial Activities

	Notes	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2019 £	Total 2018 £
Income and endowments from:						
<i>Donations and legacies</i>						
Donations & appeals - general		24,998	-	-	24,998	17,309
Donations & appeals - restricted		-	4,589	-	4,589	5,397
Legacies		9,000	-	-	9,000	-
Member contributions & subscriptions		3,523	-	-	3,523	3,359
<i>Charitable Activities</i>						
Income for courses & events		11,618	-	-	11,618	11,411
Supplies & resource income		9,498	-	-	9,498	7,258
Investments	3	<u>12,066</u>	<u>5,280</u>	<u>1,728</u>	19,074	<u>19,399</u>
Total		<u>70,703</u>	<u>9,869</u>	<u>1,728</u>	<u>82,300</u>	<u>64,133</u>
Expenditure on						
<i>Raising Funds</i>						
	4	<u>4,620</u>	-	-	<u>4,620</u>	<u>3,744</u>
<i>Charitable Activities</i>						
Support Costs	4	82,300	2,000	-	84,300	84,379
Supply & resources expenditure		6,324	-	-	6,324	4,752
Expenditure on courses & events - general		11,316	-	-	11,316	12,244
Expenditure on courses & events - restricted		-	2,589	-	2,589	3,476
Grants paid	5	-	<u>890</u>	-	<u>890</u>	-
Total charitable expenditure		<u>99,940</u>	<u>5,479</u>	-	<u>105,419</u>	<u>104,851</u>
Total		<u>104,560</u>	<u>5,479</u>	-	<u>110,039</u>	<u>108,595</u>
Net (expenditure) /income and net movement in funds before gains and losses on investments						
		(33,857)	4,390	1,728	(27,739)	(44,462)
Net Gains / (Losses) on investments		<u>12,468</u>	<u>6,678</u>	<u>1,754</u>	<u>20,900</u>	<u>(774)</u>
Net Movement in Funds		(21,389)	11,068	3,482	(6,839)	(45,236)
Reconciliation of Funds						
Total Funds brought forward		<u>311,485</u>	<u>210,917</u>	<u>62,613</u>	<u>585,015</u>	<u>630,251</u>
Total Funds carried forward	11	<u>290,096</u>	<u>221,985</u>	<u>66,095</u>	<u>578,176</u>	<u>585,015</u>

The notes on pages 11 to 16 form part of these financial statements.

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Balance Sheet as at 31 March 2019

	Notes	£	2019 £	2018 £
Fixed Assets				
Tangible assets	7		240	535
Investments	8		<u>545,468</u>	<u>576,254</u>
			545,708	576,789
Current Assets				
Stocks		2,063		3,042
Debtors	9	3,090		3,076
Cash at bank and in hand		<u>33,798</u>		<u>9,095</u>
		38,951		15,213
Creditors				
Amounts falling due within one year	10	<u>6,483</u>		<u>6,987</u>
Net Current Assets			<u>32,468</u>	<u>8,226</u>
Total Net Assets			<u>578,176</u>	<u>585,015</u>
The Funds of the Charity:				
<i>Unrestricted Funds</i>				
General Fund	11	27,500		27,500
Development Fund	11	262,596		283,985
<i>Restricted Funds</i>				
Outreach and Events Support Fund	11	156,369		149,507
Training Support Fund	11	18,761		18,649
Daniel Lamont Fund	11	44,855		40,761
Engagement Fund	11	2,000		2,000
<i>Endowment Funds</i>				
Sir William A Smith Memorial Fund	11	<u>66,095</u>		<u>62,613</u>
Total Charity Funds			<u>578,176</u>	<u>585,015</u>

The financial statements were approved by the Board of Trustees on 23 May 2019 and signed on their behalf by:

Robert Linton CA
Honorary Treasurer

The notes on pages 11 to 16 form part of these financial statements

Notes to the Financial Statements

1 Accounting Policies

Basis of Accounting and assessment of going concern

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relative note to these financial statements. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

The financial statements encompass the operations of The Boys' Brigade, Glasgow Battalion, a public benefit entity taking the legal form of an unincorporated association registered with the Office of the Scottish Charity Regulator at Ibrox Parish Church, Clifford Street, Glasgow G51 1QL and do not reflect the property and finances of individual companies, the responsibility for which rests with the relevant sponsoring body (Church or Christian organisation) of each company.

The financial statements are prepared in sterling which is the functional currency of the charity. All figures have been rounded to the nearest whole unit.

The trustees, who retain the power to amend the financial statements after issue, consider that there are no material uncertainties about the Charity's ability to continue as a going concern. With respect to the next accounting period, the year ending on 31st March 2020, the most significant areas of uncertainty that affect the carrying value of assets held by the Charity are the level of investment return and the performance of investment markets.

Funds Structure

Unrestricted income funds comprise those funds which the trustees are free to use for any purpose in furtherance of the charitable objects. Unrestricted funds include designated funds where the trustees at their discretion have created a fund for a specific purpose.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor or trust deed.

The Endowment fund was set up in memory of the founder early in the 20th century. Income can be expended for specific purposes. Capital cannot be expended.

Further details of each fund are disclosed at note 11

Income Recognition

All income is recognised once the charity has entitlement to the income, there is sufficient certainty or receipt and so it is probable that the income will be received, and the amount of income receivable can be measured reliably.

Donations are recognised when the association has been notified in writing of both the amount and settlement date.

Legacy gifts are recognised on a case by case basis following the grant of confirmation when the executor for the estate has communicated in writing both the amount and the settlement date.

Dividends and Interest arising from funds invested by the stockbroker are recognised when the amount can be reliably measured by the association. This is normally when the stockbroker credits the amount to our account.

Expenditure Recognition

Liabilities are recognised as expenditure as soon as there is a legal constructive obligation committing the Battalion to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings. For more information on this attribution refer to the attribution heading below.

Irrecoverable VAT

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

Notes to the Financial Statements *(continued)*

Allocation of support and governance costs

Support costs have been allocated between governance and other support costs. Governance costs comprise all costs involving the public accountability of the Battalion and its compliance with regulation and good practice.

Governance costs and support costs relating to charitable activities have been apportioned based on the estimate of time spent by the staff on each activity. The allocation of support and governance costs is analysed in note 4.

Costs of raising funds

The cost of generating funds consist of investment management costs and an estimate of the time spent by staff on this activity.

Charitable activities

The expenditure on charitable activities includes grants made, governance costs and an apportionment of support costs as shown in note 4.

Tangible fixed assets and depreciation

All office equipment is capitalised and valued at historical cost. Depreciation is charged from the year of acquisition on a straight-line basis over an estimated useful life of four years. The carrying values of tangible assets are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable.

Fixed Asset investments

Investments are initially recognised at their transaction value and subsequently valued at their market value at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

Realised gains and losses

All gains and losses are taken to the statement of financial activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value.

Stocks

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Pensions

Employees make their own defined contribution (money purchase) arrangements. The Battalion makes an employers' contribution to these arrangements. These contributions are restricted to the contributions shown in note 6. There were no outstanding contributions at the year end. The costs of these arrangements are included within support and governance costs and allocated to the funds of the Battalion using the methodology set out in note 4.

2 Related party transactions and trustees' expenses and remuneration

The trustees all give freely of their time and expertise without any form of remuneration or other benefit in cash or kind (2018 £nil). No expenses were paid to trustees in the current or preceding year.

3 Investment Income	2019	2018
	£	£
Dividends	15,729	16,317
Interest	<u>3,345</u>	<u>3,082</u>
	19,074	19,399

Investment income for the year ended 31 March 2018 was allocated, £12,731 to unrestricted funds, £5,021 to restricted funds and £1,647 to Endowment Funds

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Notes to the Financial Statements *(continued)*

		2019	2018
4	Support Costs	£	£
	Payroll	65,269	63,542
	Property Costs	<u>11,728</u>	<u>11,332</u>
		76,997	74,874
	Less: attributable to cost of raising funds	<u>4,620</u>	<u>3,744</u>
		72,377	71,130
	Administration	5,466	5,306
	Professional Fees	3,945	4,367
	Travel and Miscellaneous	2,217	3,131
	Depreciation	<u>295</u>	<u>445</u>
		<u>84,300</u>	<u>84,379</u>

15% of payroll and property costs on a time spent basis and 12.5% of administration costs on an actual basis together with all professional fees are apportioned to governance, making a total governance charge of

	<u>16,117</u>	<u>15,513</u>
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5 Grants paid

Grants paid in the year ended 31 March 2019 were all allocated to restricted funds.

6 Staff Salaries

		2019	2018
		£	£
	Salaries	57,822	56,412
	Social security costs	2,654	2,532
	Superannuation Contributions	<u>4,793</u>	<u>4,598</u>
		<u>65,269</u>	<u>63,542</u>

The average number of employees was

	2	2
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No employee received remuneration of £60,000 or more.

7 Tangible Fixed Assets

		Office Equipment	Total
		£	£
Cost	As at 1 April 2018	16,196	16,196
	Additions	<u>-</u>	<u>-</u>
	At 31 March 2019	<u>16,196</u>	<u>16,196</u>
Depreciation	As at 1 April 2018	15,661	15,661
	Charge for year	<u>295</u>	<u>295</u>
	At 31 March 2019	<u>15,956</u>	<u>15,956</u>
Net Book Value	At 31 March 2019	<u>240</u>	<u>240</u>
	At 31 March 2018	<u>535</u>	<u>535</u>

Notes to the Financial Statements *(continued)*

8 Investments

		2019	2018
		£	£
Listed Investments	Market value at 1 April 2018	576,254	594,219
	Additions at cost	7,584	88,442
	Disposals	(59,270)	(105,633)
	Net Gain / (Loss) on revaluation	<u>20,900</u>	<u>(774)</u>
	Market Value at 31 March 2019	<u>545,468</u>	<u>576,254</u>
	Historical Cost	<u>392,615</u>	<u>442,161</u>

Investments at fair value comprised:

Equities
Interest yielding securities

All investments are carried at their fair value. Investments in equities and interest yielding securities are all in quoted public markets, primarily the London Stock Exchange. Holdings in common investment funds unit trusts and open ended investment companies are at the bid price. The basis of fair value for quoted investments is equivalent to market price, using the bid price. Asset sales and purchases are recognised at the date of trade (that is their transaction value).

All investments are held through Speirs & Jeffrey who review the investments with the treasurer every six months and also advise the Battalion on appropriate changes to the portfolio in order that the investment policy can be carried out.

9 Debtors: Amounts falling due within one year

	2019	2018
	£	£
Sundry debtors	1,971	1,343
Income tax recoverable	1,119	1,733
	<u>3,090</u>	<u>3,076</u>

10 Creditors: Amounts falling due within one year

	2019	2018
	£	£
Accruals	6,483	6,987
Other Creditors	-	-
	<u>6,483</u>	<u>6,987</u>

THE BOYS' BRIGADE, GLASGOW BATTALION
Financial Statements for the year ended 31 March 2019

Notes to the Financial Statements *(continued)*

11 Movement in Funds

	Balance at 01.04.18	Income	Expenditure	Gain / (Loss) on Investment value	Balance at 31.03.19
	£	£	£	£	£
General Fund	27,500	-	-	-	27,500
Development Fund	283,985	70,703	104,560	12,468	262,596
Outreach and Events Support Fund	149,507	4,677	710	2,895	156,369
Training Support Fund	18,649	180	180	112	18,761
Daniel Lamont Fund	40,761	423	-	3,671	44,855
Engagement Fund	2,000	-	-	-	2,000
Sir William A Smith Memorial Fund	62,613	1,728	-	1,754	66,095
Other Funds	<u>-</u>	<u>4,589</u>	<u>4,589</u>	<u>-</u>	<u>-</u>
	<u>585,015</u>	<u>82,300</u>	<u>110,039</u>	<u>20,900</u>	<u>578,176</u>

Explanation of Funds

The various funds are held for the following purposes:

Unrestricted

General Fund - to support the general activities of the Battalion.

Designated

Development Fund - for development and extension purposes.

Restricted

Outreach and Events

Support Fund -

for the ongoing work of Glasgow Battalion in serving young people, and ensuring that the Christian message is brought to them in meaningful and lasting ways.

Training Support Fund -

to assist members from disadvantaged backgrounds to achieve something that they would have been unable to do without the financial help provided by the fund.

Daniel Lamont Fund -

for the development and encouragement of brass band work.

Engagement Fund -

to build relationships between the Battalion, its member Companies and prospective funders.

Other Funds -

income received for a specific purpose and expended in year.

Endowment (Expendable)

Sir William A Smith

Memorial Fund -

for the formation and continuance of Companies in areas of special needs within the city of Glasgow.

Notes to the Financial Statements *(continued)*

12 Analysis of Net Assets by Funds

	Fixed Assets £	Investments £	Other Net Assets £	Total £
Unrestricted Funds				
General Fund	240	-	27,260	27,500
Designated Funds				
Development Fund	-	301,292	(38,696)	262,596
Restricted				
Outreach and Events Support Fund	-	135,952	20,417	156,369
Training Support Fund	-	16,608	2,153	18,761
Daniel Lamont Fund	-	36,289	8,566	44,855
Engagement Fund	-	-	2,000	2,000
Endowment Funds (Expendable)				
Sir William A Smith Memorial Fund	-	55,327	10,768	66,095
	240	545,468	32,468	578,176

13 Independent Examiner's Fee

	2019 £	2018 £
Independent Examination	<u>2,000</u>	<u>2,000</u>

14 Obligations under Operating Leases

Operating lease payments are committed to be paid as follows:

	2019		2018	
	Land & Buildings £	Other £	Land & Buildings £	Other £
Expiring				
In two to five years	<u>25,500</u>	-	<u>8,712</u>	-
	25,500	-	8,712	-

15 Funds held by Districts

Funds held locally by Districts are not included in these financial statements. At 31 March 2019 these amounted to £8,064 in aggregate.