

Scripture Union Scotland

(Limited by Guarantee)

Report and Financial Statements

Year Ended 31 March 2016

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Charity Information

Scottish Charity Number	SC011222
Company Registration Number	SC054297
Country of incorporation	Scotland

Registered Office	70 Milton Street Cowcaddens GLASGOW G4 0HR
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Trustees	Gordon Brown Katriona Carmichael Rev James Dewar James Gladstone Lorimer Gray Arthur Jones Gordon McKinlay Neil MacLennan Rev Hugh O'Brien Linda Scott Sally Sydserff
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Chief Executive	Andrew Bathgate
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Company Secretary	Robin MacLellan
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Auditors	Mazars LLP, Chartered Accountants
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Bankers	The Royal Bank of Scotland plc CAF Bank Ltd Bank of Scotland plc
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Solicitors	Balfour + Manson LLP
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Website	www.suscotland.org.uk
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Report of the Trustees

The Trustees have pleasure in presenting their report together with the audited accounts for the year ended 31 March 2016.

Structure, governance and management

Status of charity and governing document

Scripture Union Scotland ("SU Scotland") is a Scottish charity (no. SC011222) constituted as a company limited by guarantee (no. SC054297) and governed by its Memorandum and Articles of Association. The company was incorporated on 22 October 1973. The trustees of the charity are the directors of the company for the purposes of company law.

Governance structure

Scripture Union is an international Christian movement which began in the UK in 1867 and which operates today in around 130 countries across the globe. In most of these countries Scripture Union operates as an autonomous, self-governing organisation, linked with other SU organisations through Scripture Union International. SU Scotland is one of four independent national Scripture Union organisations operating within Britain and Ireland.

The Board of Trustees of SU Scotland is responsible for the governance and oversight of the organisation's activities. Trustees are appointed to oversee the affairs of SU Scotland and to ensure that funds are used in accordance with the charity's objects as defined in its Memorandum & Articles of Association, and in line with the international Scripture Union '*Statement of Aims, Belief and Working Principles*'. As these principles reflect a Christian, Bible-based movement, trustees have a responsibility to work together to discern God's will for the direction and development of the organisation.

The Board meets five times a year and is supported by four sub-committees covering National Ministries, Residential, Finance and Development and Growth. A Board Nominations Committee makes recommendations to the Board for membership of the Board and its constituent committees. Each of these committees comprises both Board and non-Board members and operates under specific terms of reference. Each has its decisions ratified by the full Board.

The executive management team (who are considered to be the key management personnel) comprises four executive officers - the CEO and three departmental directors - who are responsible together for both the operational management of the organisation and the achievement of strategic targets set by the Board. None of this executive team is a member of the Board.

In addition, members of the Board and Senior Management Team gain valuable consultation input from an informal Student Executive group made up of young people between the ages of 15 and 21 which meets 3 times per year, members of which have firsthand experience of SU Scotland's activities.

The Board set the level of pay and remuneration for the key management personnel by reference to benchmark salary data for comparable roles in other Christian charitable organisations operating in Scotland.

Related parties

SU Scotland works in partnership with Christian churches and other Christian agencies in Scotland in the pursuit of its objects. There were financial transactions with three related parties in the year; Christian Values in Education (CVE), Ferrywell Youth Project and Sanctus Media.

There is a member of the key management personnel on the Board of CVE and of Ferrywell Youth Project as these are organisations whose objects are closely aligned with SU Scotland.

Neil MacLennan, one of the trustees is also a director of Sanctus Media Ltd, an organisation which supplied some promotional film clips and DVDs to SU Scotland under normal commercial terms.

Full details of the related party transactions are shown in note 13 of the financial statements.

Appointment of trustees

The responsibility for considering suitable candidates for the role of Trustee rests with the Nominations Committee. These Trustee positions are unpaid and the period of service is initially for five years. This may be extended for a further three years, after which the Trustee must stand down. Re-appointment is possible after the lapse of at least one year.

Report of the Trustees

The Chair, Vice Chair and Honorary Treasurer are elected annually at the first meeting of the Board following the AGM and may serve for a period of five years after which they must stand down. Re-appointment is possible after a lapse of at least one year. Appointment to any of these positions will be additional to any term already undertaken as a Trustee.

There are comprehensive procedures in place for the induction of new trustees. New appointees are provided with a detailed file of information covering topics such as the responsibilities of trustees and the history, activities and operations of SU Scotland. They are also invited to observe first hand some of the work of the organisation. Trustees are offered regular refresher courses in the principles of effective governance.

Risk management

Using a formal risk management process, the Trustees continue to assess and identify major risks, both external and internal, and have established systems and procedures to mitigate these risks.

Objectives and activities

Charitable objectives

The charity's Memorandum and Articles of Association contain the following objects:

- To aid the Christian Church in its ministries by specialised services whereby the Word of God is presented, especially to children and young people, so that those to whom it is presented may:
 - be led to personal faith in the Lord Jesus Christ
 - be encouraged and instructed in the development of Christian character and witness and in a sense of vocation, and
 - take their place as members and workers in the life of their churches and of society.
- To promote thoughtful Bible Reading amongst people of all ages with a view to furthering personal discipleship, Christian community and social concern.

These objects are currently expressed in the following statements of vision and values:

Our vision is to see the children and young people of Scotland exploring the Bible and responding to the significance of Jesus.

Our values are dependence on God and deepening relationships.

SU Scotland's ministry focuses on contact with school-age children and young people. During term-time this takes place in and around the school environment and through curriculum-based residential activities. During holidays and weekends it is conducted through residential activities and through working with churches in community-based mission events. Accordingly, in pursuit of its charitable objectives, SU Scotland is engaged throughout the year in the organisation of Christian holidays, weekends, missions and school groups for young people, together with training of Christian leaders and encouragement of Bible reading amongst young people. The organisation continues to pursue these objectives in partnership with Christian churches and other Christian agencies in Scotland.

Principal activities

The charity's principal areas of activity are:

- National ministries with schools and churches
- Residential holiday events
- Activity centres
- Prayer ministries
- Equipping and leadership development

National ministries with schools and churches

SU Scotland aims to undertake schools ministry through a large number of volunteers being supported and coordinated by a smaller number of Regional Workers. Work is organised over sixteen different regions across Scotland. Additional staff have a national remit covering Independent Schools, Urban Ministries, and Missions.

Report of the Trustees

SU Scotland seeks to assist schools to fulfil their obligations under Religious Observance legislation and to do this within the context of 'Curriculum for Excellence'. Direct schools work is linked closely to extra-curricular activities, wider regional events, residentials and ongoing support of similar activities with churches.

SU Scotland runs an Associate Worker Scheme. Under this scheme, groups of churches form local charitable trusts to appoint Christian workers to work in the local schools and with children and young people in the churches. SU Scotland provides support in the form of line management and training for workers as well as child protection and payroll services.

During school holidays, many SU missions take place in partnership with local churches. The strategic aim is to develop new mission partnerships whilst simultaneously handing over SU-led events to local leadership. Also during the summer, there are beach missions at Elie, Whiting Bay and Islay focusing on sharing the good news of Jesus with holidaying children and families as well as local children and young people.

Residential holidays and weekends

SU Scotland provides holidays and weekend breaks in a Christian environment at various locations around the country for around 3,000 children and young people every year. These events typically incorporate a broad range of activities ranging from gorge walking and skiing to the creative arts.

Events are staffed at levels to ensure appropriate care and attention for the number of young people attending. Most Team Leaders - and all but a few group leaders and catering staff - are volunteers.

Activity centres

SU Scotland runs two residential activity and conference centres - Lendrick Muir, near Kinross and Alltnacriche, near Aviemore, as well as two seasonal campsites - Kingscross on the Isle of Arran and Scoughall, near North Berwick. During school holiday periods these centres and campsites play host to SU Holidays and cater for the bulk of all the holiday places provided by SU Scotland each year.

Between 35 and 45 weekend breaks are organised by SU's Regional Workers each year and the majority of these are held at Alltnacriche and Lendrick Muir. The activity centres are utilised at other times by a wide range of different groups, mostly church youth groups and organisers of national training events or discipleship conferences.

In addition, during term-time, the facilities at both activity centres make them ideal venues for residential events for school groups of various sizes. Under the banner of *Classroom Outdoors*, the centres host school residential experiences and non-residential workshops geared to fulfilling the aims of the Scottish Government's Curriculum for Excellence.

Prayer ministries

At the heart of all that SU Scotland is about is a commitment to seeing more young people praying and being prayed for. This is worked out through a number of initiatives and events for different age groups.

Equipping and leadership development

SU Scotland provides leadership training events and development opportunities for young people aged 16+.

Strategic Report

Achievements and outcomes

SU Scotland has a strategic plan covering 2011-2016. The strategy is based around:

- **6 key aspirations for the children and young people of Scotland; that they will**
 - Deepen their relationships
 - Explore the Bible
 - Respond to the significance of Jesus
 - Pray and be prayed for
 - Be equipped for service
 - Be supported by more staff and volunteers
- **5 streams of work**
 - Schools

Report of the Trustees

- Residentials
- Missions
- Equipping and leadership development
- Online
- **4 key emphases running across all the streams**
 - Prioritising the disadvantaged
 - Partnering the church
 - Taking account of the family context
 - Evaluating the effectiveness of our work.

Work has continued through the year on developing operational plans to take the strategy forward. Some of the highlights from 2015/2016 include:-

- ✓ Continual stories being heard of the difference that attending an SU Scotland event or group has made to the life of a child or young person. Some quotes from young people during the year include:
 - *I had the time of my life and want to do it all again. I also got closer to God. (AV15)*
 - *Everyone was very welcoming, activities were good fun, and worship time was amazing. (GS4)*
 - *I've always been a Christian but at camp this year it really clicked that God loves me even after what I did. SU camps are such an encouragement. (LM2b)*
 - *I became a Christian and I want to thank all the leaders for telling me about Jesus. (LM3c)*
 - *I have been praying this week about sharing my faith and standing up for Jesus at school. I feel that after this week I will be able to do it much better. (LM3c)*
 - *You got to make new friends, do lots of activities and learn more about God. (LM6c)*

And from parents:

- *It has been so encouraging for her to spend time with friends who love Jesus and to talk about what the Bible means to them in such a fun environment. This is particularly key for [my daughter] who doesn't have any Christian friends at school yet. Thank you for all your hard work in preparation and during the camp. It is truly appreciated. (Mother of ES1 camper)*
- *It has been an amazing experience for him... We truly believe that music camp has had a huge impact on his walk with God and we so appreciate all the leaders who have spent time with him. He has also developed really deep friendships over the years. (Parents of LM2b camper)*
- *Both [my sons] raved about the Easter camp they attended. They came back talking about the fun times but also about the Bible teaching which was great to hear. (Mother of ELM1a campers)*
- ✓ A further increase in numbers of children taking part in school residentials at our centres;
- ✓ A continuing warmth of welcome shown by the vast majority of schools to members of our National Ministries team and volunteers, an enthusiastic reception given to Bible Alive in primary schools
- ✓ The contribution made by 2,000+ volunteers who served with SU Scotland during the year, equating to over 250,000 hours' worth of service at events and leading groups;
- ✓ Partnering with Circle Scotland and Prison Fellowship Scotland to host at an *SU Holiday* over 40 children of families affected by imprisonment;
- ✓ Partnering with Soul Survivor to host their Scottish festival event for the first time;
- ✓ Growth in the number of Gap Year participants.

National Ministries

- **Schools ministry** – Our National Ministries team are engaging with an increasing number of schools across Scotland; now over 800. We continue to place an emphasis on growing the number of SU groups in schools; however the number of new groups starting was marginally outweighed by those which had to stop; with 443 schools in Scotland currently having an SU group. The number of children attending remains healthy with an average group size of almost 14.

Report of the Trustees

- **Staff team** – Vacancies in our staff team were filled during the year, including a new East Team Leader. Our Associate Worker Scheme has grown to 17 partnership schemes.
- **Missions** – SU Scotland ran 34 Mission events this year, slightly higher than 2014/15. We continue our model of handing over events to local leaders once they have become established, whilst taking on new events. This year saw 7 new events whilst 3 older events were handed over to local leadership. Over the last 6 years, 27 events have been handed over like this. Over 80% of our events arrange mid-year follow up events. Additionally, half now run an activity for toddlers and carers, and almost half run teenage events too.

Residential Ministries

- **SU Holidays** - the total number of young people attending SU Holidays during the year was 1,872, a decrease of 3% compared to the previous year.

Feedback from those attending SU Holidays continues to be extremely positive, the vast majority of campers rating holidays either 'very good' or 'excellent', reflective also of a high calibre of leaders.

Soul Survivor Scotland took place at Lendrick Muir in August 2015 for the first time and was very well received, with over 800 delegates attending.

- **Weekends** – we welcomed 1,438 young people at 37 events. This is up 7% on the previous year.
- **Activity centres** - during 2015/16 we continued to see the positive impact of the considerable work done to improve the promotion of the centres as venues for term-time residential activity breaks. The number of children and young people attending these events increased again and the aim is to continue the upward trend.

This was an excellent year at **Lendrick Muir** with significant growth in bookings. Bed nights for the year were 27,165 (an increase of nearly 20% on prior year). A major reason for this growth was that we hosted Soul Survivor Scotland for the first time. In addition to the main house being used we had over 750 guests camping. There was a major logistical exercise to prepare for this event but we were delighted to see this new partnership get off to such a positive start.

We have also seen growth in the number of schools visiting the centre - we hosted 49 schools on residential (compared to 45 in the previous year). In addition weekend bookings have remained strong throughout the year. To better promote Lendrick Muir to the key weekend market we recently launched the Lendrick Muir website (www.lendrickmuir.org.uk) and have increased our presence on social media.

Regarding development at the centre we installed a large solar panel array on the site store and ran district heating to the staff houses from the biomass boiler we installed in 2013. Both these projects should pay for themselves and further enhance our environmental credentials. We also installed a new King Swing which is an excellent addition to our activity provision and is getting excellent reviews from users.

At **Alltnacriche**, there was a very encouraging 16% increase in Classroom Outdoor participants to 786. This is the highest ever number of participants. Feedback from schools on the quality of experience remains consistently positive. Retention rates have fallen slightly, predominantly due to external factors. We have been pleased to welcome a good number of new schools to the centre and this has more than compensated. Bookings through to 2017 are strong.

A new twin zip line has been installed, and the bushcraft activity area developed further. A significant amount of training was completed in the year to develop the range of what we offer. A project to identify whether the centre would benefit from a biomass heating system was undertaken. While the report concluded it was not viable, it was a worthwhile exercise and identified a more practical alternative approach to improving provision of heating and hot water.

Prayer Ministries

- In January 2016 we held an **SU Day of Prayer** which encouraged staff and supporters to gather for prayer in groups around Scotland. We also encouraged participation in the European-wide Pray Day for Schools in November 2015 and devoted time each day over a week to concentrate prayer on the development of our strategy.
- **Pray for Schools Scotland** - the network continued to grow, with 60% of Scottish schools now registered as being prayed for.

Report of the Trustees

- **Back to School with God** – once again we provided high quality resources for churches in Scotland and Northern Ireland to hold a special commissioning service for children, teachers and others involved in local schools at the start of the academic year. These resources are also used in the rest of the UK and elsewhere around the world.
- **Encounter** – two national youth prayer events in Aviemore and Grangemouth were run in partnership with others, and continue to be significant in encouraging ongoing prayer in the lives of those who attend. These events are largely planned by young people who also play a significant leadership role during the encounter event, with a small group of S5 and S6 pupils coming together the evening before the event for training and preparation.
- **Pray Together** – In 2015/16 we held three events (previously known as *Pray Any Way*) for children and families, in Aberdeen, Edinburgh and East Kilbride. A new format proved popular with numbers attending significantly larger than in previous years.

Equipping and Leadership development

- **Training and Discipleship** – There were 140 young people attending Go Conference and Christmas Houseparty events encouraging discipleship and leadership development, slightly down on last year. There were 74 young leaders trained, fewer than in recent years. Once again a high proportion attended the post-summer review weekend for young leaders. Our short-term mission programme, *COMMISSION*, continued with smaller numbers at our Basecamp events. Trainees continued to make a valuable contribution at the events where they served. A key aim of the programme is to challenge the upcoming generation of Christians in Scotland with the urgent need for mission among Scotland's children and young people.

People Contributions - Volunteers and Staff

- **Volunteers** – Thousands of volunteers are involved each year in SU groups and events. SU Scotland is primarily a volunteer organisation, employing a relatively small number of full-time and part-time staff to plan and co-ordinate the work and to provide training.

Some **2,637** accredited volunteers gave freely of their time and resources to assist in the running of holidays, missions, weekend events and school groups. Other volunteers contributed by performing a wide range of practical and administrative tasks in different SU Scotland locations.

Once again, volunteers gave a remarkable amount of time to the organisation during the course of the year, the overall total being estimated to be **279,522** hours, an 11.6% increase on the previous year.

The Protection of Vulnerable Groups (Scotland) Act 2007 has been in force during the year and has now been extended to all staff and volunteers in childcare roles. It is anticipated that the scheme will both enhance the protection provided for children, and also simplify the administrative procedures for SU volunteers.

The Trustees wish to pay tribute to all our volunteers who gave of their time during the year in order that the work of SU Scotland might be able to take place.

- **Staff** – numbers increased slightly with an average of 113 staff in post during the year, compared with an average of 109 during 2014/15.

SU Scotland staff worked diligently and to consistently high standards throughout the year. The Trustees acknowledge with sincere thanks their enormous contribution. During February 2016 we conducted a staff engagement survey using the services of Best Christian Workplaces Institute. The response showed SU Scotland to be a 'healthy' organisation with staff expressing many positive elements of working with SU Scotland. There are plans now in place to address areas of relative weakness, including staff sometimes feeling their gifts are not used to the full in their work.

From September onwards the Management Team led a process to determine strategic priorities for the organisation for the 2016-2019 period. The whole staff team were consulted through a survey on two occasions and the Strategic Priority teams developed thinking for their areas of responsibility. Following endorsement by the Board and further feedback from a wider group, the new strategy will be finalised by the end of June 2016 and launched in August 2016.

Report of the Trustees

Plans for future periods

The forthcoming strategy will focus on 'growing the team' of SU volunteers, young people, staff and supporters with growth in both numbers and quality envisaged.

- Diversity of Holidays on offer and growth in numbers attending
- Growing the partnership with SU movements in Ukraine and Belarus, as well as SU Rwanda, with trips to Ukraine for the International Conference, a team visit to Rwanda, as well as reciprocal visits of staff and young people
- Continuing work with a range of Christian agencies and individuals to advance the principle of Christian Values in Education; hosting Soul Survivor's Scottish event at Lendrick Muir in August 2016
- Development of Special Educational Needs work.
- Bible engagement
- Lendrick Muir development – looking ahead the main focus for Lendrick Muir is to refresh a number of the on-site activities which are close to the end of their useful lives and continue the multi-year programme of bathroom refurbishment. A Development Appeal was launched in May 2016 to provide fresh funding for these areas.
- Alltnacriche development – significant investment is planned for hot water and heating provision to improve the experience for guests.

Financial review

Principal funding sources

SU Scotland's work is heavily dependent on donations from individual supporters, churches and grant-making bodies. The Trustees are thankful to God for continual evidence of his faithful provision and express their deep gratitude to all supporters who gave sacrificially during the year and to the wide range of trusts and other funding bodies whose contributions helped make a substantial difference.

Results for the Year

As shown in the Statement of Financial Activities (SOFA) on page 14, there was net expenditure for the year of £282,970 (2015 – net income of £72,516). Most of the deficit is attributable to a planned drawing down of reserves accumulated in previous years.

Total income for the year was down 2% on 2015 at £3,287,073.

- Income from donations and legacies fell by 5% to £2,037,858 (2015: £2,152,974). This is attributable to a reduction in legacy income from £310,934 in 2015 to £275,599 in the current year as well as a fall in income from appeals with the May 2015 Prayer appeal generating £15,222 compared with £81,464 from the May 2014 Alltnacriche Development appeal.
- Income from charitable activities increased by 6% to £1,232,409 (2015: £1,167,181). The increase is due to a further growth in schools income at the Centres. Residentials income (SU Holidays and weekends) fell very slightly compared with last year.

Total expenditure for the year rose by 9% to £3,570,043 (2015: £3,279,606). This increase was due mainly to staffing costs, resulting from the final stage of a salary restructure during the year as well as vacancies being filled. For a more detailed analysis of costs, see notes 6 to 8.

Fixed assets

The changes in tangible fixed assets are shown in note 16 to the accounts. The largest additions to fixed assets in the year were the extension of the biomass district heating system, installation of solar panels and the King Swing at Lendrick Muir as well as the new Zip Line activity at Alltnacriche, which was funded from appeal funds.

Borrowing

At the year end, there were bank borrowings in the form of a 96 month term loan which funded the installation of the original biomass heating system at Lendrick Muir.

Report of the Trustees

Reserves

At the year-end, the General Fund balance stood at £356,590 (2015: £479,134) a decrease of £122,544.

It is the charity's aim to ensure that a balance is maintained of general unrestricted reserves held in cash which equates to between 3 and 6 months' worth of operating costs. At the year end, the combined balances of the relevant funds – i.e. the General Fund, the Special Projects Fund and the Legacy Equalisation Reserve – represented 5.3 months' worth of operating costs (2015 – 6.7 months' worth). The Trustees are satisfied that this is an acceptable position.

Funds in deficit

There were no funds in deficit at the year end.

Principal risks and uncertainties

Management continually monitor the key risks facing the organisation together with assessing the controls used for managing these risks. The Trustees formally review and document the principal risks facing the organisation at least annually.

The principal risks and uncertainties facing the charity are as follows:

- Risk of injury to a child or young person in the charity's care – this is managed by a range of safety measures and policies designed to minimise both the likelihood and impact of injury;
- Risk of lost opportunity as a result of damage to the organisation's good reputation, whether caused by negligence or severe malpractice on the part of an employee or volunteer – this risk is managed through regular training, input from external expert advisers and monitoring to ensure all necessary policies are in place and being adhered to;
- Risk of spiritual ineffectiveness, leading to failure to fully deliver the charity's desired strategic outcomes – this risk is managed by encouraging regular Bible reading and prayer, both corporate and personal;
- Uncertainty of income - the nature of the charity's reliance on voluntary donations means that income can be susceptible to significant fluctuations. This uncertainty is managed through continually encouraging regular giving as part of the donor base, and nurturing a diverse range of income streams.

Report of the Trustees

Trustees and officers

The Trustees who served from 1 April 2015 to the date of this report were as follows:

Gordon Brown (Chair)
Katriona Carmichael
Rev James Dewar
James Gladstone
Lorimer Gray
Arthur Jones
Rev Hugh O'Brien
Shoana Mackay (resigned 22 August 2015)
Gordon McKinlay
Neil MacLennan
Linda Scott
Sally Sydserff (Honorary Treasurer)

Executive officers are as follows:

Andrew Bathgate, Chief Executive
Robin MacLellan, Director of Residential & Resources
Jackie Ringan, Director of Development
Philip Wray, Director of National Ministries

None of the executive officers are members of the SU Scotland Board.

Company Secretary

Robin MacLellan

Report of the Trustees

Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Report of the Trustees, the Strategic Report and the financial statements in accordance with applicable laws and regulations.

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the income or expenditure of the company for that period. In preparing those financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- 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 company will continue in business.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006 and Charities and Trustee Investment (Scotland) Act 2005. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement as to disclosure of information to auditors

The Trustees have taken all the necessary steps to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information. As far as the Trustees are aware, there is no relevant audit information of which the charitable company's auditors are unaware.

Auditors

A resolution to reappoint Mazars LLP as auditors will be proposed at the forthcoming annual general meeting.

By order of the Board



Robin MacLellan
Secretary

9 June 2016

Independent Auditors' Report to the Trustees and Members of Scripture Union Scotland

We have audited the financial statements of Scripture Union Scotland for the year ended 31 March 2016 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash flows and the related notes. 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, including Financial reporting standard FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland").

This report is made solely to the charity's trustees and members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and the Charities and Trustees Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the charity's trustees and members those matters we are required to state to them in an auditor's 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 the charity's members as a body for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement set out on page 11, the Trustees (who are also the directors of the charitable company 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 as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on the financial statements

In our opinion the financial statements:

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

Opinion on the other matter prescribed by the Companies Act 2006

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

Independent Auditors' Report to the Trustees and Members of Scripture Union Scotland

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:

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



John McLeod (Senior Statutory Auditor)
for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
90 St Vincent Street
Glasgow G2 5UB

Mazars LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Date:

9/6/16

Statement of financial activities (including Income & Expenditure account)

for the year ended 31 March 2016

		Total				2016	2015
	Notes	General	Designated	unrestricted	Restricted	Total funds	Total funds
		£	£	£	£	£	£
							see note 28
Income from:							
Donations and legacies	3	852,212	19,506	871,718	1,166,140	2,037,858	2,152,974
Charitable activities	4	1,075,584	42,288	1,117,872	114,537	1,232,409	1,167,181
Other	5	16,806	-	16,806	-	16,806	31,967
Total income		1,944,602	61,794	2,006,396	1,280,677	3,287,073	3,352,122
Expenditure on:							
Raising funds	6	98,359	1,182	99,541	23,385	122,926	62,879
Charitable activities	7						
Residential and Activity Centres		1,561,073	250,031	1,811,104	127,130	1,938,234	2,093,068
National Ministries		331,802	11,843	343,645	988,261	1,331,906	988,886
Equipping and Leadership Development		15,619	552	16,171	34,033	50,204	45,740
International Support		67,662	-	67,662	59,111	126,773	89,033
Total Charitable activities expenditure		1,976,156	262,426	2,238,582	1,208,535	3,447,117	3,216,727
Total expenditure		2,074,515	263,608	2,338,123	1,231,920	3,570,043	3,279,606
Net (expenditure) / income		(129,913)	(201,814)	(331,727)	48,757	(282,970)	72,516
Transfers between funds	15	7,369	232,798	240,167	(240,167)	-	-
Net movement in funds		(122,544)	30,984	(91,560)	(191,410)	(282,970)	72,516
Reconciliation of funds:							
Total funds brought forward		479,134	5,199,865	5,678,999	641,541	6,320,540	6,248,024
Total funds carried forward		356,590	5,230,849	5,587,439	450,131	6,037,570	6,320,540

All amounts above relate to continuing activities.

There are no recognised gains or losses other than those included above.

The accompanying accounting policies and notes form an integral part of these financial statements.

Balance sheet

at 31 March 2016

	Notes	2016 £	2015 £
Fixed Assets			
Tangible assets	16	4,579,490	4,489,298
		<u>4,579,490</u>	<u>4,489,298</u>
Current assets			
Stocks	17	10,522	3,179
Debtors	18	347,946	249,603
Cash at bank and in hand	19	1,857,359	2,273,449
		<u>2,215,827</u>	<u>2,526,231</u>
Total current assets		<u>2,215,827</u>	<u>2,526,231</u>
Creditors: amounts falling due within one year	20	(543,527)	(434,113)
		<u>1,672,300</u>	<u>2,092,118</u>
Net current assets		<u>1,672,300</u>	<u>2,092,118</u>
Total assets less current liabilities		<u>6,251,790</u>	<u>6,581,416</u>
Creditors: amounts falling due after more than one year	21	(214,220)	(260,876)
		<u>6,037,570</u>	<u>6,320,540</u>
Total net assets		<u>6,037,570</u>	<u>6,320,540</u>
The funds of the charity:			
General Fund	23	356,590	479,134
Designated Funds:			
Capital Reserve		4,318,614	4,183,496
Special Projects Fund		590,125	681,906
Legacy Equalisation Reserve		287,359	295,635
Other		34,751	38,828
Total Designated Funds		<u>5,230,849</u>	<u>5,199,865</u>
Total unrestricted funds		<u>5,587,439</u>	<u>5,678,999</u>
Restricted funds	24	450,131	641,541
Total charity funds		<u>6,037,570</u>	<u>6,320,540</u>

The accompanying accounting policies and notes form an integral part of these financial statements.

Approved by the Board on 9 June 2016 and signed on its behalf by:



Gordon Brown
Chair



Sally Sydserff
Honorary Treasurer

Statement of cashflows

at 31 March 2016

	Notes	2016 £	2016 £	2015 £	2015 £
Cash flows from operating activities:					
Net movement in funds		(282,970)		72,516	
Adjustments for:					
Depreciation	16	223,406		224,924	
Gain on disposal of tangible fixed assets		(750)		(13,418)	
Interest income		(16,056)		(18,549)	
Loan interest paid		10,672		12,289	
Movement in stocks		(7,343)		1,432	
Movement in debtors		(98,343)		176,805	
Movement in creditors (excluding loan funding asset purchase)		107,684		(67,866)	
Net cash flows generated from operating activities			(63,700)		388,133
Cash flows from investing activities:					
Purchase of property, plant and equipment	16	(313,598)		(90,709)	
Proceeds on disposal of property, plant and equipment		750		13,917	
Interest income received		16,056		18,549	
Loan interest paid		(10,672)		(12,289)	
Net cash flows generated from investing activities			(307,464)		(70,532)
Cash flows from financing activities:					
Loan repayments		(44,926)		(43,311)	
Net cash flows generated from investing activities			(44,926)		(43,311)
Net (decrease) in cash during the reporting period			(416,090)		274,290
Cash at bank and in hand at 1 April			2,273,449		1,999,159
Net cash flow per above			(416,090)		274,290
Cash at bank and in hand at 31 March	19		<u>1,857,359</u>		<u>2,273,449</u>

Notes to the financial statements

for the year ended 31 March 2016

1 Principal accounting policies

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 (FRS102) (effective 1 January 2015) - ("Charities SORP (FRS 102)") and the Companies Act 2006.

Scripture Union Scotland meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The financial statements have been prepared on a going concern basis as there are no material uncertainties about the organisation's ability to continue its operations.

The principal accounting policies are set out below:

1.1 Income

Donations are credited to income on a receivable basis. Where donations are received to support the work of an individual staff member or activity, they are recognised as restricted income and allocated to Team Support. The value of donated services provided by volunteers is not included in the accounts.

Grant income is recognised as soon as unconditional entitlement arises. Grants received to fund specified capital expenditure are included as restricted income.

Legacies are included as income when the charity is advised by the personal representative of an estate that payment will be made or property transferred and the amount involved can be quantified. In order to smooth the impact on the General Fund of fluctuations in legacy amounts received from year to year, all unrestricted income received through legacies is allocated to the General Fund over three financial years. In the year of receipt one third of the value of a legacy is transferred to the Special Projects Fund and two thirds to the Legacy Equalisation Reserve. The balance held in the Legacy Equalisation Reserve is drawn down to zero over the course of the next two years, the income being released to the General Fund in two equal annual amounts.

Residentials income includes income from holiday and weekend fees and contributions. This income is included in the accounts in the period when the holiday or weekend event takes place. Any income received in advance of the event is shown in creditors as deferred income.

Centres income includes fee income from schools residentials and church groups staying at Lendrick Muir and Alltnacriche Activity Centres. This income is included in the accounts in the period when the event takes place. Any income received in advance of the event is shown in creditors as deferred income. Centres income does not include the value of internal usage for Scripture Union activities such as SU holidays and weekends.

Interest income is accounted for on a receivable basis.

1.2 Expenditure

All expenditure is included in the accounts on an accruals basis.

The allocation of expenditure between activities and support costs is made utilising our departmental reporting system on a basis that is designed to reflect the use of the resources.

Expenditure in raising funds includes all costs incurred in support development activities including attracting voluntary income as well as an appropriate proportion on support costs.

Expenditure on charitable activities includes all costs incurred in the delivery of our charitable objectives as well as an appropriate proportion of support costs.

Support costs comprise costs which enable fundraising and charitable activities to be undertaken. These costs include central management costs such as finance, human resources and administration and have been allocated between cost of raising funds and expenditure on charitable activities in proportion to those activities' direct costs. The allocation of support costs is detailed in the notes below.

Notes to the financial statements

for the year ended 31 March 2016

1 Principal accounting policies (continued)

1.3 Fixed Assets

Fixed assets costing £1,000 or more are capitalised at cost and are depreciated over their estimated useful economic lives on a straight line basis as follows:

Asset category	Annual rate
Buildings	2%
Furniture and fittings	20%
Motor vehicles	20%
IT equipment	33%
Other equipment	20%
Plant and machinery	10%
Plant and machinery (Biomass boiler)	5%

No depreciation is provided in respect of the value attributable to land.

1.4 Operating leases

Rentals payable under operating leases relate to the hire of laundry equipment at Lendrick Muir. Rental payments are charged on a straight line basis over the term of the lease.

1.5 Pension costs

Pension costs relate to contributions paid into the group personal pension plan for employees.

1.6 Stock

Stock is included at the lower of cost and net realisable value.

1.7 Debtors

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

1.8 Creditors

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

1.9 Financial instruments

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

1.10 Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work.

Where unsolicited donations are received on behalf of international SU and other bodies, these are identified separately and excluded from the Income & Expenditure account as SU Scotland derives no benefit from these funds whatsoever. Details of the movements in these funds is shown in note 25.

Further explanation of the purpose of each fund is included in the notes below.

1.11 Judgements and key sources of estimation uncertainty

There were no judgements and key sources of estimation uncertainty in the preparation of the financial statements.

Notes to the financial statements

for the year ended 31 March 2016

1.12 Transition to FRS 102

Other than the reclassification of expenditure between categories, no restatement of items has been required in making the transition to FRS 102. The transition date was 1 April 2014.

The last set of financial statements prepared under the provisions of the Statement of Recommended Practice "Accounting and Reporting by Charities" (March 2005) were for the year ended 31 March 2015.

2 Reconciliation with previous Generally Accepted Accounting Practice

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

No restatements were required other than the reclassification between categories of expenditure. A reconciliation of opening balances is therefore not required.

3 Income from donations and legacies

	Total				2016	2015
	General	Designated	unrestricted	Restricted	Total funds	Total funds
	£	£	£	£	£	£
Donations	442,130	-	442,130	960,644	1,402,774	1,355,376
Legacies	275,599	-	275,599	-	275,599	310,934
Appeals	-	19,506	19,506	173,681	193,187	287,827
Fundraising Dinner	84,363	-	84,363	-	84,363	58,669
Grants & Trust income	50,120	-	50,120	31,815	81,935	140,168
	<u>852,212</u>	<u>19,506</u>	<u>871,718</u>	<u>1,166,140</u>	<u>2,037,858</u>	<u>2,152,974</u>

4 Income from charitable activities

	Total				2016	2015
	General	Designated	unrestricted	Restricted	Total funds	Total funds
	£	£	£	£	£	£
Residentials	435,178	42,288	477,466	105,944	583,410	590,104
Centres (excl SU holidays and Weekends)	626,706	-	626,706	-	626,706	561,843
National Ministries	-	-	-	8,593	8,593	2,742
Equipping and Leadership Development	13,700	-	13,700	-	13,700	12,492
	<u>1,075,584</u>	<u>42,288</u>	<u>1,117,872</u>	<u>114,537</u>	<u>1,232,409</u>	<u>1,167,181</u>

5 Other income

	Total				2016	2015
	General	Designated	unrestricted	Restricted	Total funds	Total funds
	£	£	£	£	£	£
Bank interest	16,056	-	16,056	-	16,056	18,549
Gain on disposal of assets	750	-	750	-	750	13,418
	<u>16,806</u>	<u>-</u>	<u>16,806</u>	<u>-</u>	<u>16,806</u>	<u>31,967</u>

6 Expenditure on raising funds

	Total				2016	2015
	General	Designated	unrestricted	Restricted	Total funds	Total funds
	£	£	£	£	£	£
Salaries & benefits	59,130	-	59,130	8,868	67,998	24,402
Travel & sundry expenses	2,863	-	2,863	-	2,863	1,352
Other staff costs	740	-	740	-	740	54
Printing & communication	15,422	-	15,422	12,983	28,405	23,542
IT, office & admin costs	3,109	-	3,109	-	3,109	3,772
Depreciation	-	104	104	-	104	-
Irrecoverable VAT	2,165	-	2,165	-	2,165	383
Allocation of support costs (see note 8)	14,930	1,078	16,008	1,534	17,542	9,374
	<u>98,359</u>	<u>1,182</u>	<u>99,541</u>	<u>23,385</u>	<u>122,926</u>	<u>62,879</u>

Notes to the financial statements

for the year ended 31 March 2016

7 Expenditure on charitable activities

	Residentials and Activity Centres	National Ministries	Equipping and Leadership Development	International Support	2016 Total	2015 Total
	£	£	£	£	£	£
Salaries & benefits	768,691	843,364	14,356	3,354	1,629,765	1,423,641
Travel & sundry expenses	17,554	72,751	5,216	5,640	101,161	84,942
Other staff costs	15,652	3,305	1,749	-	20,706	21,365
Holiday / programme related	261,869	126,814	18,073	36,775	443,531	372,566
International grants (see note 9)	-	-	-	80,390	80,390	89,033
Heat, light & power	67,179	4,152	-	-	71,331	70,112
Property & equipment	156,302	16,306	-	-	172,608	263,352
Vehicle costs	12,933	-	-	-	12,933	10,830
Printing & communication	52,764	21,138	2,294	-	76,196	87,362
IT, office & admin costs	43,759	45,750	404	577	90,490	83,035
Professional fees	30,301	-	-	-	30,301	8,832
Bank charges & loan interest	14,085	-	-	-	14,085	14,016
Depreciation	192,812	130	112	-	193,054	195,399
Irrecoverable VAT	30,386	7,512	836	37	38,771	34,578
Allocation of support costs (see note 8)	273,947	190,684	7,164	-	471,795	457,664
	1,938,234	1,331,906	50,204	126,773	3,447,117	3,216,727

8 Allocation of support costs

	Charitable activities				2016	2015
	Residentials and Activity Centres	National Ministries	Equipping and Leadership Development	Raising funds	Total	Total
	£	£	£	£	£	£
Salaries & benefits	183,632	126,398	4,749	11,627	326,406	291,074
Travel & sundry expenses	4,879	3,358	126	309	8,672	12,990
Other staff costs	4,399	3,028	114	279	7,820	14,459
Heat, light & power	5,222	3,594	135	331	9,282	6,122
Property & equipment	9,182	6,320	237	581	16,320	13,779
Printing & communication	8,379	5,768	217	531	14,895	3,688
IT, office & admin costs	17,257	11,878	446	1,093	30,674	48,395
Professional fees	5,857	4,032	151	371	10,411	8,548
Bank charges & loan interest	5,766	3,969	149	365	10,249	9,197
Depreciation	17,017	11,713	440	1,078	30,248	29,525
Irrecoverable VAT	6,841	6,829	257	628	14,555	20,267
Governance costs	5,516	3,797	143	349	9,805	8,994
	273,947	190,684	7,164	17,542	489,337	467,038

Support costs are allocated to activities in the same proportion as total direct expenditure has been incurred in undertaking these activities.

Notes to the financial statements

for the year ended 31 March 2016

9 International support	2016	2015
	£	£
Grants paid to SU movements:		
Contribution to SU Ukraine, Belarus & Torez from unrestricted funds	28,153	35,465
Contribution to SU Ukraine, Belarus & Torez from restricted funds	52,237	7,145
	<u>80,390</u>	<u>42,610</u>
Other costs:		
Contribution to SU International Councils from unrestricted funds	29,348	29,346
Contributions to SU overseas projects from restricted funds	6,874	17,077
Contributions to SU overseas projects from unrestricted funds	5,240	-
Travel costs related to overseas trips and visitors paid from unrestricted funds	4,921	-
	<u>126,773</u>	<u>89,033</u>
10 Net (expenditure) / income	2016	2015
	£	£
This is stated after charging:		
Gain on disposal of fixed assets	(750)	(13,418)
Depreciation	223,406	224,924
Auditors' remuneration	6,900	6,000
Operating lease rentals	2,146	8,005
	<u>221,602</u>	<u>214,499</u>
11 Staff costs	2016	2015
	£	£
Wages and salaries	1,657,535	1,443,016
Social security costs	106,095	65,781
Pension and other costs	188,749	178,294
	<u>1,952,379</u>	<u>1,687,091</u>
The average number of employees (full time and part time) was 113 (2015 - 109).		
There were no employees who received remuneration over £60,000 in the period.		
Key management personnel include the Chief Executive, Director of Residential and Resources, Director of National Ministries and Director of Development. The total employee benefits of the key management personnel of the charity were £187,754 (2015 - £175,276).		
The company operates a group personal pension (i.e. defined contribution) scheme for employees. Contributions are charged to the income and expenditure account as they are paid and are made from general funds other than contributions for those staff members whose costs are paid from restricted team support funds. There was £22,331 (2015 - £19,882) of contributions outstanding as at the balance sheet date; this was paid over as normal at the beginning of the following month. The assets of the scheme are held separately from those of the company in an independently administered fund.		
12 Trustees	2016	2015
	£	£
No trustees received any remuneration in either year.		
Payments made to 5 trustees (2015 - 4 trustees) for re-imburement of expenses	<u>1,635</u>	<u>1,133</u>
Donations received from 10 trustees (2015 - 7 trustees) during the year of	<u>11,577</u>	<u>10,185</u>

Notes to the financial statements

for the year ended 31 March 2016

13 Related Parties

During the year, transactions were entered into with three related parties.

Sanctus Media Ltd

Neil MacLennan, one of the trustees is also a director of Sanctus Media Ltd. The transactions related to the production of promotional film clips which were viewed at the Fundraising Dinner and DVDs for promotion of SU Holidays. The total value of the purchases during the year was £1,033 (2015 - £1,313).

Christian Values in Education(CVE)

Andy Bathgate, one of the key management personnel, is also a trustee of CVE. The transactions related to the payment of some web development and job advert costs on behalf of CVE during their initial set up phase. These expenses were paid as a contribution towards the work of CVE which is aligned with SU Scotland's charitable objectives. The total value of the payments during the year was £92 (2015 - £2,561).

Ferrywell Youth Project

Jackie Ringan, one of the key management personnel, is also a trustee of Ferrywell Youth Project. The transactions related to contributions towards the core costs of the project which is closely aligned with SU Scotland's charitable objectives. The total value of the payments during the year was £9,988 (2015 - £nil).

There was no balance outstanding at the current or prior year end with any of the related parties.

14 Taxation

No provision for corporation tax is required as the company has been recognised as a charity by HM Revenue & Customs for the purposes of tax relief granted by Section 505 of the Income and Corporation Taxes Act 1988.

15 Transfers

	Total				2016
	General	Designated	unrestricted	Restricted	Total funds
	£	£	£	£	£
Holiday sponsorship funds applied	174,002	-	174,002	(174,002)	-
Purchase of Fixed Assets less loan funding movement	(228,040)	309,858	81,818	(81,818)	-
Transfer legacy income received to designated funds	(275,599)	275,599	-	-	-
Release from Legacy Equalisation Reserve in year	192,009	(192,009)	-	-	-
Release from Special Projects Fund in year	156,045	(178,227)	(22,182)	22,182	-
Other miscellaneous transfers	(11,048)	17,577	6,529	(6,529)	-
	<u>7,369</u>	<u>232,798</u>	<u>240,167</u>	<u>(240,167)</u>	<u>-</u>

16 Tangible fixed assets

	Land	Buildings	Furniture & fittings	Plant & machinery	Motor vehicles	Equipment	Total
	£	£	£	£	£	£	£
Cost							
At 31 March 2015	417,700	4,647,188	419,297	830,534	67,838	649,295	7,031,852
Additions	-	2,167	29,578	194,821	5,790	81,242	313,598
Disposals	-	-	(7,388)	(333)	-	(95,686)	(103,407)
At 31 March 2016	<u>417,700</u>	<u>4,649,355</u>	<u>441,487</u>	<u>1,025,022</u>	<u>73,628</u>	<u>634,851</u>	<u>7,242,043</u>
Depreciation							
At 31 March 2015	-	1,221,688	375,580	345,310	36,592	563,384	2,542,554
Charge for year	-	92,986	15,428	65,930	9,907	39,155	223,406
Disposals	-	-	(7,388)	(333)	-	(95,686)	(103,407)
At 31 March 2016	<u>-</u>	<u>1,314,674</u>	<u>383,620</u>	<u>410,907</u>	<u>46,499</u>	<u>506,853</u>	<u>2,662,553</u>
Net book value							
At 31 March 2016	<u>417,700</u>	<u>3,334,681</u>	<u>57,867</u>	<u>614,115</u>	<u>27,129</u>	<u>127,998</u>	<u>4,579,490</u>
At 31 March 2015	<u>417,700</u>	<u>3,425,500</u>	<u>43,717</u>	<u>485,224</u>	<u>31,246</u>	<u>85,911</u>	<u>4,489,298</u>

Notes to the financial statements

for the year ended 31 March 2016

17 Stocks	2016	2015
	£	£
Goods for resale	10,522	3,179
	<u>10,522</u>	<u>3,179</u>
18 Debtors	2016	2015
	£	£
Tax recoverable (Gift Aid)	22,562	22,238
Holiday costs paid in advance relating to future season	50,074	35,471
Sundry prepayments	12,979	13,462
Legacy income receivable	201,464	130,000
Other debtors	60,867	48,432
	<u>347,946</u>	<u>249,603</u>
19 Cash at bank and in hand	2016	2015
	£	£
Holidays and booking fees paid in advance and held in separate client accounts	248,283	238,143
Cash held on behalf of international SU and other bodies (see Note 25)	15,603	21,011
Cash held for other restricted funds	450,131	641,541
Cash held for unrestricted funds	1,143,342	1,372,754
	<u>1,857,359</u>	<u>2,273,449</u>
20 Creditors: amounts falling due within one year	2016	2015
	£	£
Deferred income (* see below)	238,806	224,608
Trade creditors	112,273	56,714
Accrued charges and sundry creditors	46,546	18,844
VAT payable	7,692	3,854
Other taxes and social security costs	75,951	64,156
Funds for transfer to international SU and other bodies (see Note 25)	15,603	21,011
Term loan - amount falling due within one year (see Note 21)	46,656	44,926
	<u>543,527</u>	<u>434,113</u>

The loan covers the cost of the biomass heating at Lendrick Muir and is secured on the Alltnacriche Outdoor Centre.

* Deferred income

Deferred income comprises advance fees and deposits related to Easter and Summer 2016 holidays, residential weekends taking place in April to June 2016 and Centre bookings for the next financial year.

Balance at 1 April	224,608	223,371
Amount released to income earned from charitable activities	(224,608)	(223,371)
Amount deferred in year	238,806	224,608
Balance at 31 March	<u>238,806</u>	<u>224,608</u>

21 Creditors: amounts falling due after more than one year	2016	2015
	£	£
Term loan:		
- amount falling due between one and two years	48,391	46,656
- amount falling due between two and five years	156,607	150,850
- amount falling due after five years	9,222	63,370
	<u>214,220</u>	<u>260,876</u>

The Commercial Fixed Rate Term Loan for the biomass heating system at Lendrick Muir is repayable by 24 May 2021 and is secured on the Alltnacriche Outdoor Centre.

The principal amount was £384,000 and interest rate is fixed at 3.72792% for the 8 year term.

Notes to the financial statements

for the year ended 31 March 2016

22 Operating lease commitments

At 31 March 2016 the charity's total commitments under non-cancellable operating leases was as follows:

	2016 £	2015 £
Within one year	2,146	2,146
Between two and five years	8,584	-
	<u>10,730</u>	<u>2,146</u>

23 Unrestricted funds

	Balance at 1 April 2015 £	Income £	Expenditure £	Transfers £	Balance at 31 March 2016 £
General fund	479,134	1,944,602	(2,074,515)	7,369	356,590
Designated funds:					
Capital Reserve	4,183,496	-	(223,406)	358,524	4,318,614
Special Projects Fund	681,906	-	-	(91,781)	590,125
Legacy Equalisation Reserve	295,635	-	-	(8,276)	287,359
International Reserve	9,380	-	-	-	9,380
SU International Committee Fund	277	-	-	2,000	2,277
Other designated funds	29,171	61,794	(40,202)	(27,669)	23,094
Total designated funds	<u>5,199,865</u>	<u>61,794</u>	<u>(263,608)</u>	<u>232,798</u>	<u>5,230,849</u>
Total unrestricted funds	<u>5,678,999</u>	<u>2,006,396</u>	<u>(2,338,123)</u>	<u>240,167</u>	<u>5,587,439</u>

Description, nature and purpose of funds

The Capital Reserve represents the value of unrestricted funds tied up in fixed assets, which would not be readily convertible into cash. This equates to the net book value of fixed assets less the loan funding covering the capital cost of the Biomass boiler.

The Special Projects Fund represents a designation by the Board from surplus unrestricted funds and legacy income to be used to help maintain ministries that have proved difficult to fund from elsewhere and also to invest in new ministry initiatives or projects.

The Legacy Equalisation Reserve was created to recognise the impact of significant fluctuations in legacy income from year to year.

The International Reserve was set up with part of the proceeds of the sale of 9 Canal Street, Glasgow. The fund is to support Scripture Union work overseas.

The SU International Committee Fund was established to enable the SU International Committee to respond financially to overseas needs at their discretion.

Other designated funds are the funds designated for the Scoughall and Kings Cross camp sites.

Notes to the financial statements

for the year ended 31 March 2016

24 Restricted funds

	Balance at 1 April 2015	Income	Expenditure	Transfers	Balance at 31 March 2016
	£	£	£	£	£
Team Support	389,370	1,040,581	(1,123,315)	(15,452)	291,184
Holiday Sponsorship	93,258	164,231	(3,795)	(174,002)	79,692
Ukraine Funds	38,895	21,428	(51,323)	-	9,000
Other International Funds	6,147	5,278	(7,789)	-	3,636
Lendrick Muir Development Fund	22,501	19,140	(15,489)	(18,890)	7,262
Lendrick Muir Roof Fund	8,487	900	444	-	9,831
Alltnacriche Development Fund	75,875	8,529	(9,528)	(30,707)	44,169
Youthlink Funds	2,035	16,815	(16,290)	(1,116)	1,444
Miscellaneous restricted funds	4,973	3,775	(4,835)	-	3,913
Total restricted funds	641,541	1,280,677	(1,231,920)	(240,167)	450,131

Description, nature and purpose of funds

The Team Support Fund represents income received from donors to fund the costs of specified national ministries work or particular employees' salaries and expenses.

The Holiday Sponsorship Fund is maintained to subsidise, where appropriate, the fees of children and leaders to enable them to attend Scripture Union Scotland's holidays programme. The balance at the year end includes £72,412 received from the February 2016 appeal to be used for 2016 Easter and Summer holidays.

The Ukraine Fund represents income received from supporters and income from other Scripture Union International Councils to be used to support the work of Scripture Union in Ukraine.

The International Funds represent income generated and expenditure initiated for specific international SU projects by Scripture Union Scotland.

The Lendrick Muir Development Fund represents income and grants received with the related expenditure on a programme of developments at the centre.

The Lendrick Roof Fund represents income and grants received with the related expenditure on essential roof repairs at the centre.

The Alltnacriche Development Fund represents income received with the related expenditure on a programme of developments at the centre.

The Youthlink Funds represent grant income received to fund specific costs related to the training of young people & staff and the support of volunteers.

25 SU international funds held

	Balance at 1 April 2015	Income received	Payments / Transfers	Balance at 31 March 2016
	£	£	£	£
Funds received on behalf of SU international organisations to which SU Scotland has no right or title	21,011	19,397	(24,805)	15,603

26 Analysis of net assets

	General	Designated	Total		2016
	£	£	unrestricted	Restricted	Total funds
	£	£	£	£	£
Fixed assets	-	4,579,490	4,579,490	-	4,579,490
Current assets	837,858	912,235	1,750,093	465,734	2,215,827
Current liabilities	(481,268)	(46,656)	(527,924)	(15,603)	(543,527)
Long term liabilities	-	(214,220)	(214,220)	-	(214,220)
Total	356,590	5,230,849	5,587,439	450,131	6,037,570

Notes to the financial statements

for the year ended 31 March 2016

27 Capital commitments

	2016 £	2015 £
Capital expenditure contracted but not provided for in the financial statements		
Supply, manage and install Accounting Software	-	11,619

There were no capital commitments as at 31st March 2016. The capital commitment as at 31st March 2015 related to the contract to supply, manage and install new accounting software for the organisation. The project completed by October 2015 with total expenditure incurred of £11,787. This cost is included as capital expenditure for 2015-16.

28 Comparative statement of financial activities

	2015				
	General	Designated	Total unrestricted	Restricted	Total funds
	£	£	£	£	£
Income from:					
Donations and legacies	845,680	4,547	850,227	1,302,747	2,152,974
Charitable activities	1,012,426	30,215	1,042,641	124,540	1,167,181
Other	31,967	-	31,967	-	31,967
Total income	1,890,073	34,762	1,924,835	1,427,287	3,352,122
Expenditure on:					
Raising funds	46,027	585	46,612	16,267	62,879
Charitable activities					
Residential and Activity Centres	1,662,246	230,083	1,892,329	200,739	2,093,068
National Ministries	66,621	16,626	83,247	905,639	988,886
Equipping and Leadership Development	24,903	-	24,903	20,837	45,740
International Support	64,810	-	64,810	24,223	89,033
Total Charitable activities expenditure	1,818,580	246,709	2,065,289	1,151,438	3,216,727
Total expenditure	1,864,607	247,294	2,111,901	1,167,705	3,279,606
Net (expenditure) / income	25,466	(212,532)	(187,066)	259,582	72,516
Transfers between funds	(70,039)	238,867	168,828	(168,828)	-
Net movement in funds	(44,573)	26,335	(18,238)	90,754	72,516
Reconciliation of funds:					
Total funds brought forward	523,707	5,173,530	5,697,237	550,787	6,248,024
Total funds carried forward	479,134	5,199,865	5,678,999	641,541	6,320,540