

**Scripture Union Scotland
(Limited by Guarantee)**

**Report and Financial Statements
Year Ended 31 March 2017**

Contents

	Page
Charity Information	1
Report of the Trustees	
Structure, governance and management	2
Objectives and activities	3 - 5
Strategic Report	5 - 9
Achievements and performance	5 - 8
Plans for future periods	8
Financial review	9 - 10
Principal risks and uncertainties	10
Trustees and officers	10
Statement of Trustees' responsibilities	11
Statement as to Disclosure of Information to Auditors	11
Independent Auditors' Report	12 - 13
Statement of financial activities	14
Balance sheet	15
Statement of cash flows	16
Notes to the financial statements	17 - 24

Charity Information

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

Registered Office 70 Milton Street
Cowcaddens
GLASGOW
G4 0HR

Trustees Stephen Bell
Rosie Bowker
Gordon Brown
Katriona Carmichael
Rev James Dewar
James Gladstone
Lorimer Gray
Arthur Jones
Gordon McKinlay
Neil MacLennan
Rev Hugh O'Brien
Linda Scott
Andrew Simpson
Sally Sydserff

Chief Executive Andrew Bathgate

Company Secretary Robin MacLellan

Auditors Mazars LLP, Chartered Accountants

Bankers The Royal Bank of Scotland plc
Bank of Scotland plc
Virgin Money plc
Santander plc

Solicitors Balfour + Manson LLP

Website www.suscotland.org.uk

Report of the Trustees

The Trustees have pleasure in presenting their report together with the audited accounts for the year ended 31 March 2017.

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, Residentials, 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 first-hand 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 to SU Scotland under normal commercial terms.

Report of the Trustees

Full details of the related party transactions are shown in note 12 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.

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.

Report of the Trustees

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.

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, residential 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 host 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.

Report of the Trustees

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. A number of prayer initiatives are organised for secondary age young people and an interactive prayer afternoon has proved popular with families.

Equipping and leadership development

SU Scotland provides a variety of training events for senior pupils. The Go Conference encourages young people to live out their Christian faith at school, in their community and in their family. A programme of leadership training is offered to trainee leaders aged 16+ where young people are encouraged to attend a training event, serve as part of a team working with young people and then gather together to evaluate and reflect on their experience.

Strategic Report

Achievements and outcomes

SU Scotland has a strategic plan covering 2016-2019. The strategy is based around a focus on "Growing the Team" and incorporates aims for key beneficiaries and stake holders as follows.

- **Young people:** investing in young people to be confident and committed followers of Jesus and helping them develop as leaders.
- **Volunteers:** envisioning, recruiting and equipping 300 new volunteers so that increasing numbers of children and young people will be exploring the Bible and responding to the significance of Jesus, especially in Scottish schools.
- **Staff:** developing leadership and a culture of learning in our staff team so that volunteers and young people are better trained and supported and ministry is multiplied.
- **Supporters:** inspiring and recruiting hundreds more supporters who will pray and give, partnering with us to provide the resources needed to help fulfil our vision.

Work has continued through the year on developing initiatives to take this strategy forward.

Some of the highlights from 2016/2017 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 could be myself and make new friends." (EA2)*
 - *"Thank you for having these events. They are really useful, encourage young people, to stay strong in their faith, when times get tough." (EAN2 – Study)*
 - *"I learned to ski, met new people and got closer to God." (ESK1 – Snowsports)*
 - *"The activities were great, the leaders were amazing and activities boosted my confidence a little. The food was good and I now follow Jesus." (GS1)*
 - *"It was amazing. I learnt lots about God. I learnt how to make him part of my life. We did lots of activities." (KX3)*
 - *"SU is a great way to get together and play, you can also praise God." (LM2a/e – Football)*
 - *"I loved it, for I did things I've never done!" (LM5b)*
 - *"Thank you SU for enabling me to encounter God in a fresh and amazing way." (LMSOUL1 – Soul Survivor)*
 - *"Reading the Bible and learning together is a very good bonding experience." (S5)*
- ✓ Piloting our first *Messy Camp* for families, run along the lines of Messy Church, and a new Coding Camp in partnership with Tablet Academy.

Report of the Trustees

- ✓ 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;

An emphasis across our whole organisation is to prioritise disadvantaged children so that they can engage with and enjoy all of our activities. Particularly in residential ministry where we ensured that over 200 children attended a week-long *SU Holiday*, and many more a weekend away. For our work with 'Urban schools' – both in terms of SU Groups, School residentials and Prayer for schools, we aim for engagement that is at or above national levels. Once again, this year we achieved that in all 3 areas.

National Ministries

- **Schools ministry** – Our National Ministries team engage with almost 700 schools in Scotland (over 1 in 4). We continue to place an emphasis on growing the number of SU groups in school. However, the number of new groups starting was marginally outweighed by those which had to stop; with 432 schools in Scotland currently having an SU group. The number of children attending remains healthy with an average group size of 14.
- **Staff team** – Our number of field staff fell marginally with vacancies in the Dundee & Angus and Dumfries & Galloway regions; the latter of which will be filled later in 2017. Our Associate Worker Scheme is steady with 17 partner Trusts; with a possible 2 further in the pipeline.
- **Missions** – SU Scotland ran fewer mission events (28) than in 2015/16, mainly because of successfully handing over events to local leadership. Over the last 7 years, 30 events have been handed over like this. We continue to be delighted in the upward trend of missions which hold follow-up events during the year (93%). We also continue to invest significantly in training up new mission team leaders as we witness no lessening of the demand from churches; Thirteen enquiries for 2017.

Residential Ministries

- **SU Holidays** - the total number of young people attending SU Holidays during the year was 1,897, an increase of 2% 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.
- **Weekends** – we welcomed 1,403 young people to weekend events. This is down 4% on the previous year.
- **Activity centres** - during 2016/17 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.
Lendrick Muir was busier than ever this year with 28,720 bed nights across the year. This was an increase of 1,555 (6%) on the year before. The continued growth in school residential groups visiting the centre was the single biggest factor behind this growth. Put simply more pupils are visiting the centre and they are staying for longer – this year a total of 2,323 pupils (12% increase on prior year) stayed for 5,783 bed nights (21% increase).

Report of the Trustees

The partnership with Soul Survivor to host their Scotland week continued for the second year. Attendance at this high-energy event grew with the number of full delegates up by 23% to 914 and average attendance each day over 1,100. We had unseasonably heavy rain the first year then 50mph gales were experienced this past year with some campers having to relocate to church halls. Planning is well underway for 2017's event in August and we are hoping for sun this time around!

We launched a new development appeal for Lendrick Muir in May 2016, with £89k received from supporters and a further £53k from grant bodies towards major improvements at the centre. So far excellent progress has been made on public room refurbishment and also new showers and toilets being installed around the centre. There has been particular progress in the Glendevon Unit which we are hoping will translate to more bookings for going forward. We have also installed a new Finnish Kota (a wooden BBQ house for all-weather use) which has been well received by guests.

At **Alltnacriche**, we have had our busiest year to date driven by further increase in Classroom Outdoor participants to over 900 pupils. This is 16% up on last year which was our previous highest ever number of participants. Feedback from schools on the quality of experience remains consistently positive. Retention rates are high and we have been pleased to welcome a good number of new schools to the centre. Bookings through 2017 and 2018 look positive. Weekend bookings were also strong in the last quarter, although we continue to have a higher level of weekend vacancy than we would like at other times of the year.

Over the winter months we invested a significant amount in our new heating and hot water system, using funds raised from our Development Appeal, and have been benefitting from improvement that it has given. We continue to invest heavily in our staff team with training over the winter months in a variety of disciplines, as we seek to grow and develop the team.

Prayer Ministries

- In January 2017 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 2016 and devoted time each day over a week to concentrate prayer on the development of our strategy.
- **Pray for Schools Scotland** - the network has remained stable, with 60% of Scottish schools registered as being prayed for.
- **Back to School with God** - working with colleagues in Northern Ireland we were once again able to provide 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 Aberdeen 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 2016/17 we held three events (previously known as *Pray Any Way*) for children and families, in Inverness, West Lothian and East Kilbride. The new format proved popular once again with numbers attending broadly the same as in previous years.

Equipping and Leadership development

- **Training and Discipleship** - There were 159 young people attending Go Conference and Christmas Houseparty events encouraging discipleship and leadership development, slightly higher than last year. There were 74 young leaders trained on the COMMISSION programme -

Report of the Trustees

the same number as in the previous year. Once again, a high proportion attended the post-summer review weekend for young leaders.

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** – SU Scotland is primarily a volunteer organisation only employing a relatively small number of full-time and part-time staff to plan and co-ordinate the work and to provide training. So much of what we do would not be possible without the time and talent provided by the many hundreds of volunteers who work with us.

Our application and annual update process together with the Protection of Vulnerable Groups (Scotland) Act 2007 (PVG), continue to be key elements in accrediting our volunteers, ensuring those working with children and young people at SU events are suitable to do so. We ask a lot of our volunteers in helping us to make this happen and the time taken to provide this information is hugely appreciated.

Over the past year our residential holidays, missions and weekend event programmes saw more than 1,600 unique volunteers working with us; in reality this equated to over 2,800 volunteer placements given many volunteers devoted themselves to more than one event. In addition, many volunteers were involved in SU school groups, either uniquely or in addition to other roles, and over 900 work with children and young people throughout Scotland. Other volunteers also contributed by performing a wide range of practical and administrative tasks in different SU Scotland locations.

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 114 staff in post during the year, compared with an average of 113 during 2015/16.

SU Scotland staff worked diligently and to consistently high standards throughout the year. The Trustees acknowledge with sincere thanks their enormous contribution.

Plans for future periods

We will continue to implement our strategy around 'Growing the Team' of SU volunteers, young people, staff and supporters with growth in terms of numbers and quality.

- Diversity of Holidays on offer and growth in numbers attending.
- Development of existing centres: at Lendrick Muir, plans are in place 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. At Alltnacriche, fundraising continues with a view to being able to add further high value activities including an indoor climbing wall.
- Development of Gowanbank House in Ayrshire, expected to be received as a gift from the current owners in July 2017, offering potential to host groups of c.45 guests.
- 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 2017.
- Development of Special Educational Needs work.

Report of the Trustees

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 £382,251 (2016 – £282,970). Most of the deficit is attributable to a planned drawing down of reserves accumulated in previous years.

Total income for the year was up 3% on 2016 at £3,371,899.

- Income from donations and legacies fell by 1% to £2,015,705 (2016: £2,037,858). This is attributable to a reduction in legacy income from £275,599 in 2016 to £172,269 and a £35,000 reduction in income from fundraising dinners. This was almost compensated by an increased response to appeals with the May 2016 Lendrick Muir Development appeal generating £74,000 more than the May 2015 Prayer appeal, as well as over £50,000 of grant income .
- Income from charitable activities increased by 9% to £1,348,213 (2016: £1,232,409). The increase is mainly due to a further growth in schools income at the Centres.

Total expenditure for the year rose by 9% to £3,754,150 (2016: £3,570,043). This increase was due mainly to staffing costs, resulting from the first full year after the final stage of a salary restructure during the previous year as well as increased property and equipment spend for development at the centres and sites. For a more detailed analysis of costs, see notes 5 to 7.

It has been possible to sustain planned deficits from reserves for the past two years, particularly thanks to legacies received in recent years. However, Trustees and management recognise the urgent need to return the balance of income and expenditure to a more sustainable position.

Efforts are being made to develop all income streams to their full potential. There has been a particular push to encourage increased regular giving from new and existing supporters.

Detailed examination has also been made of all areas of non-staff costs to see what can be reduced or made more efficient, to ensure we are making the most of every penny given. However, with over two-thirds of expenditure relating to staff costs, the possibility of reductions in staffing also being necessary in the near future cannot be ruled out.

Fixed assets

The changes in tangible fixed assets are shown in note 15 to the accounts. The largest additions to fixed assets in the year were the installation of a new heating system at Alltnacriche, developments at Lendrick Muir, including the Finnish Kota and public room and shower improvements, which were all funded from restricted appeal funds, and the new volunteers on-line application portal.

Borrowing

At the year end, there were borrowings in the form of the balance remaining on a bank loan obtained in 2013 to fund the installation of a biomass heating system at Lendrick Muir.

Reserves

At the year-end, the General Fund balance stood at £201,816 (2016: £356,590) a decrease of £154,774.

Report of the Trustees

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 3.4 months' worth of operating costs (2016 – 5.3 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; and
- 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.

Trustees and officers

The Trustees who served from 1 April 2016 to the date of this report were as follows:

Gordon Brown (Chair)
Stephen Bell (appointed 2 March 2017)
Rosie Bowker (appointed 8 September 2016)
Katriona Carmichael
Rev James Dewar
James Gladstone
Lorimer Gray
Arthur Jones
Rev Hugh O'Brien
Gordon McKinlay
Neil MacLennan (Vice Chair)
Linda Scott
Andrew Simpson (appointed 20 April 2017)
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.

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; and
- 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.

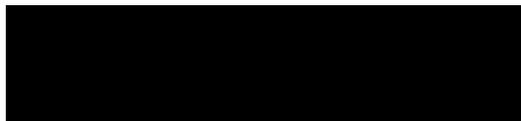
Statement as to disclosure of information to auditors

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

8 June 2017

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 2017 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").

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.

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. 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.

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 2017 and of its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Opinion on other matters prescribed by the Companies Act 2006

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

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

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

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Trustees' Report.

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.



Craig Maxwell (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: 13/06/17

Statement of financial activities (including Income & Expenditure account)

for the year ended 31 March 2017

						2017	2016
	Notes	General	Designated	Total	Restricted	Total funds	Total funds
		£	£	unrestricted	£	£	£
				£			(see note 27)
Income from:							
Donations and legacies	2	729,832	2,131	731,963	1,283,742	2,015,705	2,037,858
Charitable activities	3	1,147,384	54,917	1,202,301	145,912	1,348,213	1,232,409
Other	4	7,981	-	7,981	-	7,981	16,806
Total income		1,885,197	57,048	1,942,245	1,429,654	3,371,899	3,287,073
Expenditure on:							
Raising funds	5	108,314	1,519	109,833	18,631	128,464	122,926
Charitable activities	6						
Residential and Activity Centres		1,646,455	300,633	1,947,088	137,001	2,084,089	1,938,234
National Ministries		390,320	17,396	407,716	961,647	1,369,363	1,331,906
Equipping and Leadership Development		10,391	687	11,078	71,792	82,870	50,204
International Support		73,018	-	73,018	16,346	89,364	126,773
Total Charitable activities expenditure		2,120,184	318,716	2,438,900	1,186,786	3,625,686	3,447,117
Total expenditure		2,228,498	320,235	2,548,733	1,205,417	3,754,150	3,570,043
Net (expenditure) / income		(343,301)	(263,187)	(606,488)	224,237	(382,251)	(282,970)
Transfers between funds	14	188,527	23,547	212,074	(212,074)	-	-
Net movement in funds		(154,774)	(239,640)	(394,414)	12,163	(382,251)	(282,970)
Reconciliation of funds:							
Total funds brought forward		356,590	5,230,849	5,587,439	450,131	6,037,570	6,320,540
Total funds carried forward		201,816	4,991,209	5,193,025	462,294	5,655,319	6,037,570

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 2017

	Notes	2017 £	2016 £
Fixed Assets			
Tangible fixed assets	15	<u>4,522,293</u>	<u>4,579,490</u>
		<u>4,522,293</u>	<u>4,579,490</u>
Current assets			
Stocks	16	8,230	10,522
Debtors	17	211,159	347,946
Cash at bank and in hand	18	1,581,193	1,857,359
		<u>1,800,582</u>	<u>2,215,827</u>
Total current assets		<u>1,800,582</u>	<u>2,215,827</u>
Creditors: amounts falling due within one year	19	(501,727)	(543,527)
		<u>1,298,855</u>	<u>1,672,300</u>
Net current assets		<u>1,298,855</u>	<u>1,672,300</u>
Total assets less current liabilities		<u>5,821,148</u>	<u>6,251,790</u>
Creditors: amounts falling due after more than one year	20	(165,829)	(214,220)
		<u>5,655,319</u>	<u>6,037,570</u>
Total net assets		<u>5,655,319</u>	<u>6,037,570</u>
The funds of the charity:			
General Fund		201,816	356,590
Designated Funds:			
Capital Reserve		4,308,073	4,318,614
Special Projects Fund		441,858	590,125
Legacy Equalisation Reserve		206,694	287,359
Other		<u>34,584</u>	<u>34,751</u>
Total Designated Funds		<u>4,991,209</u>	<u>5,230,849</u>
Total Unrestricted Funds	22	<u>5,193,025</u>	<u>5,587,439</u>
Restricted Funds	23	462,294	450,131
Total Charity Funds		<u>5,655,319</u>	<u>6,037,570</u>

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

Approved by the Board on 8 June 2017 and signed on its behalf by:


Gordon Brown
Chair


Sally Sydserff
Honorary Treasurer

Statement of cashflows

at 31 March 2017

	Notes	2017 £	2017 £	2016 £	2016 £
Cash flows from operating activities:					
Net movement in funds		(382,251)		(282,970)	
Adjustments for:					
Depreciation	15	226,158		223,406	
Loss / (gain) on disposal of tangible fixed assets		20,158		(750)	
Interest income		(7,981)		(16,056)	
Loan interest paid		8,943		10,672	
Movement in stocks		2,292		(7,343)	
Movement in debtors		136,787		(98,343)	
Movement in creditors (excluding loan funding asset purchase)		(43,535)		107,684	
Net cash flows generated from operating activities			(39,429)		(63,700)
Cash flows from investing activities:					
Purchase of property, plant and equipment	15	(189,119)		(313,598)	
Proceeds on disposal of property, plant and equipment		-		750	
Interest income received		7,981		16,056	
Net cash flows generated from investing activities			(181,138)		(296,792)
Cash flows from financing activities:					
Loan repayments		(46,656)		(44,926)	
Loan interest paid		(8,943)		(10,672)	
Net cash flows generated from investing activities			(55,599)		(55,598)
Net (decrease) in cash during the reporting period			<u>(276,166)</u>		<u>(416,090)</u>
Cash at bank and in hand at 1 April			1,857,359		2,273,449
Net cash flow per above			<u>(276,166)</u>		<u>(416,090)</u>
Cash at bank and in hand at 31 March	18		<u><u>1,581,193</u></u>		<u><u>1,857,359</u></u>

Notes to the financial statements

for the year ended 31 March 2017

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. The value of donated assets is credited to income on a receivable basis. These assets are also shown as purchases within Fixed Assets.

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 financial statements 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.

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.

Notes to the financial statements

for the year ended 31 March 2017

1 Principal accounting policies (continued)**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 24.

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.

2 Income from donations and legacies

					2017	2016
	General	Designated	Total	Restricted	Total funds	Total funds
	£	£	unrestricted	£	£	£
			£			
Donations	438,304	-	438,304	971,303	1,409,607	1,402,774
Legacies	172,269	-	172,269	-	172,269	275,599
Appeals	-	2,131	2,131	229,194	231,325	193,187
Fundraising Dinner	49,259	-	49,259	-	49,259	84,363
Grants and Trust income	70,000	-	70,000	83,245	153,245	81,935
	<u>729,832</u>	<u>2,131</u>	<u>731,963</u>	<u>1,283,742</u>	<u>2,015,705</u>	<u>2,037,858</u>

3 Income from charitable activities

					2017	2016
	General	Designated	Total	Restricted	Total funds	Total funds
	£	£	unrestricted	£	£	£
			£			
Residential	414,297	54,917	469,214	122,382	591,596	583,410
Centres (excl SU holidays and Weekends)	733,087	-	733,087	-	733,087	626,706
National Ministries	-	-	-	6,045	6,045	8,593
Equipping and Leadership Development	-	-	-	17,485	17,485	13,700
	<u>1,147,384</u>	<u>54,917</u>	<u>1,202,301</u>	<u>145,912</u>	<u>1,348,213</u>	<u>1,232,409</u>

4 Other income

					2017	2016
	General	Designated	Total	Restricted	Total funds	Total funds
	£	£	unrestricted	£	£	£
			£			
Bank interest	7,981	-	7,981	-	7,981	16,056
Gain on disposal of assets	-	-	-	-	-	750
	<u>7,981</u>	<u>-</u>	<u>7,981</u>	<u>-</u>	<u>7,981</u>	<u>16,806</u>

Notes to the financial statements

for the year ended 31 March 2017

5 Expenditure on raising funds

					2017	2016
	General	Designated	Total	Restricted	Total funds	Total funds
	£	£	unrestricted £	£	£	£
Salaries & benefits	66,757	-	66,757	7,656	74,413	67,998
Travel & sundry expenses	3,089	-	3,089	-	3,089	2,863
Other staff costs	447	-	447	-	447	740
Printing & communication	17,907	-	17,907	9,421	27,328	28,405
IT, office & admin costs	2,518	-	2,518	-	2,518	3,109
Professional fees	175	-	175	-	175	-
Depreciation	-	455	455	-	455	104
Irrecoverable VAT	1,313	-	1,313	-	1,313	2,165
Allocation of support costs (see note 7)	16,108	1,064	17,172	1,554	18,726	17,542
	<u>108,314</u>	<u>1,519</u>	<u>109,833</u>	<u>18,631</u>	<u>128,464</u>	<u>122,926</u>

6 Expenditure on charitable activities

	Residential and Activity Centres	National Ministries	Equipping and Leadership Development	International Support	2017 Total	2016 Total
	£	£	£	£	£	£
Salaries & benefits	851,734	856,459	9,928	3,494	1,721,615	1,629,765
Travel & sundry expenses	22,885	69,783	4,359	3,452	100,479	101,161
Other staff costs	8,550	4,137	30,725	-	43,412	20,706
Holiday / programme related	271,958	145,667	22,486	30,517	470,628	443,531
International grants (see note 8)	-	-	-	51,120	51,120	80,390
Heat, light & power	62,226	3,407	-	-	65,633	71,331
Property & equipment	205,629	18,966	-	-	224,595	172,608
Vehicle costs	12,330	65	-	-	12,395	12,933
Printing & communication	34,290	16,916	1,071	-	52,277	76,196
IT, office & admin costs	48,186	42,283	1,122	691	92,282	90,490
Professional fees	11,010	-	-	-	11,010	30,301
Bank charges & loan interest	13,571	-	-	-	13,571	14,085
Depreciation	189,259	6,050	-	-	195,309	193,054
Loss on disposal of assets	20,158	-	-	-	20,158	-
Irrecoverable VAT	31,425	6,016	1,099	90	38,630	38,771
Allocation of support costs (see note 7)	300,878	199,614	12,080	-	512,572	471,795
	<u>2,084,089</u>	<u>1,369,363</u>	<u>82,870</u>	<u>89,364</u>	<u>3,625,686</u>	<u>3,447,117</u>

7 Allocation of support costs

	Charitable activities				2017	2016
	Residential and Activity Centres	National Ministries	Equipping and Leadership Development	Raising funds	Total	Total
	£	£	£	£	£	£
Salaries & benefits	205,511	134,812	8,157	12,647	361,127	326,406
Travel & sundry expenses	4,149	2,722	165	255	7,291	8,672
Other staff costs	4,279	2,807	170	263	7,519	7,820
Heat, light & power	4,761	3,123	189	293	8,366	9,282
Property & equipment	7,903	5,184	314	486	13,887	16,320
Printing & communication	9,265	6,077	368	570	16,280	14,895
IT, office & admin costs	18,939	12,424	752	1,166	33,281	30,674
Professional fees	10,641	6,981	422	655	18,699	10,411
Bank charges & loan interest	5,483	3,596	218	337	9,634	10,249
Depreciation	17,297	11,346	687	1,064	30,394	30,248
Irrecoverable VAT	7,100	6,902	418	648	15,068	14,555
Governance costs	5,550	3,640	220	342	9,752	9,805
	<u>300,878</u>	<u>199,614</u>	<u>12,080</u>	<u>18,726</u>	<u>531,298</u>	<u>489,337</u>

Support costs are allocated to activities in the same proportion as total direct expenditure has been incurred in undertaking these activities. Governance costs represent audit fees and other compliance costs.

Notes to the financial statements

for the year ended 31 March 2017

8 International support

	2017	2016
	£	£
Grants paid to SU movements:		
Contribution to SU Ukraine, Belarus & Torez from unrestricted funds	38,189	28,153
Contribution to SU Ukraine, Belarus & Torez from restricted funds	12,931	52,237
	<u>51,120</u>	<u>80,390</u>
Other costs:		
Contribution to SU International Councils from unrestricted funds	28,405	29,348
Contributions to SU overseas projects from restricted funds	3,415	6,874
Contributions to SU overseas projects from unrestricted funds	5,700	5,240
Travel costs related to overseas trips and visitors paid from unrestricted funds	724	4,921
	<u>89,364</u>	<u>126,773</u>

9 Net (expenditure) / income

	2017	2016
	£	£
This is stated after charging:		
(Loss) / gain on disposal of fixed assets	20,158	(750)
Depreciation	226,158	223,406
Auditors' remuneration	6,300	6,900
Operating lease rentals	2,150	2,146
	<u>255,766</u>	<u>232,642</u>

10 Staff costs

	2017	2016
	£	£
Wages and salaries	1,791,032	1,657,535
Social security costs	112,071	106,095
Pension and other costs	205,617	188,749
	<u>2,108,720</u>	<u>1,952,379</u>

The average number of employees (full time and part time) was 114 (2016 - 113).

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 £199,466 (2016 - £187,754).

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 £23,296 (2016 - £22,331) 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.

11 Trustees

	2017	2016
	£	£
No trustees received any remuneration in either year.		
Payments made to 6 trustees (2016 - 5 trustees) for re-imbursment of expenses	1,566	1,133
Donations received from 11 trustees (2016 - 10 trustees) during the year of	<u>11,853</u>	<u>11,577</u>

Notes to the financial statements

for the year ended 31 March 2017

12 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 Dinners. The total value of the purchases during the year was £935 (2016 - £1,033).

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 meeting expenses and a contribution towards the core costs of the work of CVE which is aligned with SU Scotland's charitable objectives. The total value of the payments during the year was £6,189 (2016 - £92).

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 £10,000 (2016 - £9,988).

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

13 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.

14 Transfers

	General	Designated	Total unrestricted	Restricted	2017 Total funds
	£	£	£	£	£
Holiday sponsorship funds applied	172,128	-	172,128	(172,128)	-
Purchase of Fixed Assets less loan funding movement	(155,926)	227,137	71,211	(71,211)	-
Transfer legacy income received to designated funds	(172,269)	172,269	-	-	-
Release from Legacy Equalisation Reserve in year	195,512	(195,512)	-	-	-
Release from Special Projects Fund in year	184,425	(205,690)	(21,265)	21,265	-
Other miscellaneous transfers	(35,343)	25,343	(10,000)	10,000	-
	<u>188,527</u>	<u>23,547</u>	<u>212,074</u>	<u>(212,074)</u>	<u>-</u>

15 Tangible fixed assets

	Land	Buildings	Furniture & fittings	Plant & machinery	Motor vehicles	Equipment	Total
	£	£	£	£	£	£	£
Cost							
At 31 March 2016	417,700	4,649,355	441,487	1,025,022	73,628	634,851	7,242,043
Additions	-	13,028	39,763	58,840	-	77,488	189,119
Disposals	-	-	(172,698)	(157,999)	-	(75,708)	(406,405)
At 31 March 2017	<u>417,700</u>	<u>4,662,383</u>	<u>308,552</u>	<u>925,863</u>	<u>73,628</u>	<u>636,631</u>	<u>7,024,757</u>
Depreciation							
At 31 March 2016	-	1,314,674	383,620	410,907	46,499	506,853	2,662,553
Charge for year	-	93,211	16,628	57,713	8,100	50,506	226,158
Disposals	-	-	(172,698)	(137,841)	-	(75,708)	(386,247)
At 31 March 2017	<u>-</u>	<u>1,407,885</u>	<u>227,550</u>	<u>330,779</u>	<u>54,599</u>	<u>481,651</u>	<u>2,502,464</u>
Net book value							
At 31 March 2017	<u>417,700</u>	<u>3,254,498</u>	<u>81,002</u>	<u>595,084</u>	<u>19,029</u>	<u>154,980</u>	<u>4,522,293</u>
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>

16 Stocks

	2017	2016
	£	£
Goods for resale	8,230	10,522
	<u>8,230</u>	<u>10,522</u>

Notes to the financial statements

for the year ended 31 March 2017

17 Debtors

	2017	2016
	£	£
Tax recoverable (Gift Aid)	28,226	22,562
Holiday costs paid in advance relating to future season	46,617	50,074
Sundry prepayments	25,757	12,979
Legacy income receivable	50,000	201,464
Other debtors	60,559	60,867
	<u>211,159</u>	<u>347,946</u>

18 Cash at bank and in hand

	2017	2016
	£	£
Holidays and booking fees paid in advance and held in separate client accounts	273,840	248,283
Cash held on behalf of international SU and other bodies (see Note 24)	20,923	15,603
Cash held for other restricted funds	462,294	450,131
Cash held for unrestricted funds	824,136	1,143,342
	<u>1,581,193</u>	<u>1,857,359</u>

19 Creditors: amounts falling due within one year

	2017	2016
	£	£
Deferred income (* see below)	252,907	238,806
Trade creditors	73,307	112,273
Accrued charges and sundry creditors	25,941	46,546
VAT payable	4,887	7,692
Other taxes and social security costs	75,371	75,951
Funds for transfer to international SU and other bodies (see Note 24)	20,923	15,603
Term loan - amount falling due within one year (see Note 20)	48,391	46,656
	<u>501,727</u>	<u>543,527</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 2017 holidays, residential weekends taking place in April to June 2017 and Centre bookings for the next financial year.

Balance at 1 April	238,809	224,608
Amount released to income earned from charitable activities	(238,809)	(224,608)
Amount deferred in year	245,377	238,806
Balance at 31 March	<u>245,377</u>	<u>238,806</u>

20 Creditors: amounts falling due after more than one year

	2017	2016
	£	£
Term loan:		
- amount falling due between one and two years	50,285	48,391
- amount falling due between two and five years	115,544	156,607
- amount falling due after five years	-	9,222
	<u>165,829</u>	<u>214,220</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.

21 Operating lease commitments

	2017	2016
	£	£
At 31 March 2017 the charity's total commitments under non-cancellable operating leases was as follows:		
Within one year	2,199	2,146
Between two and five years	6,414	8,584
	<u>8,613</u>	<u>10,730</u>

Notes to the financial statements

for the year ended 31 March 2017

22 Unrestricted funds

	Balance at 1 April 2016 £	Income £	Expenditure £	Transfers £	Balance at 31 March 2017 £
General fund	356,590	1,885,197	(2,228,498)	188,527	201,816
Designated funds:					
Capital Reserve	4,318,614	-	(246,315)	235,774	4,308,073
Special Projects Fund	590,125	-	-	(148,267)	441,858
Legacy Equalisation Reserve	287,359	-	-	(80,665)	206,694
International Reserve	9,380	-	-	(1,029)	8,351
SU International Committee Fund	2,277	-	-	-	2,277
Other designated funds	23,094	57,048	(73,920)	17,734	23,956
Total designated funds	5,230,849	57,048	(320,235)	23,547	4,991,209
Total unrestricted funds	5,587,439	1,942,245	(2,548,733)	212,074	5,193,025

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 project.

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.

23 Restricted funds

	Balance at 1 April 2016 £	Income £	Expenditure £	Transfers £	Balance at 31 March 2017 £
Team Support	291,184	1,060,556	(1,113,238)	17,265	255,767
Holiday Sponsorship	79,692	173,430	(3,798)	(172,128)	77,196
Ukraine Funds	9,000	4,775	(13,775)	-	-
Other International Funds	3,636	5,606	(2,571)	-	6,671
Lendrick Muir Development Fund	7,262	146,134	(34,560)	(8,886)	109,950
Lendrick Muir Roof Fund	9,831	-	(9,952)	121	-
Alltnacriche Development Fund	44,169	7,823	-	(43,276)	8,716
Youthlink Funds	1,444	30,745	(27,019)	(5,170)	-
Miscellaneous restricted funds	3,913	585	(504)	-	3,994
Total restricted funds	450,131	1,429,654	(1,205,417)	(212,074)	462,294

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 £73,471 received from the February 2017 appeal to be used for 2017 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. This development was completed during the current financial year.

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.

Notes to the financial statements

for the year ended 31 March 2017

24 SU international funds held

	Balance at 1 April 2016 £	Income received £	Payments / Transfers £	Balance at 31 March 2017 £
Funds received on behalf of SU international organisations to which SU Scotland has no right or title	15,603	14,351	(9,031)	20,923

25 Analysis of net assets

	General £	Designated £	Total unrestricted £	Restricted £	2017 Total funds £
Fixed assets	-	4,522,293	4,522,293	-	4,522,293
Current assets	634,229	683,136	1,317,365	483,217	1,800,582
Current liabilities	(432,413)	(48,391)	(480,804)	(20,923)	(501,727)
Long term liabilities	-	(165,829)	(165,829)	-	(165,829)
Total	201,816	4,991,209	5,193,025	462,294	5,655,319

26 Capital commitments

Capital expenditure contracted but not provided for in the financial statements

2017 £	2016 £
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There were no capital commitments as at 31st March 2017.

27 Comparative statement of financial activities

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