

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

**Report and Accounts
Year Ended 31 March 2018**

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 outcomes	5 - 8
Plans for future periods	8 - 9
Financial review	9 - 10
Principal risks and uncertainties	10
Trustees and officers	10 - 11
Statement of Trustees' responsibilities	11
Statement as to disclosure of information to auditors	11
Independent Auditors' Report	12 - 14
Statement of financial activities	15
Balance sheet	16
Statement of cash flows	17
Notes to the financial statements	18 - 25

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 Dr Audrey Chalmers Rev James Dewar James Gladstone Lorimer Gray Arthur Jones Gordon McKinlay Neil MacLennan Linda Scott Andrew Simpson Rev Kenny Stott 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 2018.

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 Leadership 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 two related parties in the year; Christian Values in Education (CVE) and Ferrywell Youth Project.

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.

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

Report of the Trustees

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 wider remit covering Independent Schools, 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 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 school age and an interactive prayer afternoon in three locations across Scotland 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.

A gap year programme encourages young adults (post school) to take part in a year of mentoring, training and opportunities for service in various locations around Scotland: working with a member of staff in a region, at one of our Outdoor Centres or with a church with whom we form a partnership. All gap year participants take part in a study programme and are involved in a variety of initiatives working with children and young people.

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 2017/2018 include:-

- ✓ Celebrating 150 years of Scripture Union, marked by a range of events for all ages
- ✓ SU Holidays, missions and other events continue to impact children and young people and make a difference to their lives. Encouraging feedback includes:
 - *This camp has changed my life so much and I wouldn't be here if it wasn't for these people. (LM5a)*
 - *It was amazing - well planned and lots of fun, the evening games were my favourite, the food was good. (S6)*
 - *I got to see lots of friends and I got really passionate about my faith. (AV3)*
 - *I had an amazing time. I learnt a lot more about God and the evidence that proves Jesus is real! (KX2)*
 - *It was fun to get away from home for a week and spend time with people who also worship God. (EA2)*
 - *I was really inspired and challenged. I am going to pray more and put God first in my life. (Encounter)*
- ✓ The gift of Gowanbank House for development as an additional centre for our ministry;

Report of the Trustees

- ✓ Residential Weekends are an integral part of the School Group ministry, providing great opportunities for more in-depth ministry with children and young people. Staff members have been able to recruit, train and involve new volunteers in their weekend teams.
- ✓ Bible Alive continues to be welcomed enthusiastically in primary schools – in Edinburgh alone, over 500 children heard the whole story of the Bible during the last academic year.
- ✓ The contribution made by almost 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 18* children of families affected by imprisonment;
- ✓ A hugely encouraging growth in the number of regular financial supporters, with 534 new or increased regular givers during the year.

An emphasis across our whole organisation is to prioritise disadvantaged children so that they can engage with and enjoy all our activities. One focus this year has been on running missions in more deprived areas without summer events. This has led to the creation of new missions in Glenrothes and Ferguslie Park, Paisley. We have also developed and delivered training that will help make our events more accessible and inclusive for those with Additional Support Needs.

National Ministries

- **Schools ministry** – Approximately 6,500 children and young people are impacted by the SU Group in their schools. There are over 470 SU Groups in Scotland today; and we would love to see that number grow through the effective recruitment and training of volunteers, along with the equipping of senior pupils so that they can run their own SU Groups.
- **Staff team** – Our number of field staff changed marginally with an appointment to the Dumfries & Galloway region but vacancies in the Lanarkshire and Renfrewshire regions; the latter of which was filled at the end of March 2018. The Urban Ministries post also fell vacant during the year prompting a strategic reallocation of this work between other existing staff workers. Our Associate Worker Scheme is steady with 17 partner Trusts.

Residential Ministries

- **SU Holidays** - the total number of young people attending SU Holidays during the year was 1,938, 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 'excellent' or 'very good'. This continues to reflect the high calibre of leaders, the majority of whom are volunteers.
- **Weekends** – we welcomed 1,531 young people to weekend events. This is up 9% on the previous year.
- **Activity centres** - during 2017/18 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. We implemented a new booking system across SU centres called Venue360 and we are seeing benefits in the efficiency process as a result.
Lendrick Muir is continuing to thrive and grow. This year we were on track to surpass 30,000 bed nights for the first time but will have to wait another year to pass this milestone due to severe snow causing several cancellations (over 800 bed nights). Bed nights were 29,742 for the year which is nonetheless a modest increase of 1,022 (4%) over the previous year.
Weekend bookings have been very strong, and we have continued to see growth in school residential. Without the snow cancellations we would have seen over 5% growth on the number of pupils and bed nights. However, due to the snow we had a 2% drop with 2,268 pupils staying on school residentials, (5,670 bed nights).

Report of the Trustees

Soul Survivor Scotland grew steadily this year with 947 week-long delegates (4% increase) and an average daily attendance of 1,230 (11% increase). Looking forward to the 2018 event, numbers booked are showing significant growth on the 2017 event too which is encouraging.

The programme of improvements at Lendrick Muir is continuing strongly with 5 bathrooms refurbished by the team this winter, the water system pressurized throughout and continued steady progress in improving the public room facilities, which is being recognised by our guests.

At **Alltnacriche**, it was a year of consolidation with 826 pupils from 34 schools visiting on a school residential, a 5% increase on two years ago, but down on last year (as expected since there is a two-year cycle). Our season was longer, but we had smaller class sizes in regular schools and one late cancellation. In addition, 69 pupils were welcomed on day visits. This was in addition to supporting 11 weeks of SU holidays including our first canoe adventure camp, LeadUp, and SU weekends. It was with mixed emotions that we also saw our last canvas camp, with 2018 events hosted within the main house. We are encouraged to see the continued growth between work in schools in our region, school residentials, and SU Weekends. Weekend bookings and non-school bookings remain challenging.

We have continued to build the team to support the level of schools coming to the centre. A few long serving members of the team moved on and with development in mind, we have changed the management structure. This has allowed support of wider SU Scotland developments, including Gowanbank.

Thirty years on from the purchase of Alltnacriche in 1987, we are pleased to report that the ministry continues to grow and develop even beyond the original vision.

Prayer Ministries

- In January 2018 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 2017.
- **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 2017/18 we held three events for children and families, in Inverness, West Lothian and East Kilbride. This format proved popular once again with numbers attending broadly the same as in previous years.

Equipping and Leadership development

- **Training and Discipleship** – There were 158 attendees at the Go Conference and Christmas Houseparty events encouraging discipleship and leadership development, broadly the same as last year. There were 68 young leaders trained on the COMMISSION programme – a slightly lower number than 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

Report of the Trustees

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.

International partnerships

- We continue to support and learn from exchange visits with international partners in other Scripture Union movements around the world, particularly Ukraine, Belarus and Rwanda.

People Contributions - Volunteers and Staff

- **Volunteers** – An enormous thank you goes to our team of volunteers without whom so much of what we provide to Scotland's children and young people would not be possible. SU Scotland employs only a relatively small number of staff in key roles and the time and talent provided by the many hundreds of volunteers who work with us is crucial.

Over the past year our residential holidays, missions, weekend and other event programmes saw just under 2,000 unique volunteers working with us; in reality this equated to just over 2,900 volunteer placements given many devoted themselves to more than one event. In addition, around 900 volunteers were involved in SU school groups, often in addition to other volunteering roles, working with children and young people throughout Scotland.

During 2017 we transitioned our volunteer application process to an online system that has now been taken up by over 90% of our volunteers. It provides a faster way to apply or provide annual updates, including the provision of references, leading to annual accreditation and helps to improve the planning for our events and the placing of volunteers where they are needed. We are hugely appreciative of the support shown by our volunteers as we implemented this significant change.

Lastly, we can't forget those volunteers who commit their time and experience to helping in our various offices and centres throughout Scotland performing a wide range of practical and administrative tasks; the work they do is invaluable and all part of the wider commitment to the work of SU Scotland.

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 decreased with an average of 108 staff in post during the year, compared with an average of 114 during 2016/17.

SU Scotland staff worked diligently and to consistently high standards throughout the year. The Trustees acknowledge with sincere thanks their enormous contribution. The results of a staff survey showed healthy engagement levels, with scores increased from the last exercise.

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 to develop a new activity base and drying room, replace the tired Low Ropes course with a much more modern course, and complete the shower refurbishment. At Alltnacriche, thanks to recent generous one-off gifts, 2018 will see Canadian canoeing added to our portfolio of activities as well as a climbing wall. A new bursary fund will support young people with financial disadvantage to attend our centres' school residentials, for launch in 2019.
- Development of our new centre at Gowanbank House in Ayrshire, expected to be open for business in August 2018.
- 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

Report of the Trustees

2018; the development of the Powerpoint youth event and the Re-Boot apologetics conference.

- Development of Special Educational Needs work.
- Appointment of a Young Leaders Development Coordinator to continue to develop work amongst senior pupils and students.
- SHINE in Schools is an exciting new initiative for SU Scotland. This is an opportunity to join the existing partnership between SU England & Wales and SU Northern Ireland to equip and inspire secondary SU Groups to run outreach events in November 2018.

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 on page 15, there was net income for the year of £418,507 (2017 – net expenditure of £382,251). The surplus is mainly attributable to increased income from donations and legacies, including the gift in kind of Gowanbank House at £200,000.

Total income for the year was up 22% on 2017 at £4,121,199.

- Income from donations and legacies grew by £680,587 or 34% (24% excluding the Gowanbank gift) to £2,696,292 (2017: £2,015,705). Donation income increased from £1,409,607 to £1,915,911 - £200,000 of which was the gift in kind. The remaining increase was mainly a result of strategic efforts to grow the team of supporters. Some of the increase was from one-off donations in the year. Legacy income is unpredictable in nature, and we were blessed with an increased income from legacies this year at £281,561 (up from £172,269 in 2017). Response to appeals also increased by 31% to £303,489 from £231,325, with supporters particularly engaging with the 150th Appeal as well as the Holidays Sponsorship and May appeals.
- Income from charitable activities increased by 5% to £1,419,089 (2017: £1,348,213). The increase is mainly due to further growth at both centres as well as in SU Holidays income.

Total expenditure for the year fell slightly by 1% to £3,702,692 (2017: £3,754,150). This decrease was due mainly to last year having increased property and equipment spend for development at the centres and sites. Salary and benefits costs also fell during the year (by 2% from £2,157,160 to £2,123,664) mainly due to posts becoming vacant that will not be replaced, as well as vacancies that have since been filled (including the Communications post and Director of National Ministries). For a more detailed analysis of costs, see notes 5 to 7.

Although it has been possible to sustain planned deficits from reserves in the previous two years, Trustees and management are pleased to report significant progress in the return to a more sustainable balance of income and expenditure.

Efforts to develop all income streams to their full potential have seen results during the year. There has been a particular push to encourage increased regular giving from new and existing supporters and this will continue to ensure the momentum is not lost, especially as vacant posts are filled.

Fixed assets

The changes in tangible fixed assets are shown in note 15 to the accounts. The largest addition to fixed assets in the year was the gift of Gowanbank House (included at £200,000 fair value). Most of the other asset additions related to additions and developments at Lendrick Muir, including the ongoing programme of shower improvements.

Report of the Trustees

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 stood at £623,559 (2017: £201,816) an increase of £421,743.

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 4.7 months' worth of operating costs (2017 – 3.4 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, including historic cases – 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 2017 to the date of this report were as follows:

Gordon Brown (Chair)
Stephen Bell
Rosie Bowker
Katriona Carmichael
Dr Audrey Chalmers (*appointed 14 June 2018*)
Rev James Dewar
James Gladstone
Lorimer Gray
Arthur Jones
Rev Hugh O'Brien (*resigned 12 May 2018*)
Gordon McKinlay
Neil MacLennan (Vice Chair)
Linda Scott
Andrew Simpson

Report of the Trustees

Rev Kenny Stott (*appointed 14 September 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 (*resigned 31 December 2017*)

Dave Rickards, Director of National Ministries (*appointed 1 April 2018*)

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

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

14 June 2018

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

Opinion

We have audited the financial statements of Scripture Union Scotland for the year ended 31 March 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

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 2018 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees' have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be

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

materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

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 Report of the Trustees.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 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 specific by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 11, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are

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

considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

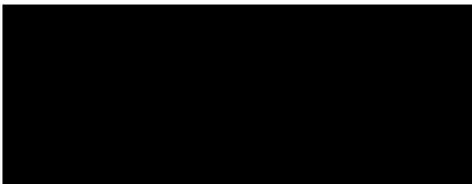
Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK). Those standards require us to comply with the Financial Reporting Council's Ethical Standard. This report is made solely to the charity's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of the audit report

Our audit work has been undertaken so that we might state to the charitable company's Trustees those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its Trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

Signed:



Craig Maxwell (Senior Statutory Auditor)

for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
100 Queen Street
Glasgow G1 3DN

Date: 25/06/18

Statement of financial activities (including Income & Expenditure account)

for the year ended 31 March 2018

						2018	2017
	Notes	General	Designated	Total	Restricted	Total funds	Total funds
		£	£	unrestricted	£	£	£
				£			(see note 27)
Income from:							
Donations and legacies	2	1,317,971	450	1,318,421	1,377,871	2,696,292	2,015,705
Charitable activities	3	1,212,970	57,456	1,270,426	148,663	1,419,089	1,348,213
Other	4	5,818	-	5,818	-	5,818	7,981
Total income		2,536,759	57,906	2,594,665	1,526,534	4,121,199	3,371,899
Expenditure on:							
Raising funds	5	114,673	3,039	117,712	16,572	134,284	128,464
Charitable activities	6						
Residential and Activity Centres		1,666,620	277,803	1,944,423	155,121	2,099,544	2,084,089
National Ministries		277,081	19,448	296,529	990,402	1,286,931	1,369,363
Equipping and Leadership Development		8,354	679	9,033	65,770	74,803	82,870
International Support		80,280	500	80,780	26,350	107,130	89,364
Total Charitable activities expenditure		2,032,335	298,430	2,330,765	1,237,643	3,568,408	3,625,686
Total expenditure		2,147,008	301,469	2,448,477	1,254,215	3,702,692	3,754,150
Net income / (expenditure)		389,751	(243,563)	146,188	272,319	418,507	(382,251)
Transfers between funds	14	31,992	180,220	212,212	(212,212)	-	-
Net movement in funds		421,743	(63,343)	358,400	60,107	418,507	(382,251)
Reconciliation of funds:							
Total funds brought forward		201,816	4,991,209	5,193,025	462,294	5,655,319	6,037,570
Total funds carried forward		623,559	4,927,866	5,551,425	522,401	6,073,826	5,655,319

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 2018

	Notes	2018 £	2017 £
Fixed Assets			
Tangible fixed assets	15	<u>4,568,300</u>	<u>4,522,293</u>
		<u>4,568,300</u>	<u>4,522,293</u>
Current assets			
Stocks	16	5,895	8,230
Debtors	17	321,174	211,159
Cash at bank and in hand	18	1,795,356	1,581,193
		<u>2,122,425</u>	<u>1,800,582</u>
Creditors: amounts falling due within one year	19	(501,355)	(501,727)
		<u>1,621,070</u>	<u>1,298,855</u>
Net current assets		<u>1,621,070</u>	<u>1,298,855</u>
		<u>6,189,370</u>	<u>5,821,148</u>
Creditors: amounts falling due after more than one year	20	(115,544)	(165,829)
		<u>6,073,826</u>	<u>5,655,319</u>
Total net assets		<u>6,073,826</u>	<u>5,655,319</u>
The funds of the charity:			
General Fund		623,559	201,816
Designated Funds:			
Capital Reserve		4,402,471	4,308,073
Special Projects Fund		225,310	441,858
Legacy Equalisation Reserve		268,576	206,694
Other		<u>31,509</u>	<u>34,584</u>
Total Designated Funds		<u>4,927,866</u>	<u>4,991,209</u>
		<u>5,551,425</u>	<u>5,193,025</u>
Total Unrestricted Funds	22	<u>5,551,425</u>	<u>5,193,025</u>
Restricted Funds	23	522,401	462,294
		<u>6,073,826</u>	<u>5,655,319</u>
Total Charity Funds		<u>6,073,826</u>	<u>5,655,319</u>

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

Approved by the Board on 14 June 2018 and signed on its behalf by:



Gordon Brown
Chair



Sally Sydserff
Honorary Treasurer

Statement of cash flows

at 31 March 2018

	Notes	2018 £	2018 £	2017 £	2017 £
Cash flows from operating activities:					
Net movement in funds		418,507		(382,251)	
Adjustments for:					
Depreciation	15	243,552		226,158	
Non-cash donation		(200,000)		-	
(Gain) / loss on disposal of tangible fixed assets		(833)		20,158	
Interest income		(4,985)		(7,981)	
Loan interest paid		7,208		8,943	
Movement in stocks		2,335		2,292	
Movement in debtors		(110,015)		136,787	
Movement in creditors (excluding loan funding asset purchase)		(2,266)		(43,535)	
Net cash flows generated from operating activities			353,503		(39,429)
Cash flows from investing activities:					
Purchase of property, plant and equipment	15	(89,559)		(189,119)	
Proceeds on disposal of property, plant and equipment		833		-	
Interest income received		4,985		7,981	
Net cash flows generated from investing activities			(83,741)		(181,138)
Cash flows from financing activities:					
Loan repayments		(48,391)		(46,656)	
Loan interest paid		(7,208)		(8,943)	
Net cash flows generated from financing activities			(55,599)		(55,599)
Net increase / (decrease) in cash during the reporting period			<u>214,163</u>		<u>(276,166)</u>
Cash at bank and in hand at 1 April			1,581,193		1,857,359
Net cash flow per above			<u>214,163</u>		<u>(276,166)</u>
Cash at bank and in hand at 31 March	18		<u><u>1,795,356</u></u>		<u><u>1,581,193</u></u>

Notes to the financial statements

for the year ended 31 March 2018

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 quarter of the value of a legacy is transferred to the Special Projects Fund and three quarters 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 Allnacriche 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 Tangible 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.

Notes to the financial statements

for the year ended 31 March 2018

1 Principal accounting policies (continued)**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

In the application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

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

2 Income from donations and legacies

					2018	2017
	General	Designated	Total	Restricted	Total funds	Total funds
	£	£	unrestricted	£	£	£
Donations	729,839	450	730,289	1,185,622	1,915,911	1,409,607
Legacies	281,561	-	281,561	-	281,561	172,269
Appeals	160,652	-	160,652	142,837	303,489	231,325
Fundraising Dinner	70,919	-	70,919	-	70,919	49,259
Grants and Trust income	75,000	-	75,000	49,412	124,412	153,245
	<u>1,317,971</u>	<u>450</u>	<u>1,318,421</u>	<u>1,377,871</u>	<u>2,696,292</u>	<u>2,015,705</u>

3 Income from charitable activities

					2018	2017
	General	Designated	Total	Restricted	Total funds	Total funds
	£	£	unrestricted	£	£	£
Residential	435,922	57,456	493,378	122,286	615,664	591,596
Centres (excl SU holidays and Weekends)	777,048	-	777,048	-	777,048	733,087
National Ministries	-	-	-	4,874	4,874	6,045
Equipping and Leadership Development	-	-	-	21,503	21,503	17,485
	<u>1,212,970</u>	<u>57,456</u>	<u>1,270,426</u>	<u>148,663</u>	<u>1,419,089</u>	<u>1,348,213</u>

4 Other income

					2018	2017
	General	Designated	Total	Restricted	Total funds	Total funds
	£	£	unrestricted	£	£	£
Bank interest	4,985	-	4,985	-	4,985	7,981
Gain on disposal of assets	833	-	833	-	833	-
	<u>5,818</u>	<u>-</u>	<u>5,818</u>	<u>-</u>	<u>5,818</u>	<u>7,981</u>

Notes to the financial statements

for the year ended 31 March 2018

5 Expenditure on raising funds

					2018	2017
	General	Designated	Total	Restricted	Total funds	Total funds
	£	£	unrestricted £	£	£	£
Salaries & benefits	62,062	-	62,062	10,318	72,380	74,413
Travel & sundry expenses	2,822	-	2,822	-	2,822	3,089
Other staff costs	623	-	623	-	623	447
Printing & communication	30,544	-	30,544	4,146	34,690	27,328
IT, office & admin costs	2,334	-	2,334	-	2,334	2,518
Professional fees	-	-	-	-	-	175
Depreciation	-	1,819	1,819	-	1,819	455
Irrecoverable VAT	1,291	-	1,291	-	1,291	1,313
Allocation of support costs (see note 7)	14,997	1,220	16,217	2,108	18,325	18,726
	<u>114,673</u>	<u>3,039</u>	<u>117,712</u>	<u>16,572</u>	<u>134,284</u>	<u>128,464</u>

6 Expenditure on charitable activities

	Residential and Activity Centres	National Ministries	Equipping and Leadership Development	International Support	2018 Total	2017 Total
	£	£	£	£	£	£
Salaries & benefits	897,225	829,070	1,549	3,530	1,731,374	1,721,615
Travel & sundry expenses	21,703	60,769	3,586	5,382	91,440	100,479
Other staff costs	12,070	4,408	15,805	-	32,283	43,412
Holiday / programme related	271,606	129,938	42,658	36,286	480,488	470,628
International grants (see note 8)	-	-	-	61,414	61,414	51,120
Heat, light & power	68,329	4,131	-	-	72,460	65,633
Property & equipment	163,556	16,574	-	-	180,130	224,595
Vehicle costs	21,257	-	-	-	21,257	12,395
Printing & communication	34,224	14,304	515	-	49,043	52,277
IT, office & admin costs	63,424	37,651	484	498	102,057	92,282
Professional fees	17,346	-	-	-	17,346	11,010
Bank charges & loan interest	13,032	-	-	-	13,032	13,571
Depreciation	201,290	7,761	-	-	209,051	195,309
Loss on disposal of assets	-	-	-	-	-	20,158
Irrecoverable VAT	30,750	6,716	(1)	20	37,485	38,630
Allocation of support costs (see note 7)	283,732	175,609	10,207	-	469,548	512,572
	<u>2,099,544</u>	<u>1,286,931</u>	<u>74,803</u>	<u>107,130</u>	<u>3,568,408</u>	<u>3,625,686</u>

7 Allocation of support costs

	Charitable activities				2018	2017
	Residential and Activity Centres	National Ministries	Equipping and Leadership Development	Raising funds	Total	Total
	£	£	£	£	£	£
Salaries & benefits	186,923	114,402	6,650	11,938	319,913	361,127
Travel & sundry expenses	3,932	2,407	140	251	6,730	7,291
Other staff costs	9,654	5,908	343	617	16,522	7,519
Heat, light & power	6,000	3,672	213	383	10,268	8,366
Property & equipment	8,526	5,218	303	544	14,591	13,887
Printing & communication	8,722	5,338	310	557	14,927	16,280
IT, office & admin costs	21,051	12,884	749	1,344	36,028	33,281
Professional fees	-	-	-	-	-	18,699
Bank charges & loan interest	6,936	4,245	247	443	11,871	9,634
Depreciation	19,096	11,687	679	1,220	32,682	30,394
Irrecoverable VAT	6,714	6,067	353	633	13,767	15,068
Governance costs	6,178	3,781	220	395	10,574	9,752
	<u>283,732</u>	<u>175,609</u>	<u>10,207</u>	<u>18,325</u>	<u>487,873</u>	<u>531,298</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 2018

8 International support	2018	2017
	£	£
Grants paid to SU movements:		
Contribution to SU Ukraine, Belarus & Torez from unrestricted funds	42,769	38,189
Contribution to SU Ukraine, Belarus & Torez from restricted funds	18,645	12,931
	<u>61,414</u>	<u>51,120</u>
Other costs:		
Contribution to SU International Councils from unrestricted funds	28,505	28,405
Contributions to SU overseas projects from restricted funds	7,669	3,415
Contributions to SU overseas projects from unrestricted funds	6,305	5,700
Travel costs related to overseas trips and visitors paid from unrestricted funds	3,237	724
	<u>107,130</u>	<u>89,364</u>

9 Net income / (expenditure)	2018	2017
	£	£
This is stated after charging:		
(Gain) / loss on disposal of fixed assets	(833)	20,158
Depreciation	243,552	226,158
Auditors' remuneration	6,500	6,300
Operating lease rentals	2,207	2,150
	<u>240,426</u>	<u>254,766</u>

10 Staff costs	2018	2017
	£	£
Wages and salaries	1,736,487	1,791,032
Social security costs	122,022	112,071
Pension and other costs	212,202	205,617
	<u>2,070,711</u>	<u>2,108,720</u>

The average number of employees (full time and part time) was 108 (2017 - 114).

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 £190,849 (2017 - £199,466).

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 £22,148 (2017 - £23,296) 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	2018	2017
	£	£
No Trustees received any remuneration in either year.		
Payments made to 4 trustees (2017 - 6 trustees) for re-imbursment of expenses	2,299	1,566
Donations received from 13 trustees (2017 - 11 trustees) during the year of	<u>17,635</u>	<u>11,853</u>

Notes to the financial statements

for the year ended 31 March 2018

12 Related Parties

During the current or prior 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. There were no purchases during the current year (2017 - £935).

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, in the previous year, 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 £202 (2017 - £6,189).

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 £nil (2017 - £10,000).

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 £	2018 Total funds £
Holiday sponsorship funds applied	162,713	-	162,713	(162,713)	-
Purchase of Fixed Assets less loan funding movement	(282,633)	335,850	53,217	(53,217)	-
Transfer legacy income received to designated funds	(281,561)	281,561	-	-	-
Release from Legacy Equalisation Reserve in year	149,289	(149,289)	-	-	-
Release from Special Projects Fund in year	283,220	(286,938)	(3,718)	3,718	-
Other miscellaneous transfers	964	(964)	-	-	-
	<u>31,992</u>	<u>180,220</u>	<u>212,212</u>	<u>(212,212)</u>	<u>-</u>

15 Tangible fixed assets

	Land £	Buildings £	Furniture & fittings £	Plant & machinery £	Motor vehicles £	Equipment £	Total £
Cost							
At 31 March 2017	417,700	4,662,383	308,552	925,863	73,628	636,631	7,024,757
Additions	-	200,000	57,054	3,656	-	28,849	289,559
Disposals	-	-	(11,992)	-	-	(18,063)	(30,055)
At 31 March 2018	<u>417,700</u>	<u>4,862,383</u>	<u>353,614</u>	<u>929,519</u>	<u>73,628</u>	<u>647,417</u>	<u>7,284,261</u>
Depreciation							
At 31 March 2017	-	1,407,885	227,550	330,779	54,599	481,651	2,502,464
Charge for year	-	93,254	25,251	57,032	8,100	59,915	243,552
Disposals	-	-	(11,992)	-	-	(18,063)	(30,055)
At 31 March 2018	<u>-</u>	<u>1,501,139</u>	<u>240,809</u>	<u>387,811</u>	<u>62,699</u>	<u>523,503</u>	<u>2,715,961</u>
Net book value							
At 31 March 2018	<u>417,700</u>	<u>3,361,244</u>	<u>112,805</u>	<u>541,708</u>	<u>10,929</u>	<u>123,914</u>	<u>4,568,300</u>
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>

16 Stocks

	2018 £	2017 £
Goods for resale	5,895	8,230
	<u>5,895</u>	<u>8,230</u>

Notes to the financial statements

for the year ended 31 March 2018

17 Debtors

	2018	2017
	£	£
Tax recoverable (Gift Aid)	26,315	28,226
Holiday costs paid in advance relating to future season	38,459	46,617
Sundry prepayments	24,534	25,757
Legacy income receivable	165,844	50,000
Other debtors	66,022	60,559
	<u>321,174</u>	<u>211,159</u>

18 Cash at bank and in hand

	2018	2017
	£	£
Holidays and booking fees paid in advance and held in separate client accounts	262,766	273,840
Cash held on behalf of international SU and other bodies (see Note 24)	20,882	20,923
Cash held for other restricted funds	522,401	462,294
Cash held for unrestricted funds	989,307	824,136
	<u>1,795,356</u>	<u>1,581,193</u>

19 Creditors: amounts falling due within one year

	2018	2017
	£	£
Deferred income (* see below)	265,693	252,907
Trade creditors	67,298	73,307
Accrued charges and sundry creditors	22,032	25,941
VAT payable	6,540	4,887
Other taxes and social security costs	68,625	75,371
Funds for transfer to international SU and other bodies (see Note 24)	20,882	20,923
Term loan - amount falling due within one year (see Note 20)	50,285	48,391
	<u>501,355</u>	<u>501,727</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 2018 holidays, residential weekends taking place in April to June 2018 and Centre bookings for the next financial year.

Balance at 1 April	252,907	238,809
Amount released to income earned from charitable activities	(252,907)	(238,809)
Amount deferred in year	<u>265,693</u>	<u>252,907</u>
Balance at 31 March	<u>265,693</u>	<u>252,907</u>

20 Creditors: amounts falling due after more than one year

	2018	2017
	£	£
Term loan:		
- amount falling due between one and two years	52,174	50,285
- amount falling due between two and five years	63,370	115,544
	<u>115,544</u>	<u>165,829</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 3.7% for the 8 year term.

21 Operating lease commitments

	2018	2017
	£	£
At 31 March 2018 the charity's total commitments under non-cancellable operating leases was as follows:		
Within one year	2,290	2,199
Between two and five years	4,388	6,414
	<u>6,678</u>	<u>8,613</u>

Notes to the financial statements

for the year ended 31 March 2018

22 Unrestricted funds

	Balance at 1 April 2017	Income	Expenditure	Transfers	Balance at 31 March 2018
	£	£	£	£	£
General fund	201,816	2,536,759	(2,147,008)	31,992	623,559
Designated funds:					
Capital Reserve	4,308,073	-	(243,552)	337,950	4,402,471
Special Projects Fund	441,858	-	-	(216,548)	225,310
Legacy Equalisation Reserve	206,694	-	-	61,882	268,576
International Reserve	8,351	-	-	(964)	7,387
SU International Committee Fund	2,277	-	(500)	-	1,777
Other designated funds	23,956	57,906	(57,417)	(2,100)	22,345
Total designated funds	<u>4,991,209</u>	<u>57,906</u>	<u>(301,469)</u>	<u>180,220</u>	<u>4,927,866</u>
Total unrestricted funds	<u>5,193,025</u>	<u>2,594,665</u>	<u>(2,448,477)</u>	<u>212,212</u>	<u>5,551,425</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 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 2017	Income	Expenditure	Transfers	Balance at 31 March 2018
	£	£	£	£	£
Team Support	255,767	1,235,603	(1,147,422)	3,718	347,666
Holiday Sponsorship	77,196	180,606	(4,146)	(162,713)	90,943
Ukraine Funds	-	15,693	(15,693)	-	-
Other International Funds	6,671	5,553	(10,656)	-	1,568
Lendrick Muir Development Fund	109,950	6,100	(12,596)	(53,217)	50,237
Gowanbank Fund	-	24,269	(24,269)	-	-
Alltnacriche Development Fund	8,716	20,219	-	-	28,935
Youthlink Funds	-	33,292	(33,292)	-	-
Miscellaneous restricted funds	3,994	5,199	(6,141)	-	3,052
Total restricted funds	<u>462,294</u>	<u>1,526,534</u>	<u>(1,254,215)</u>	<u>(212,212)</u>	<u>522,401</u>

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 £88,643 received from the February 2018 appeal to be used for 2018 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 Gowanbank Fund represents restricted income and grants received along with the related expenditure at the new property.

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 2018

24 SU international funds held

	Balance at 1 April 2017 £	Income received £	Payments / Transfers £	Balance at 31 March 2018 £
Funds received on behalf of SU international organisations to which SU Scotland has no right or title	20,923	16,809	(16,850)	20,882

25 Analysis of net assets

	General £	Designated £	Total unrestricted £	Restricted £	2018 Total funds £
Fixed assets	-	4,568,300	4,568,300	-	4,568,300
Current assets	1,053,747	525,395	1,579,142	543,283	2,122,425
Current liabilities	(430,188)	(50,285)	(480,473)	(20,882)	(501,355)
Long term liabilities	-	(115,544)	(115,544)	-	(115,544)
Total	623,559	4,927,866	5,551,425	522,401	6,073,826

26 Capital commitments

Capital expenditure contracted but not provided for in the financial statements

	2018 £	2017 £
Gowanbank House internal alterations contract (total including VAT)	293,708	-

The capital commitments as at 31 March 2018 relate to the contract for internal alteration works at Gowanbank House. The works are required to make the house fit for purpose as a residential centre. It is anticipated that this expenditure will be incurred by July 2018 and will be included as capital expenditure for the year 2018-19.

27 Comparative statement of financial activities

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