



Scripture Union

Year in review

Trustees' annual report &
financial statements



YEAR ENDED
31 MARCH
2017

Because we loved you so much, we were delighted
to share with you not only the gospel of God but
our lives as well.

1 Thessalonians 2:8 (NIV)

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Report of the Trustees (incorporating the Directors' Report and Strategic Report) for the year ended 31 March 2017

The Trustees are pleased to present their annual directors' report and financial statements of the charity for the year ended 31 March 2017 which are also prepared to meet the requirements for a director's report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

Reference and administrative details of the charity, its Trustees and advisers

Status	Scripture Union is a charitable company limited by guarantee. It is governed by its Articles of Association which were adopted with effect from 1 October 2009	
Registered name	Scripture Union (also known as 'SU', 'SU England and Wales' and 'Scripture Union Cymru')	
Charity registration number	213422	
Company registration number	00039828	
Principal & registered office	Trinity House, Opal Court, Opal Drive, Fox Milne, Milton Keynes MK15 0DF	
Trustees	Mr Keith Civval Mr Derek Adams Mr Clive Beard Mr Stephen Hallett Mrs Stephanie Heald Rev Dr Edward Scrase-Field Mrs Clare Walker Mr Timothy Warren	Chairman Treasurer <i>(Resigned 24 May 2017)</i>
Leadership Team	Mr Terence Clutterham Rev Timothy Hastie-Smith Mrs Keren Mallinson Mr David Thorpe	Digital Discovery Director National Director Mission Development Director Managing Director
Company Secretary	Mrs Susan Winning	
Bankers	HSBC Plc, 49 Corn Street, Bristol, BS99 7PP	
Solicitors	Potheary Witham Weld, 70 St Georges Square, Pimlico, London SW1V 3RD	
Auditor	Grant Thornton UK LLP, Grant Thornton House, 202 Silbury Boulevard, Milton Keynes MK9 1LW	
Investment advisers	Rathbones Investment Management Limited, 8 Finsbury Circus, London, EC2M 7AZ	
Insurance brokers	Zurich Municipal, Zurich House, 2 Gladiator Way, Farnborough GU14 6GB	

Introduction

When members of the Scripture Union (SU) family gathered for their annual conference in March 2017, they did so beneath the strapline 'Back to the Beach', a simple reminder that SU's mission remains rooted in the example of our founder, Josiah Spiers, whose first Bible studies for young people in 1867 and first 'beach mission' in 1868 set the benchmark for SU's mission activity: making the good news of Jesus Christ known to children and young people. More specifically, making the love of God, as revealed in His Word, fully known in the 'public place' as we seek to reach out to the estimated 95% of children and young people who are not in church on a Sunday¹ ('the 95%').

As 2016 has given way to our Jubilee year of 2017, a number of different and apparently stand-alone projects have come together as a single, united and coherent vision and plan. Like the pieces in an old-fashioned kaleidoscope, all of the pieces are now showing a single picture. Imagine the pieces as:

- the digital transformation project – the journey to reimagine our digital presence, and to do so in a way that communicates our vision with clarity and simplicity to the 95% (*see page 7*);
- the movement transformation programme – the rethinking of the place of content creation for mission, traditional publishing and our current publishing activity so that the 95% are our one and only priority (*see page 8*);
- the Jubilee – celebrating 150 years of mission activity and recasting our vision in a way that is rooted in our past and yet relevant to the present and future as we honour Josiah Spiers' outreach to the Victorian '95%';
- the reshaping of our mission to ensure that we have more staff working in the field and that all have a shared passion for evangelism and outreach to the 95%;
- the journey to involve a far wider community in our vision to reach all children and young people with the good news of Jesus Christ;
- the refocussing of our international grant making to ensure that every penny goes on projects that make the good news known to children who may otherwise never hear it (*see page 9*);
- the development of *Guardians of Ancora* as our pilot project for children and young people in the public digital space (*see page 6*);
- the development of mission through sport as a means of service and relationship building in the public space (*see page 5*);
- the reimagining of all residential activities as primarily mission-focussed events, needing to be well suited to the 95% (*see page 8*).

All of these pieces have come together in our **95 Campaign**: the vision and determination to reach the 95% and to do so in the consciousness that a massive culture shift is required in church thinking if this is to be achieved (*see page 4*).

Get out of your 'safe' place. Get into the 'public' place where the 95% are. Rejoice that God is there already and strive to build connections and relations that we might open eyes. Strive to inspire Christians of all generations to take risks so that the younger generation may know the Saviour.

Every SU activity and endeavour can now be passed through this simple filter: will this enable the 95% to meet Jesus? Answer 'yes' – do it; answer 'no' – stop it!

We create content for mission and our adult materials must always inspire, equip and support mission. We dwell in the digital (public) space to make Jesus' love known to children and young people. We debate, argue and preach as a prophetic voice to the church, insisting that all must leave the safe place where they are in control, and enter the public space where the 95% dwell and where God is in control.

This year, there is an overwhelming sense that everything is straining in an unprecedented single, united purpose. The excitement is tangible. The determination absolute. To quote CT Studd: 'some wish to live within the sound of church bells. I want to run a rescue shop within a yard of hell.'

Rev Tim Hastie-Smith
National Director

¹ Peter Brierley, UK Church Statistics 2, 2010-2020, Tonbridge: ADBC Publishers, 2014

Aims, objectives and activities

Aims

Working with the churches, SU aims to make God's good news known to children, young people and families, and to encourage people of all ages to meet God daily through the Bible and prayer so that they may come to personal faith in our Lord Jesus Christ, grow in Christian maturity and become both committed church members and servants of a world in need. We work to fulfil these aims as effectively as possible with the resources that God gives us.

Our **vision** is for a new generation of children and young people who have a vibrant, personal faith in Jesus.

Our **mission** is to create opportunities for children and young people to explore the Bible, respond to Jesus and grow in faith.

Our **priority** is to reach those who don't yet know Jesus.

Underpinning everything that we do is the *Bible*: God speaks to us; *prayer*: God changes us; *relationship*: God works through us; and *mission*: God involves us.

In all our work, we aim to *care*: we're here to understand struggles faced by children and young people, so if they ask for help, we can give it; to *share*: we're not here to tell children and young people what to think, but to offer a valuable Jesus-centered perspective if they need it; and to *empower*: we're here to help children and young people discover answers in their physical and spiritual life, so that they can thrive, not just survive.

Main objectives for the year and our strategic plan

The Trustees confirm that they have referred to and given due regard to the Charity Commission's guidance on public benefit when reviewing the charity's aims and objectives and planning future activities. The following pages highlight just some of the ways in which God has been at work through SU to deliver Public Benefit in the past year as we have continued towards achieving our strategic goals.

As set out in the Movement's Strategic Plan, we sought, from April 2016, to fulfil our long-term vision by pursuing the following primary aims:

- Establish new mission-through-sport models and grow the reach and impact of existing ones.
- Grow the reach and impact of *Guardians of Ancora* and develop the mission tools to support its use in homes, schools and churches.
- Grow the reach and impact of SU's mission, by clarifying the essence of who we are and simplifying what we do, through the digital transformation project.

Strategic report

Review of activities and performance during the year

The focus of all of SU's activities is on sharing the good news of Jesus Christ with children and young people in the belief that the gospel is life-transforming and life-enhancing. It is our conviction that the gospel has a positive impact on individuals who, in turn, have a positive and transformative impact on their families and communities.

The 95 Campaign

Going to where the children are but the gospel isn't. It's estimated that 95% of children and young people in England and Wales aren't in church. So how are all those children going to hear the good news of Jesus? We certainly can't wait for them to step through our church doors. We need to step out and take the good news to them – to meet them where they are!

Reaching those beyond the church has always been an important part of SU's mission but in 2017, as we celebrate our 150th anniversary, we're making it our number one priority. But by doing so, we're also facing a big challenge...how do we share the good news with the next generation? How do we connect with those for whom the gospel is likely to be an alien concept?

The 95 Campaign is all about gathering, equipping and encouraging those with a heart for the estimated 95% of children and young people not regularly in church so that we can learn and share together and, ultimately, become more effective in this vital mission. Together, we can raise this issue up as a priority throughout churches in England and Wales and help ensure today's children and young people have the opportunity to hear and to relate to the good news of Jesus.

More information can be found at www.the95.org.uk

Volunteer involvement

SU is at heart a volunteer movement. Volunteers bring action to the Movement, are a rich source of information about the contexts in which they live and are instrumental to the formation of our strategy. They give their time, skills and enthusiasm in a variety of ways – the vast majority in direct mission activity. Many work in unseen ways, but during the year there were 2,393 known opportunities for volunteer involvement – the equivalent of 6,458 working weeks, or 135 full-time staff. Without this body of volunteers, which included 1,873 individuals who volunteered on one or more of SU's holidays, missions or national events, a vast amount of the Movement's mission activity simply would not happen and we pay tribute to their commitment and generosity in giving their time. Of the volunteer opportunities, 35 were concerned with governance of the Movement (for example, Trustees and Council members) and therefore could not be filled by staff. These contributed an additional estimated 39 working weeks.

In addition, our local mission partnership programme involves many hundreds of volunteers supporting 130 workers employed by 69 trusts. (*An outline of our local mission partnership programme is included in Note 4 to the financial statements, page 25*).

The majority of opportunities for volunteer involvement are connected with events, but a growing number of volunteers are becoming involved in regional and national initiatives, some of which are outlined in the following pages of this Report. In addition, four people worked with us during the year as part of our 10:2 leadership development (young leader) programme.

We have not included in our financial statements the value that volunteers bring through the time which they dedicate to the mission of the Movement, but we thank God and we thank each one of them for it all.

Monitoring achievement

The Trustees place great importance on ensuring that progress made in achieving the Movement's strategic objectives is measured and monitored appropriately. Key performance indicators are identified for each of the Movement objectives and, alongside relevant commentary, form the basis of a bi-monthly progress report: the Mission Update. The Mission Update is reviewed by the Leadership Team and the Board before being circulated to Council members and the full staff team. In addition, detailed monitoring and evaluation of activities, projects and programmes takes place on an ongoing basis by the relevant teams.

Mission through sport

SU's mission through sport is a proven and growing approach to connect and share faith with the estimated 95% of children and young people who are not engaged with their local church. The language of sport and faith easily collide in the communities that are created in a public space, school and church context. The sport played offers other physical and mental benefits and it is always delivered locally at a grass root level and usually at no cost to those taking part.

As SU seeks to grow new communities where faith is shared, our main aim during the year was to *establish new mission-through-sport models and grow the reach and impact of existing ones*. Mission through sport

Around two months after starting The Pen [sports project in East Finchley], we were faced with some conflict from the local community as it was feared that we would be forcing our Christian beliefs on the young people we were working with. In response to this challenge, we decided to remove the prayer element of the project until things had calmed down. However, on the second week of not praying the young people challenged us as leaders and asked why we were not praying, making firm requests that we did.

Polly, youth worker at The Pen – sports project in East Finchley

took place in over 100 locations in a variety of contexts from the rural to the inner city and throughout England and Wales; it is estimated that this has resulted in more than 10,000 children and young people hearing about Christian faith through the language of sport.

Growth and development of non-residential sports camps and sports events being run in local parks and Multi Use Games Areas (MUGA's) has continued. Other developments include the Higher Sports manuals which offer a pure sports Bible holiday club; *The Games*, a schools resource with sport and the KS2 Christian RE syllabus combined; and Sweaty Church, a replicable approach to intergenerational

action-based church community. Key partnerships have been established to increase the scale of roll out in coming years, such as growth of non-residential sports camps with World Sports Ministries.

We are encouraged that a wide variety of people have been involved in the running and implementation of these sports projects and the SU sports strategy. New groups of churches and volunteers, existing local mission partners (LMPs) (see page 25), new LMP's with a sports focus and new sporting hubs of excellence have all been critical in this implementation.

The trial sports trainee year was successful and supported the growth of mission through sport in London. We intend to develop this model to ensure that sports mission leaders of the future continue to be grown. The trainee year was developed alongside the accredited Diploma in Mission and Sport, a unique qualification which has been developed and delivered jointly by SU and Cliff College.

[Ethan] is in Year 9, supports West Ham and has ADHD and anger issues to name a couple of things. He has been coming from week one. One week, we got the kids to pray for each other. [Ethan]: "God I thank you that [Liam*] supports Arsenal...it gives us something to rival on...it would be boring if we all supported the same team." At that moment, I thanked God in my heart. It seemed that the message that day about celebrating our differences had sunk in."*

Detached sport project worker – Kings Cross project (London hub)
[*Names have been changed]

A key component of the sports strategy has been the development of the hubs of excellence which deliver mission through sport to a high standard as well as resourcing local churches to do the same. The London hub is working on a non-residential camp and links are being developed with the London Diocese. The

Wirral Youth For Christ and OneTwo Sports [Widnes Hub] worked together to deliver a residential for teenagers. I was massively impressed by the organisation and knowledge of OneTwo Sports staff. The camp was sports based so having OneTwo sports there was beneficial as they had expertise in this field. The coaching was expertly run with the sessions being fun and also educational. Every young person enjoyed the sports and always looked forward to more! As well as the sports sessions OneTwo Sports delivered some gospel talks too which were very relevant for the young people and again they were made fun so they were engaged... I look forward to a fruitful relationship with Wirral YFC and OneTwo sports working together more often in future!

Matt Bentley – Wirral YFC Fusion Lead

Gloucestershire hub is run through PSALMS (an SU LMP) and the continued investment by PSALMS, SU and the Gloucestershire Diocese is ensuring that many new exciting ventures are developed and grown.

Even though resources have been stretched, we remain committed to resourcing other international SU movements to support and develop mission through sport in their own context. This year we attended an SU gathering in Germany, delivering training for all movements in Europe, and we are

currently exploring and supporting mission through sport with SU in Kosovo, Romania and, in particular, Rwanda.

A focus for the coming year will be on growing the support of individuals and churches for mission through sport. We are developing a suite of resources and approaches to ensure that churches and volunteers can replicate the approach we have been pioneering as easily as possible.

Guardians of Ancora

Guardians of Ancora, launched in 2015, is a Bible game app for 8- to 11-year olds. The app is free to download and is accessible to anyone with a suitable device and internet connection, be this at home, in communities or in schools.

Our aim during the year was to *grow the reach and impact of Guardians of Ancora, and develop the mission tools to support its use in homes, schools and churches.*

*"This game is awesome it is also very handy we use this game on the iPads at my school.my computer teacher said this game is to teach u about Jesus."**

Guardians of Ancora has become more widely recognised and used by churches as a unique tool for mission with children, with SU able to offer many practical resources for leaders. Overseas interest has increased, as SU movements and other children's mission agencies grasp the potential of making the game available in their own language(s).

*"This game teaches me and my little bros GOD in a nice way".**

The number of downloads and users has continued to increase in line with ongoing promotional activity in the UK. During the year, the number of individuals who have used the app rose from 30,643 to 151,111. An Invite-a-Friend element was introduced to the game, so that players can easily share the good news of the game – and hopefully, therefore, of Jesus – with other children. *Arwyr Ancora* (the Welsh language version of the game) was developed in preparation for launch in May 2017. Agreements for Albanian and Serbian language versions have also been signed.

Ancora school clubs have been set up or are planned in all SU regions, and children who aren't connected with a church are booking for the first Ancora holiday that will take place in August 2017. SU USA are

*'I'm a kid I don't like to read my bible but this teaches me about it in a fun way.'**

*'This game was made and recommended to me by my uncle, it helped me learn more about Gods Miracles of life and helped me understand other things. This is a great game as well as a good learning app. 🙌👍❤️'**

exploring the use of the app to establish kids clubs in New York.

Faith metrics in the game show an increase in players' Bible knowledge and comprehension, the more and longer they play. Of all players, 35 to 50% make posts in the Creative Hub where players are reacting, reflecting and responding to what they are discovering.

*'I would tell my non-Christian friends about it, I would tell them about this cool game I found and let them try it on my iPad.'**

In addition to a grant of £325,000 restricted to *Guardians of Ancora* received from The Douglas

Trust, £92,000 was raised from other donors, trusts and churches in the UK, versus a full-year budget of £130,000. Expenditure on development and maintenance of *Guardians of Ancora* during the year totalled £640,000. We remain very thankful to the trustees of The Douglas Trust for their continued and substantial financial support of *Ancora* since the idea for the project was first conceived in 2010.

'My 7 year old son loves this and it prompted him to look things up in the Bible.' Parent

* Children's reviews of the app, as written by them

Digital transformation

With a vision for the power of digital communications to effect a step change in the scale and impact of SU's mission, we have been working with Edo (formerly Sift Digital) to deliver a transformative project in terms of how we portray ourselves as a movement and how we engage with people in a digital, social-media world. Our aim during the year was to *grow the reach and impact of SU's mission, by clarifying the essence of who we are and simplifying what we do, through the digital transformation project.*

Significant progress has been made: the digital transformation project has been the key catalyst in shaping the clear mission focus of the 95 Campaign (see page 4) and in shaping the wider transformation of the Movement as we seek to share more effectively the good news of Jesus with the next generation.

SU's new website (www.scriptureunion.org.uk) will be launched in summer 2017. The new digital platforms will enable individuals, partners and churches to see more clearly what is at the heart of our mission and how they can be involved.

Formation of the new digital discovery team has enabled work to begin on creative, innovative work across a range of mission-focused contents which are mostly digital and mostly free. By thinking 'digital first' in how we curate and create content, we will equip more effectively those who work with children and young people, be able to reach beyond the confines of printed publications and it will be easier for others to join the wider SU community. As content and delivery develops, reach and impact will be transformed.

We work with a huge range of not-for-profit and government bodies, helping to shape their transformation agenda and deliver more relevant and contemporary products, services and operating models. We can say, hand on heart, that the journey that SU is currently on is without question the most substantive and profound transformation that we have experienced across our entire client base – and it is a privilege for us to be a part of that... We are now in the 150th year of SU's mission and we believe that the work we are doing together will ensure that SU continues for another 150 years to inspire young people, bring them into faith and remain constantly relevant to the lives they are living in an increasingly complex world.

Nick Torday (Managing Director) and Oliver Hall (Creative Director) – Edo

Underpinning operational approaches

To support the key aims and objectives outlined above we continued to develop and implement the following mission approaches during the year:

Holidays, missions and other events – We aimed to *increase the number of children and young people on holidays, missions and other face-to-face events*. Guest bookings on holidays which ran in 2016 ended marginally ahead of the 2015 level. Bookings for the 2017 programme opened in early December. The holiday brochure was sent to guests from previous years who had not yet booked and was distributed also via local mission partners (*see page 24*) and bookshops. For the first time it was sent out to Trussell Trust foodbanks who had indicated an interest following their use of SU Christmas resources.

At the end of the Bake Off at Easter, one of the girls attending the holiday told me what a difference going on the Maze had made to her the previous summer. Since going on the Maze she said that she has been praying every day and that God helped her through a really rough patch at school. It was only a short chat, but she really wanted to tell me what a difference the holiday had made to her.

Jo – leader of Bake Off and the Maze [SU holidays]

Nine new holidays have been added to the programme for 2017 and four are not continuing, giving a net addition of five. Of the new holidays, five are local and missional in nature and primarily for children and young people who don't yet know Jesus. The others are a Jubilee training holiday for young leaders, an *Ancora* holiday and two baking holidays.

Content for mission – During the year our aim was to *increase reach and impact through the creation and distribution of content for mission*. Publishing sales during the year were at a similar level to the previous year with the continuing decline of *Light* sales offset by other sales and the launch of some new products. *Diary of a Disciple: Luke's Story*, a contemporary children's Bible retelling of Luke's Gospel, sold well and won the Eden Children's Book of the Year for 2016.

In February 2017, strategic changes were announced that will align SU's content creation and distribution with our focus on the estimated 95% of children and young people who are not in church. This means that we will take a 'digital- and mission-first' approach rather than having commercial profitability as our priority. This change will have an impact on staff roles and product ranges, and the implications are being worked through.

Expenditure on publishing activity during the year totalled £3,188,000 (2016: 3,456,000). Of this amount, £1,261,000 (2016: £1,728,000) was spent on digital publishing, which includes *WordLive*, *LightLive*, *SchoolsLive* and *Guardians of Ancora*, and £1,927,000 (2016: £1,728,000) was spent on conventional publishing activities, including a relevant proportion of project costs. Income from publishing sales and royalties totalled £1,655,000 (2016: £1,675,000), resulting in an overall deficit for conventional publishing of £272,000 (2016: deficit of £53,000). (*See statement of financial activities, page 18.*)

Mission resourcing – We aimed to *develop capacity for mission through enhanced fundraising*. Unrestricted gift income held steady at £1,776,000. Restricted gift income reduced by 16% to £1,307,000 due to a reduction in the level of restricted income received for *Guardians of Ancora* as development of the app approached its conclusion. We had another strong year for legacy income with £1,911,000 received. (More details are included in the *fundraising performance* section below, page 12, and in Note 3 to the financial statements, page 23.)

We do all we can to ensure that our holidays are affordable for most people and we already subsidise the costs. However, we receive multiple requests each year for financial support from children whose families cannot afford for them to attend. In 2016, 138 children received funding from the David Chilcott Fund to enable them to come on an SU holiday. To increase our ability to provide financial assistance for those who need it, we launched the SU Holiday Fund in December. As at 31 March 2017, £48,000 had been raised for this fund. The availability of financial support through this new fund has been highlighted in the Trussell Trust's foodbank mailing. We remain very grateful to the trustees of the David Chilcott Fund for their faithful generosity over many years in providing funding which has enabled many hundreds of children to come on an SU holiday.

The 95 Campaign (*see page 4*) was launched in March 2017 and gained an initial 120 sign ups, including 30 churches. The campaign is being fully promoted from April onwards to engage with potential new supporters.

We are thankful to each and every donor who supported SU's mission financially during the year, whether they gave for the first time or have been supporters for many years.

Support processes – During the year we aimed to *facilitate mission development by cost-effective support processes*. The most notable accomplishment was the successful relocation of the National Office from Queensway House to Trinity House. This was a significant project involving the fitting out of the new office, the implementation of new equipment and processes to improve efficiency, a new improved technical infrastructure and the disposal of a large quantity of redundant fittings and paperwork. Expenditure on the project totalled around £250,000. We moved into Trinity House in October and Queensway House was formally handed back to the landlord at the end of January. The new office is working well with modern, creative and collaborative working spaces facilitating the National Office team to enable more effectively the Movement's mission.

A significant amount of recruitment was undertaken during the year to facilitate increased mission to children and young people. Increased support has been provided for the processing of volunteer and safeguarding applications for the summer holidays and missions.

A Delivery Plan has been prepared to implement the Mission Enabling strategy, improving the efficiency and service provided to staff, volunteers and supporters. Due to the large amount of staff time required for the office relocation, less progress has been made on some elements of this plan than hoped for.

International mission

There are over 130 SU movements around the world working in over 120 countries, all of which are united by Scripture Union's Aims, Belief and Working Principles. Each national movement is independent and seeks to work through local people in ways that are appropriate to the national culture. In most countries the number of staff is very small compared to the large number of volunteers.

Internationally, SU staff and volunteers pray for and support each other, share ideas and resources and have joint projects and publications. Extended partnerships have also been established between countries to provide additional support and funding.

As a movement we have 'forgotten' how to do schools ministry. Please send us someone to show us how to reconnect churches and schools that we may share the transforming love of Jesus with the children of our nation.

Request received from an international SU movement

Our aim during the year was to *pursue more integrated mission in partnership with other SU movements*. We have continued to develop strong links with a number of movements through mission trips to Gambia, Ukraine and Romania, and visits by regional team

What a privilege to attend the opening of SU Nepal's new office (part funded by SU in England and Wales) in August 2016, an incredible new centre for mission amongst Kathmandu's poorest and most vulnerable.

Glenn Coombs, Sustain Partnership Consultant – SU International

members to Novosibirsk, Armenia, Tajikistan and South Africa. A number of significant grants have been made in line with our core criteria: reaching more children and young people with the good news of Jesus Christ. During the year the National Director had the privilege of visiting two of the projects in Nepal and Madagascar in addition to visiting two potential recipients of development grants, Jamaica and Rwanda.

Each year SU in England and Wales gives an agreed percentage of our gift income, unrestricted legacies and conventional publishing surplus to other SU movements around the world. Grants approved in 2017 totalled £208,000, of which £4,000 relates to a new multi-year grant commitment and is payable in future years. Amongst the projects supported were the drilling of a borehole for water supply and market gardening for SU Zimbabwe's Thuthuka street children project; training of 6,000 facilitators for the Programme for Pastoral Instructions run by SU Kenya; and purchase of a vehicle to service the requirements of running SU Namibia's Shalom Centre and to carry out field trips for SU in schools throughout that nation. In addition, we receive gifts from our supporters which we use to make grants to support ongoing SU mission and specific SU projects in other parts of the world and these totalled £196,000 (2016: £204,000) during the year (*see the Statement of financial activities, page 18*).

Plans for next year and beyond

As set out in the Strategic Plan introduced in April 2017, our overall aim for the next year is to **grow the reach and impact of SU's mission activity through the 95 Campaign** (see page 4).

To achieve this, we will focus on the following primary objectives:

- Increase awareness of SU's mission, recruit new supporters and mission partners and promote further opportunities to engage with the movement.
- Deliver Jubilee events – lectures, prayer walk, service of thanksgiving and international celebration.
- Run 150 new mission events.
- Develop movement-wide innovative and missional content to help reach and engage the estimated 95% of children and young people who are not in church.

We will use funds that have been set aside in our Project and Development Fund (see Note 13 to the financial statements on page 28) in pursuing these primary objectives including around £65,000 for the campaign communications, £30,000 for delivery of Jubilee events, £150,000 of grant funding for new mission events and £200,000 for development of missional content.

To support our primary objectives we will continue to develop and implement the following mission approaches:

- Share the good news of Jesus with children and young people; enable, equip and inspire adults; facilitate children and young people to join God's mission.
- Deliver a digital infrastructure that supports and grows our mission and activities.
- Secure mission and financial value from published resource backlists.
- Resource mission through maintenance of the existing fundraising programme, diversification of income streams and growth of support in both categories.
- Provide and develop high quality, cost-effective and customer-focused financial, technical, facilities and HR support to the Movement.
- Maximise mission impact from the funding of SU mission development globally.

Financial Review

Financial position

We give thanks to God and are grateful to our supporters for the financial resources that have enabled the continuation of SU mission activity during the year. We had an overall surplus of £298,000 compared to a surplus of £416,000 in the previous year, once again benefitting from a high level of legacy income. Our balance sheet remains strong with total unrestricted funds of £6,990,000 which includes £2,967,000 in the Project and Development Fund (PDF), total restricted funds of £204,000 and total endowment funds of £722,000 (see Note 13 to the financial statements page 28). We expect to spend the PDF reserves over the next two years as we continue to undertake projects aligned with our Strategic Plan (see reserves policy section, page 11, for further details). Overall financial deficits are anticipated in these years as the PDF reserves are progressively spent.

Total gift income, including restricted gift income but excluding legacies, amounted to £3,083,000. This represents a reduction of 7% from £3,298,000 in the previous year. It includes gifts of £196,000 for SU activity overseas. Annual unrestricted legacy income remained very high despite reducing from £2,708,000 in 2015-16 to £1,887,000 including that accrued at the year-end. Further details are included in the *fundraising performance* section below (page 12). Holidays and mission income showed a 10% decrease from £601,000 to £548,000 due to a reduced number of events which ran during the financial year. Publishing sales and royalties income decreased by 1% from £1,675,000 to £1,655,000 primarily due to a continuing decline in Light sales which was offset in part by the success of *Diary of a Disciple: Luke's Story* and a key retail account restocking titles within the Lifebuilder series.

Total income at £7,360,000 was £1,096,000 lower than in the previous year primarily due to the reduced legacy income highlighted above whilst total expenditure at £7,357,000 was £581,000 lower than in the previous year, primarily due to a one-off change in the accounting for international grants last year in accordance with FRS102.

For the 2017–18 financial year, the Trustees aim to continue to spend down reserves in line with our reserves policy (*see below*) and as such have budgeted for General Fund expenditure that exceeds income by around £245,000. In addition, expenditure of around £1,800,000 from PDF reserves is planned as outlined in the *reserves policy* section below.

Reserves policy

The level of reserves required is reviewed annually within the process of budget preparation for the following year to ensure that it remains relevant to SU's current and future position. The status of reserves is included within monthly financial reporting for review by the Trustees throughout the year.

The Trustees have reviewed the Movement's needs for reserves in line with the guidance issued by the Charity Commission. Factors taken into account included the need to cover fluctuations in gift and legacy income, level of debtors and unforeseen and critical expenditure requirements.

The Trustees consider it prudent to set the target minimum level of General Fund reserves retained by the Movement at between three and six months of unrestricted normal ongoing charitable expenditure. At 31 March 2017, the General Fund stood at £2,332,000 (2016: £2,770,000) which represents 5.8 months (2016: 6.3 months) of ongoing unrestricted charitable expenditure for the Movement. In addition to the General Fund, the Trustees have set aside designated funds as described below and in Note 13 to the financial statements (*page 28*).

The level and timing of legacy income is uncertain and continues to be budgeted at a conservative level. Legacy income above the budgeted level is used to provide designated reserves within the Project and Development Fund (PDF). Spending from the accumulated reserves in the PDF covers the investment cost of a range of significant one-off development initiatives to grow the scale and impact of SU's mission activity. PDF expenditure in the year totalling £1,077,000 (2016: £996,000) was used for *Guardians of Ancora* (online children's Bible engagement), for the digital transformation project, for mission through sport and for other aspects of regional and residential mission development. The total amount expended was lower than had been planned due to some projects starting later than expected. The balance in the fund at 31 March 2017 was £2,967,000 (2016: £2,840,000) following the transfer of £1,204,000 (2016: £1,922,000) from the General Fund which had been boosted by higher than anticipated legacy income.

PDF funds are set aside to grow SU's mission scale and impact, and the Trustees have plans in place to expend the PDF reserves over the next two years. SU plans to spend an estimated £550,000 on digital discovery over the next two years (including development and maintenance of *Guardians of Ancora*) and £540,000 on digital transformation over the next year. Other PDF expenditure budgeted for the next two years includes funding of additional development worker posts at £300,000, grant funding of new mission events at £150,000, start-up funding for local mission partnerships at £115,000, mission through sport at £150,000 and database replacement at £200,000.

Further investment in mission development projects will be needed in future years for which major donor and trust funding will be sought alongside any 'above budget' legacy income that is received.

Principal funding sources

SU relies substantially on voluntary income to fund its activities. Other income shown in the statement of financial activities (*see page 18*) includes sales of publications, fees for holidays, training and other events. When setting a price for our paid-for events and published resources, appropriate consideration is given to how we can both maximise mission benefit and avoid pricing being a barrier to participation and partnership. We receive no funding from the government or other statutory bodies, nor from the National Lottery.

Fundraising performance

Income received as a result of the managed fundraising programme grew during the year. The expected £446,000 reduction in gift income restricted for development of *Guardians of Ancora*, however, resulted in the overall income received from donations during the year falling by £215,000 from £3,298,000 to £3,083,000. Donations came predominantly from individual supporters (86%), with the balance being received from churches (6%), trusts (6%), and other sources (2%).

Legacies of every size are vital to the ongoing work of SU. A number of large legacies contributed to the income received from legacies during the year totalling £1,911,000. Whilst this was below the £2,712,000 received in 2015-16, legacy income for both years significantly exceeded our expectations and the previous five-year average of £833,000.

The cost of raising funds during the year increased from £454,000 to £710,000 due in part to increased fundraising activity and to apportionment of one-off digital transformation project costs (*see Note 4 to the financial statements, page 24*).

Long-standing vacancies within the fundraising team were filled at the end of 2016 and we expect to benefit from this increase in capacity over the coming year.

We place a high priority on the need to inform supporters of our activities and our magazine *Connecting You* was sent to over 58,000 (2016: 50,000) supporters four times during the year.

Investment policy and performance

A portion of SU's reserves available for investment has been identified and held as long-term reserves (£2,313,000 March 2017) and invested. This includes a capital endowment (£722,000, March 2017). The remainder is held as short-term reserves to protect capital security and to generate income for charitable purposes. Income from the General Fund portfolio is reinvested whilst income from the Endowment is paid out as restricted income to meet expenditure for the mission work of SU at home and especially for work in schools. The Trustees review periodically the level of general reserves and cash flow demands to ensure that the level of reserves available for investment remains appropriate for the Movement.

SU seeks to produce the best financial return within an acceptable level of risk. Since April 2010, the investment objective for the long-term reserves had been to outperform a benchmark comprising 80% FTSE-All Share index Total Return and 20% FTSE UK Gilts All Stock Total Return. From July 2016, the benchmark was changed to comprise 75% FTSE-All Share index Total Return, 20% UK Gilts All Stock Total Return and 5% FTSE All UK Property index. Rathbones, our investment managers, continue to manage our investment portfolio against the agreed benchmark.

SU is reliant on fundraising and donations for its mission activities. Investment assets are held as reserves. The key risk to long-term reserves is inflation, and the assets should be invested to mitigate this risk over the long-term. SU aims to diversify its assets through investment in a multi-asset investment fund. Hedge funds and structured products are not permitted.

SU's ethical investment policy specifically excludes companies known to be dealing in tobacco, arms, alcohol and gambling. The Trustees are aware that this may have some impact on investment performance.

SU holds a low risk portfolio of bonds, high quality equities and property funds, broadly split 17:80:3 in percentage terms as at 31 March 2017. To the year ending 31 March 2017, our investment report showed that the fund produced a total return (after fees) of +19.63% (2016: -4.38%). This represents a small outperformance of the benchmark which rose by +18.51% (2016: fell by -2.42%). At 31 March 2017, the portfolio yield was 2.32% (2016: 2.39%).

Principal risks and uncertainties

The movement has risk-management policies and procedures through which risks arising from existing operations and strategic developments are identified and evaluated. The Leadership Team is required to identify risks associated with activities, assess their potential impact and probability of occurrence, and report on procedures which are in place or are being developed to manage the risks. Significant risks are highlighted for consideration and monitoring by the Board and the suitability of the risk review and management process is monitored by the Audit Committee (*see page 15*).

During the year, management and the Trustees carried out detailed reviews of potential reputational, financial, mission and operational risks to the Movement. The major risks to which the charity is exposed, as identified by the Trustees, have been reviewed and systems have been established to manage those risks. Two primary risks have been identified:

- *Sustained decline in publishing sales* – The key element of the management of this risk is publishing transformation activity – aligning content creation, distribution and brand perception with our mission.

Following a review of our publishing activity against our mission priorities, SU's Big Bible Storybook range and the LifeBuilder Bible Study Series were sold to SPCK and IVP respectively in April 2017. The loss in future sales income from these titles will be offset by a reduction in associated costs.

- *Criticism, incident or allegation regarding work with children* – Key elements of the management of this risk are safer recruitment processes, compliance with externally-set activity standards and regular training and reviews, including with mission partners (*see page 25*).

Structure, governance and management

Governing document and constitution

SU was established in 1867. It is a charitable company limited by guarantee, incorporated on 28 October 1893 and registered as a charity on 3 January 1966. It is governed by its Articles of Association which were adopted with effect from 1 October 2009.

Objects of the charity

The charitable objects of SU, as set out in the Articles of Association, are to advance Christianity by sharing the good news of our Lord Jesus Christ with people throughout the world. The objects are carried out in particular with, but not limited to, working with churches:

- by making God's Good News known to children, young people and families; and
- by encouraging people of all ages to meet God daily through the Bible and prayer

so that in each case they may come to personal faith in our Lord Jesus Christ, grow in Christian maturity and become both committed church members and servants of a world in need.

Recruitment and appointment of Trustees

The Nominations Committee (comprising representatives of Trustees, Council and staff) originates and maintains necessary policies and procedures for the recruitment, appointment and induction of all new Trustees. The committee assesses the composition of the Trustee body in consultation with the Chair of Trustees and, in light of approaching retirements, pro-actively seeks applications from potential Trustees, giving specific consideration to vacancies requiring particular specialist skills.

The Council elects new Trustees and re-elects any who have come to the end of their current term of office and who are eligible for re-election. Trustees, who are also directors of the charity for the purposes of the Companies Act, are appointed for a three-year period in accordance with the Articles of Association. After serving a maximum of three consecutive terms of office, a retiring Trustee is not eligible to serve any further term of office until at least one year of non-service has elapsed.

The Articles of Association provide for a minimum of six trustees, to a maximum of ten trustees.

Induction and training of Trustees

All Trustees need to have a broad understanding of the Movement and ideally will have a comprehensive understanding of at least one aspect from a current or previous involvement. Every effort is made to broaden Trustees' knowledge on an individual level so that they are up-to-date with the whole of the Movement and the Strategic Plan. Where there has not been any previous involvement, care is taken to introduce them to the Movement, with emphasis on the international statement of Aims, Belief and Working Principles of Scripture Union and the Strategic Plan.

Organisational structure

SU complies with the Good Governance Code for the voluntary and community sector. The Movement operates a linear organisational structure: Members of the Company appoint Trustees who appoint staff for the day-to-day running of the Movement. Members of Council are the Members of the Company.

Trustees – The Trustees of SU (*listed on page 2*) have overall responsibility for ensuring the effective and efficient operation of the organisation within company and charity law and the objects of the Movement. Trustees hold the legal responsibility of the Movement and meet with the Leadership Team (*listed on page 2*) as the **Board** six times a year.

Council – Council, whose members are broadly representative of SU's areas of work and community, provides a forum for the development of spiritual vision and discernment of God's leading and advises the Board on the overall direction of the Movement. It has no executive powers and its key responsibilities are to ensure that the Aims, Belief and Working Principles are applied, to review the progress made towards fulfilling the Strategic Plan and to elect Trustees. The Council of up to 36 members (including the Board) meets for a full-day twice a year.

Statement of Trustees' responsibilities

The Trustees (who are also directors of Scripture Union for the purposes of company law) are responsible for preparing the Report of the Trustees (incorporating the Directors' and Strategic Reports) and financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees confirm that:

- so far as each trustee is aware, there is no relevant audit information of which the charity's auditor is unaware; and
- the Trustees have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

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

Internal controls

The Trustees have overall responsibility for the system of financial and other controls of the charity and for providing reassurance that:

- its assets are safeguarded against unauthorised use;
- proper records are maintained and financial information used within the charity or for publication is reliable; and
- the charity complies with relevant laws and regulations.

It is recognised that such a system can provide only reasonable but not absolute assurance against errors and loss. Detailed monthly financial management reports are prepared by the finance team and

circulated to the Trustees, Leadership Team and senior management, and are reviewed and discussed at each of the bi-monthly Board meetings.

The Movement operates a comprehensive annual planning and budgeting process which is approved by the Board. Performance is monitored through the use of activity and financial targets and reports made to Trustees comparing actual results against activity targets and the phased budget.

Sub-committees

The Board has delegated certain tasks to two sub-committees: the Audit Committee and the Nominations Committee.

The Audit Committee, comprising Trustees and volunteers, meets regularly and has responsibility for:

- monitoring the integrity of the financial statements;
- reviewing the integrity of the internal financial control and risk management systems;
- reviewing the performance of the internal audit function;
- reviewing the independence of the external auditor and the provision of any non-audit services;
- describing the oversight of the external audit process and how its effectiveness was assessed; and
- explaining the recommendation to the Board on the appointment of the auditor.

The Nominations Committee, comprising representatives of Trustees, members of Council and staff, meets regularly and has responsibility for:

- originating and maintaining necessary policies and procedures for the nomination, appointment and induction of all new Trustees and Council members;
- helping the Board and Council evaluate themselves and their work;
- identifying and interviewing potential Trustees and Council members for nomination and making recommendations for appointment to Council.

Management and staff

- The Trustees delegate the operational and day-to-day management of the Movement to the Leadership Team and are thankful to God for a committed staff team who work hard to support volunteers and to advance the aims of the Movement.

Pay policy for senior staff

The members of the Leadership Team (*listed on page 2*) are the key management personnel of the Movement in charge of directing, controlling and operating SU on a day-to-day basis.

Members of the Leadership Team require a breadth and depth of expertise and credibility which requires drawing from the best senior level talent within the Christian community. This is balanced with seeking to keep salary costs under control and ensuring that senior staff pay is connected to the pay of other staff.

The Trustees review annually and determine the pay of the Leadership Team with reference to comparable national charities' pay levels (XpertHR Voluntary Sector Salary Survey). The Trustees' aim is to follow the principle that the pay of the highest paid employee is not more than four times the average full-time-equivalent salary of the administrative-level roles within the Movement.

Details of the employment benefits paid to the Leadership Team during the year are included in Note 5 to the financial statements (*page 25*).

Related parties

All trustees give of their time freely and no trustee received remuneration in the year. Details of trustees' expenses and related party transactions are disclosed in Note 6 to the financial statements (*page 25*).

Trustees are required to disclose all relevant interests and register them with the Company Secretary and, in accordance with the Movement's policy, withdraw from decisions where a conflict of interest arises.

Grant-making policy and principles

One of the ways in which SU works out its mission is by setting aside a proportion of income and resources each year to make grants to other SU movements and to organisations with a very close association to SU, for example Local Mission Partners (*see page 25*). In addition, we receive gifts from our supporters which we use to make grants to support specific projects in other parts of the world. We do not fund

individuals. The overriding purpose of any grant made is to further SU's mission locally, regionally, nationally or internationally.

Grants are made at the discretion of the Trustees and this responsibility is delegated to the Leadership Team. Robust procedures are followed to ensure that consideration and awarding of grants is in line with the principles set out below, and that the quality and timeliness of reporting meets the requirements of SU's Audit Committee (see page 15). Grant allocations amounting to £491,000 were made during the year including £9,000 of new multi-year grants commitments which are payable in future years. (For a summary of grant allocations, see Note 4 to the financial statements, page 24.)

Since the needs of the SU family are great and available funding is limited, the following principles set out the way in which SU allocates its grants.

- Grants will be of strategic benefit for growth of SU's mission and used in a manner consistent with SU's aims, beliefs and working principles.
- Grants will be made only where we are confident that it is possible to ensure that funds will be used for the intended purpose and that the recipient is able to commit to providing appropriate and timely reports on the use of the funds in a manner that meets the requirements of the SU Audit Committee.
- Grants will normally be for start-up, project or emergency purposes that will not create long-term financial dependence. They should therefore be 'one-off' or on a diminishing basis over a period of two to five years.
- Match-funding grants will be considered as a means of encouraging and facilitating local fundraising by the recipient.
- Assessment of grant requests will include scale of need and availability of other funding sources.
- The overall allocation of grants made by SU must adequately reflect an emphasis on reaching children and young people who don't yet know Jesus.

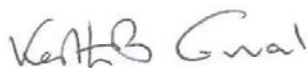
Appointment of external auditor

Grant Thornton UK LLP has indicated willingness to be reappointed as external auditor and will be recommended for reappointment by the Trustees.

* * * * *

The Trustees submit their annual report and the audited financial statements for the year ended 31 March 2017. The financial statements comply with current statutory requirements, the Articles of Association and the Accounting and Reporting by Charities: Statement of Recommended Practice (FRS 102).

This Trustees' Annual Report, which incorporates the Strategic Report, was approved by the Trustees in their capacity as company directors on 14 July 2017 and signed on their behalf by:



Keith Civval
Chairman



Derek Adams FCA
Treasurer

Independent Auditor's Report to the Members of Scripture Union

We have audited the financial statements of Scripture Union for the year ended 31 March 2017 which comprise the statement of financial activities incorporating an income and expenditure account, the balance sheet, the cash flow statement 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 FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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 its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities set out on page 14, the Trustees (who are also the directors of the charity 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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2017 and of its incoming resources and application of resources including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

Matter on which we are required to report under the Companies Act 2006

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 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.

Grant Thornton UK LLP

William Devitt

Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Milton Keynes

Date: *3 August 2017*

Statement of financial activities incorporating an income and expenditure account for the year ended 31 March 2017

	Notes	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total 2017 £'000	Unrestricted funds £'000 (Restated)	Restricted funds £'000 (Restated)	Endowment funds £'000	Total 2016 £'000
Income and endowments									
<i>Income from generated funds:</i>									
- Income from donations and legacies	3a	3,663	1,331	-	4,994	4,459	1,551	-	6,010
- Income from investments	2	44	21	-	65	51	17	-	68
<i>Income from charitable activities:</i>									
- Holidays and missions		548	-	-	548	601	-	-	601
- Other fee income		98	-	-	98	102	-	-	102
- Publishing sales and royalties		1,655	-	-	1,655	1,675	-	-	1,675
Total income		6,008	1,352	-	7,360	6,888	1,568	-	8,456
Expenditure									
<i>Expenditure on raising funds:</i>									
- Cost of raising funds		710	-	-	710	454	-	-	454
<i>Expenditure on charitable activities:</i>									
- Face to face mission in England and Wales		2,213	767	-	2,980	2,501	472	-	2,973
- Publishing activities									
- Digital publishing		866	395	-	1,261	763	965	-	1,728
- Conventional publishing		1,927	-	-	1,927	1,728	-	-	1,728
- International activities		283	196	-	479	851	204	-	1,055
Total expenditure	4	5,999	1,358	-	7,357	6,297	1,641	-	7,938
Net gain/(loss) on investment assets		228	-	67	295	(46)	-	(56)	(102)
Net income/(expenditure) for the year being net movement in funds		237	(6)	67	298	545	(73)	(56)	416
<i>Reconciliation of funds:</i>									
Fund balances brought forward		6,753	210	655	7,618	6,208	283	711	7,202
Fund balances carried forward	13	6,990	204	722	7,916	6,753	210	655	7,618

- All of the above results are derived from continuing activities. SU has no other recognised gains and losses other than those stated above.
- Unrestricted and restricted funds for 2016 have been restated to rectify a misclassification of restricted income from donations as unrestricted income from donations during that year.
- Income from donations and legacies for the year ended 31 March 2016 benefited from an exceptionally high level of legacy income.
- Expenditure on cost of raising funds and conventional publishing for the year ended 31 March 2017 included an apportionment of one-off digital transformation project costs.
- Following a one-off change in the accounting for international grants in accordance with FSR102, expenditure on international activities during the year ended 31 March 2016 included £361,000 of multi-year grant commitments which were payable in future years

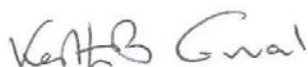
The Notes on pages 21-29 form part of these financial statements.

Balance sheet

as at 31 March 2017

	Notes	2017 £'000	2016 £'000
Fixed assets			
Tangible assets	7	1,120	862
Investments	8a	2,313	1,552
Total Fixed Assets		3,433	2,414
Current assets			
Stocks	9	413	372
Investments	8b	3,671	5,261
Debtors	10	1,079	1,062
Cash at bank and in hand		870	804
Total Current Assets		6,033	7,499
Liabilities			
Creditors: amounts falling due within one year	11a	(1,274)	(1,889)
Net current assets		4,759	5,610
Total assets less current liabilities		8,192	8,024
Creditors: amounts falling due over one year	11b	(245)	(370)
Provisions for liabilities	12	(31)	(36)
Net assets		7,916	7,618
The funds of the charity			
Unrestricted funds			
Fixed assets fund		1,120	862
Working capital fund		63	85
Project and development fund		2,967	2,840
International fund		508	196
General fund		2,332	2,770
		6,990	6,753
Restricted funds			
Income fund		204	210
Endowment funds			
Endowment fund		722	655
Total charity funds		7,916	7,618

The financial statements were approved and authorised for issue by the Trustees on 14 July 2017 and signed on their behalf by:



Keith Civval
Chairman



Derek Adams FCA
Treasurer

The Notes on pages 21-29 form part of these financial statements.

Company Registration Number 00039828

Cash flow statement

for the year ended 31 March 2017

	Notes	2017 £'000	2016 £'000
Net cash (used in)/provided by operating activities	<i>See below</i>	(60)	724
<i>Cash flows from investing activities</i>			
Interest received	2	22	33
Dividends received	2	43	35
Purchase of tangible fixed assets – non-property	7	(332)	(23)
Purchase of new National Office	7	(729)	(81)
Sale of investments		97	104
Purchase of investments	8a	(541)	(81)
Movement in investment cash	8a	(22)	(35)
Net cash (used in) investing activities		(1462)	(48)
<i>Cash flow from financing activities</i>			
Repayment of borrowings	11a	(2)	(18)
Change in cash and cash equivalents for the year		(1,524)	658
Cash and cash equivalents at the beginning of the year		6,065	5,407
Total cash and cash equivalents at the end of the year	<i>See below</i>	4,541	6,065

Change in cash and cash equivalents due to exchange rate movements during the year was £3,000 (2016: £5,000).

Notes to cash flow statement

a. Reconciliation of net income/(expenditure) for the year	Notes	2017 £'000	2016 £'000
Net income for the reporting period	<i>See SOFA</i>	298	416
<i>Adjustments for:</i>			
Depreciation charges	7	74	35
Net (profit)/loss on investments	<i>See SOFA</i>	(295)	102
Dividends and interest from investments	2	(65)	(68)
(Increase) in stocks	9	(41)	(43)
(Increase) in debtors	10	(17)	(299)
(Decrease)/increase in creditors	11	(9)	585
(Increase) in provision for pensions	12	(5)	(4)
Net cash (used in)/provided by operating activities		(60)	724
b. Cash and cash equivalents			
	Notes	2017 £'000	2016 £'000
Cash at bank and in hand		870	804
Notice deposits (less than 3 months)	8b	3,671	5,261
Net funds		4,541	6,065

The Notes on pages 21–29 form part of these financial statements.

1. Accounting policies

The principal accounting policies adopted, judgements and key source of estimation uncertainty in the preparation of the accounts are as follows:

- a) **Basis of preparation and assessment of going concern** – The financial statements have been prepared under the historical cost convention, with the exception of investments, which are included on a market value basis. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) (Charities SORP FRS102), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102), the Charities Act 2011 and the Companies Act 2006.

Scripture Union constitutes a public benefit entity as defined by FRS 102.

These financial statements are presented in £'000's.

The Trustees consider that there are no material uncertainties about SU's ability to continue as a going concern. In addition to ownership of a building used as the national office and long-term reserves invested to grow capital, SU has a healthy cash balance which, along with budgeted income from donations and legacies and income from charitable activities, is anticipated to be more than sufficient to cover the budgeted deficit, planned project and development activity and ongoing operational activity during the twelve months from signature of these financial statements.

- b) **Company status** – Scripture Union is a company limited by guarantee. The guarantors are the members of the company who are also members of SU's Council (as outlined on page 14). The liability in respect of the guarantee, as set out in the Articles of Association, is limited to £10 per member.

- c) **Income recognition** – All income is recognised when SU has entitlement to the funds, the receipt is probable and the amount can be measured reliably. All income is accounted for on a receivable basis. For legacies, this is when (i) SU becomes entitled to the income, based on notifications received, (ii) there is reasonable likelihood of receipt and (iii) the amount is quantifiable. Donations are recognised when any performance-related conditions are met.

Publishing sales represent the amounts receivable for goods sold in the normal course of business, net of trade discounts and Value Added Tax (VAT).

Interest on funds held on deposit are accrued for in line with the current advised interest rate.

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

The Movement receives funds on behalf of other SU national movements. These funds are recognised as income and expended as grants within the Statement of Financial Activities (SOFA). The charity holds these granted funds within a 'client account' and, because the charity does not own and has no entitlement to these funds, they are excluded from the balance sheet.

No amounts are included in the financial statements for services donated by volunteers.

- d) **Expenditure recognition** – Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing SU to that expenditure, the amount of the obligation can be measured reliably and it is probable that settlement will be required. SU exercises judgement in measuring and recognising provisions and the exposures to contingent liabilities relating to grants and sabbatical allowances. Judgement is necessary in assessing the likelihood that the liability will be realised and in quantifying the possible value of that liability.

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

Charitable expenditure comprises expenditure related to the direct furtherance of SU's charitable objects. Where costs cannot be directly attributed, they have been allocated to activities on a basis consistent with use of the resources.

Cost of generating funds includes fees paid to fundraising consultants, staff time, database development costs and apportioned overhead costs.

Grants payable are payments made to third parties in the furtherance of SU's charitable objects. Grant awards are subject to the recipient fulfilling performance conditions. The provision for a multi-year grant is recognised at its present value where settlement is due over more than one year from the date of the award, there are no unfulfilled performance conditions under the control of the Movement that would permit SU to avoid making the future payment(s), settlement is probable and the effect of discounting is material.

- e) **Allocation of support and governance costs** – Support costs have been allocated between governance costs and other support costs. Governance costs comprise all costs associated with meeting the constitutional and statutory requirements of the charity and include internal and external audit costs, Board and Council meeting costs and an allocation of indirect costs to cover support from members of staff. Other support costs are those functions that assist the work of the Movement but do not directly undertake charitable activities.

The basis on which support costs are allocated (*see Note 4*) are:

Finance	Activity
Technical Services	Usage
Human Resources	Headcount
Facilities	National Office Headcount
Web and database	Usage
Fundraising and communications	Usage
Management	Usage

- f) **Fund accounting** – The Trustees have established four designated funds. These are unrestricted funds which have been allocated for specific purposes. Restricted funds are funds subject to specific restrictions imposed by donors. Endowment funds are funds given to the charity as capital. The purpose and use of the designated, restricted and endowment funds are set out in Note 13 to the financial statements (*page 28*).
- g) **Tangible fixed assets and depreciation** – Tangible fixed assets are stated at cost including any incidental expenses of acquisition, less accumulated depreciation and any impairment. Depreciation is provided on all tangible fixed assets (except freehold land, which is not depreciated) at rates calculated to write off the cost on a straight-line basis over their expected useful economic life as follows:
- | | |
|---------------------------------|-------------|
| Freehold brick buildings | fifty years |
| Fixtures and fittings | ten years |
| Computers and similar equipment | three years |
- h) **Investments** – Investments are stated at market value at the balance sheet date. Realised and unrealised gains and losses are included in the SOFA as they arise.
- i) **Stocks** – Stocks are stated at the lower of cost and net realisable value. Cost includes all direct costs and the attributable proportion of production overheads. Net realisable value is based on estimated selling price net of trade discounts. Provision is made for slow-moving items where appropriate.
- j) **Debtors** – Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.
- k) **Creditors and provisions** – Creditors and provisions are recognised where SU has a present obligation resulting from a past event that will or probably will 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.
- l) **Pensions** – SU operates the Scripture Union (Legal & General) Personal Pension Plan. This is a defined contribution occupational pension scheme, and the amount charged to the SOFA is the employer's contributions payable during the year. SU had a final salary pension scheme, the benefits of which were secured by an annuity in 1996 when the scheme was closed.

SU provides pensions to a small number of former staff on an unfunded basis. These staff worked for the Movement before a formal pension plan was set up or were ineligible to join a Revenue approved scheme. All the people entitled to such pensions are either retired or no longer employed by SU and the regular cost of the scheme is immaterial. Assessment of the unfunded pension liability is carried out annually and

appropriate provision made in the balance sheet and the SOFA. SU's contribution is restricted to the contributions disclosed in Note 5. There were no outstanding contributions at the end of the year.

- m) **Operating leases** – Rentals under operating lease contracts are charged to the SOFA on a straight-line basis over the lease term, even if the payments are not on such a basis.
- n) **Foreign currency translation** – Transactions in foreign currency are recorded in sterling at the rate of exchange ruling on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are re-translated at the rate of exchange ruling at the balance sheet date. All differences are taken to the SOFA.
- o) **Taxation** – SU, as a registered charity, is exempt from taxation on its income and gains falling within sections 466-493 of the Corporation Tax Act 2010 to the extent that they are applied to its charitable objectives. No tax charge has arisen in the year. The charity is registered for VAT. Certain of SU's activities are exempt from or outside of the scope of VAT. Accordingly, SU is unable to reclaim all input VAT suffered. Recoverable input VAT is included in debtors. Irrecoverable input VAT is written off to the SOFA as incurred.

2. Investment income

	2017 £'000	2016 £'000
Interest receivable	22	33
Dividends receivable	43	35
	<u>65</u>	<u>68</u>

Of the investment income, £21,000 (2016: £17,000) was attributable to restricted income with the balance of £44,000 (2016: £51,000) adding to unrestricted funds.

3. Income

3a. Income from donations and legacies

	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total 2017 £'000	Unrestricted funds £'000 (Restated)	Restricted funds £'000 (Restated)	Endowment funds £'000	Total 2016 £'000
<i>Donations</i>								
Gifts	1,776	1,307	-	3,083	1,751	1,547	-	3,298
Legacies	1,887	24	-	1,911	2,708	4	-	2,712
	<u>3,663</u>	<u>1,331</u>	<u>-</u>	<u>4,994</u>	<u>4,459</u>	<u>1,551</u>	<u>-</u>	<u>6,010</u>

Unrestricted and restricted funds for 2016 have been restated to correct a misclassification of restricted gifts totalling £177,000 as unrestricted gifts during that year.

3b. Net income for the year is stated after charging:

	2017 £'000	2016 £'000
Auditor remuneration: Audit fee	15	14
Auditor remuneration: Other services	-	3
Depreciation charges	74	35
Operating lease rentals for land and buildings	33	40
	<u>122</u>	<u>92</u>

4. Expenditure

	Grant funding of activities (see below)		Support cost (see below)	Total 2017 £'000	Total 2016 £'000
	£'000	Direct cost £'000	£'000		
Costs of raising funds	-	364	346	710	454
Face-to-face mission in England and Wales	87	2,418	475	2,980	2,973
Digital publishing	-	1,058	203	1,261	1,728
Conventional publishing	-	1,617	310	1,927	1,728
International activities	404	-	75	479	1,055
Total 2017	491	5,457	1,409	7,357	7,938
Total 2016	1,216	5,444	1,278	7,938	

<i>Analysis of support costs</i>	Finance	Technical	Human	Facilities	Web and	Fundraising	Management	Total
	£'000	Services	Resources		database	and Comms		
Costs of raising funds	7	61	14	43	48	136	37	346
Face-to-face mission in England and Wales	64	72	83	41	44	34	137	475
Digital publishing	9	42	8	29	66	10	39	203
Conventional publishing	56	71	24	58	25	12	64	310
International activities	24	8	2	6	-	-	35	75
	160	254	131	177	183	192	312	1,409

<i>Basis of activity</i>	Activity	Usage	Headcount	National office headcount	Usage	Usage	Usage
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The basis on which costs have been allocated is outlined in accounting policy (e). Cost allocation includes an element of judgement and SU has had to consider the cost benefit of detailed calculations and record keeping. To ensure full-cost recovery on projects, SU adopts a policy of allocating costs to the respective cost headings through the year. This allocation includes support costs where they are directly attributable. Therefore the support costs shown are a best estimate of the costs that have been so allocated.

<i>Grants payable in furtherance of the charity's objects:</i>	Activities undertaken directly	Grant funding of activities	Support costs	Total 2017 £'000	Activities undertaken directly	Grant funding of activities	Support costs	Total 2016 £'000
Scripture Union worldwide	5	172	20	197	5	430	20	455
Scripture Union – England and Wales	30	87	20	137	20	241	20	281
Scripture Union – Africa	5	80	10	95	10	108	10	128
Scripture Union – Europe	5	73	-	78	10	59	-	69
Scripture Union – Former Soviet Republics	5	25	20	50	-	293	20	313
Scripture Union – South Asia	-	27	10	37	-	41	10	51
Scripture Union – Americas	-	13	5	18	-	16	5	21
Scripture Union – Pacific	-	11	5	16	-	11	5	16
Scripture Union – rest of Britain & Ireland	-	3	5	8	-	17	5	22
	50	491	95	636	45	1,216	95	1,356

Grant allocations amounting to £491,000 (2016: £1,216,000) were made during the year. This includes £9,000 (2016: £463,000) of new multi-year grant commitments which are payable in future years. Grant commitments accrued at the start of the year which remain payable in future years totalled £260,000 (2016: nil).

<i>Movement in recognised funding commitments during the year</i>	Charitable commitments accrued £'000
Grant commitments accrued at the start of the year as shown in 2015-16 analysis	562
Grants paid during year ended 31 March 2016 not shown in 2015-16 analysis	(99)
Grant commitments accrued at the start of the year	463
New grant commitments charged to the Statement of Financial Activities during the year	491
Grants paid during the year	(685)
Amount of grant commitments accrued as at 31 March 2017	269

Further details on grants are available on application to the Movement.

SU in England and Wales works in partnership with, and makes grants to, independent SU movements around the world as noted on pages 6, 9-10 and 16.

We also work in partnership with a range of independent trusts who look to SU for support and guidance on best practice in work with children and young people:

- Ronton Dolphin Trust, which runs 'West Ronton Holidays'
- Great Wood Trust allows Scripture Union use of the Great Wood site under a licence agreement.
- Local Mission Partners, whose aims are similar to those of SU and who operate in a particular local area, referred to on pages 5, 11 and 16. Mission partners are individual trusts or groups affiliated with SU and are an integral part of SU's regional teams. This partnership enables trusts to respond to local needs whilst sharing the SU core values and identity.

5. Staff costs and remuneration of key management personnel

	2017 £'000	2016 £'000
<i>Staff costs:</i>		
Wages and salaries	2,192	2,052
Social security costs	215	201
Reorganisation costs	112	19
<i>Pension costs:</i>		
Scripture Union (L&G) Personal Pension Plan	198	184
Unfunded pension scheme	5	5
	<u>2,722</u>	<u>2,461</u>

Average number of employees, analysed by function:

	2017 Number	2016 Number
Income generation	7	6
Face to face mission in England and Wales	41	37
<i>Publishing activity:</i>		
Digital publishing	4	4
Conventional publishing	12	13
International activities	1	1
Administration and support of staff and volunteers	13	12
	<u>78</u>	<u>73</u>

The average number of employees during the year was 78 (2016: 73), including 20 (2016: 16) part-time employees with no adjustment in the above table to take account of the number of hours worked. The average number of full-time equivalent employees during the year was 70 (2016: 67).

SU's key management personnel are the members of the Leadership Team (*listed on page 2*). The employment benefits of the key management personnel – including employer pension and national insurance contributions – totalled £321,000 (2016: £279,000). This increase was largely due to a vacancy during part of the previous financial year.

In the financial year 2016-17, two employees (2015-2016: two employees) earned between £70,000 and £80,000 and one employee (2015-2016: one employee) earned between £60,000 and £70,000, excluding employer pensions contributions.

6. Trustees

Trustees received no emoluments in their role as trustees during the year, but six of the eight Trustees received reimbursement of travel expenses totalling £2,390 (2016: £1,956 reimbursed to six of eight Trustees).

Stephen Hallett is Director of Mr S J Hallett Ltd. Payments in the year to the company in respect of services rendered were £5,389 (2016: £1,775).

7. Tangible fixed assets	Freehold land and buildings £'000	Computer equipment £'000	Fixtures and fittings £'000	Machinery £'000	Total £'000
Cost:					
At 1 April 2016	810	205	12	112	1,139
Additions	-	82	250	-	332
Disposals	-	(71)	(12)	(93)	(176)
At 31 March 2017	810	216	250	19	1,295
Depreciation:					
At 1 April 2016	-	157	8	112	277
Charge for year	16	41	17	-	74
Disposals	-	(71)	(12)	(93)	(176)
At 31 March 2017	16	127	13	19	175
Net book value					
At 31 March 2017	794	89	237	-	1,120
At 31 March 2016	810	48	4	-	862

At 31 March 2017 Trustees had authorised the capital expenditure budget for the ensuing year of £47,000 (2016: £89,000). Disposals as shown on the SOFA are shown net of depreciation. There were no capital commitments as at 31 March 2017 (2016: £nil).

8. Investments

8a. Fixed asset investments

	2017 £'000	2016 £'000
Investments at market value		
Investment cash	84	62
Fixed Interest & UK Government stocks	401	208
UK Listed Stock Exchange Investments, Unit Trusts and OEICs	1,828	1,282
	2,313	1,552
<i>Movement during the year:</i>		
Market value at 1 April	1,552	1,642
Less: Disposals at open market value	(31)	(102)
Add: Acquisition at cost	541	81
Net gain/(loss) on revaluation	229	(104)
Movement in investment cash	22	35
Market value at 31 March	2,313	1,552

The historic cost of investments is £1,627,000 (2016: £1,135,000).

8b. Current asset investments

Current asset investments represent short-term cash deposits.

9. Stocks	2017 £'000	2016 £'000
Work in progress	96	130
Finished goods	317	242
	413	372

10. Debtors	2017	2016
	£'000	£'000
Trade debtors	150	124
Tax recoverable	97	84
Other debtors	42	31
Legacies receivable	417	377
Prepayments and accrued income	373	446
	<u>1,079</u>	<u>1,062</u>

Prior to sign-off of the financial statements, SU had been notified of legacies with an estimated value of £250,000 (2016: £444,000). In accordance with accounting policy (c) as noted on page 21, it was not considered appropriate to accrue for this amount in the financial statements as at 31 March 2017.

11. Creditors

11a. Creditors: amounts falling due within one year	2017	2016
	£'000	£'000
Trade creditors	566	458
Other creditors	70	57
Accruals and deferred income	547	1,285
Taxation and social security costs	55	51
Interest free loans from supporters	36	38
	<u>1,274</u>	<u>1,889</u>

Accruals and deferred income includes multi-year grant commitments which are payable in future years.

11b. Creditors: amounts falling due over one year	2017	2016
	£'000	£'000
Accruals and deferred income	245	370
	<u>245</u>	<u>370</u>

12. Provisions for liabilities	2017	2016
	£'000	£'000
<i>Ex-gratia pensions:</i>		
Balance at start of year	36	40
Pensions paid	(9)	(9)
Increase in provision	4	5
Balance at end of year	<u>31</u>	<u>36</u>

13. Statement of funds	Balance 1 April 2016 £'000	Income £'000	Expenditure £'000	Net investment gains £'000	Transfers £'000	Balance 31 March 2017 £'000
Unrestricted funds						
Designated funds:						
Fixed Assets	862	-	-	-	258	1,120
Working Capital	85	-	-	-	(22)	63
Project and Development	2,840	-	(1,077)	-	1,204	2,967
International	196	402	(217)	-	127	508
	<u>3,983</u>	<u>402</u>	<u>(1,294)</u>	<u>-</u>	<u>1,567</u>	<u>4,658</u>
General fund	2,770	5,606	(4,705)	228	(1,567)	2,332
Total unrestricted funds	<u>6,753</u>	<u>6,008</u>	<u>(5,999)</u>	<u>228</u>	<u>-</u>	<u>6,990</u>
Restricted funds						
Income funds:						
Team support	-	295	(295)	-	-	-
Children's evangelism	162	-	(42)	-	-	120
Gifts for SU overseas	-	196	(196)	-	-	-
Endowment income	-	21	(21)	-	-	-
Others	48	840	(804)	-	-	84
Total restricted funds	<u>210</u>	<u>1,352</u>	<u>(1,358)</u>	<u>-</u>	<u>-</u>	<u>204</u>
Endowment funds						
Endowment fund	655	-	-	67	-	722
Total endowment funds	<u>655</u>	<u>-</u>	<u>-</u>	<u>67</u>	<u>-</u>	<u>722</u>
Total funds	<u>7,618</u>	<u>7,360</u>	<u>(7,357)</u>	<u>295</u>	<u>-</u>	<u>7,916</u>

Unrestricted funds

Designated funds are as follows:

- The **Fixed Assets Fund** represents the net book value of fixed assets.
- The **Working Capital Fund** represents the funds used to finance the continuing activities of the publishing department, comprising the stock and debtors less trade and other creditors of the department.
- The **Project and Development Fund** is a provision for the development of SU mission, i.e. to enable 'step-change' growth of current and initiation of new mission activities. It provides a means of smoothing the receipt and expenditure of legacy income. The fund will be 'topped up' as determined by the Trustees from legacy or other income that exceeds budgeted levels and contributes to an overall operating surplus for the year, to provide for one-off project and development expenditure. Details of plans for use of this Fund are outlined in the *reserves policy* section on page 11.
- The **International Fund** is a provision for international grants. Each month an agreed percentage of (a) gift income not specifically restricted for other SU movements, (b) unrestricted legacies and (c) the net publishing surplus is accrued to the fund. Grants are made throughout the year and relevant expenditure incurred is charged to the fund as it arises. There should be no significant net movement in the fund over the long-term as the designated income is distributed on an on-going basis.

The remaining unrestricted funds, referred to as the **General Fund**, are available for use in the event of an unanticipated downturn in the level of income received and also to fund any deficits on current charitable activities.

Restricted funds

Income funds are as follows:

- **Team support** refers to gifts and payments received to support the work of an employee or group of employees. Any excess of income over expenditure is carried forward to future years in the team support fund.
- **Children's evangelism** refers to a charitable trust grant that was received towards the end of the 2014-15 financial year for children's evangelism in England and Wales.

- **Gifts for SU overseas** refers to gifts for support of the work of SU in other parts of the world. At the discretion of the Trustees, these gifts are forwarded to relevant movements as a grant. We are legally required to ensure that all such grants are used for purposes consistent with SU's charitable objectives.
- **Endowment income** refers to income arising from the endowment fund investments which is restricted for the mission work of SU at home and especially for work in schools.
- **Other restricted income** comprises gifts and grants given for specified purposes or projects not falling into the categories covered by the above four income funds.

All restricted income funds are represented by cash balances.

Endowment funds

The **Endowment fund** represents a capital endowment which is normally held in a designated portfolio of stocks and shares.

<i>Analysis of funds by asset</i>	Tangible fixed assets	Investments	Current assets	Liabilities and provisions	Total
<i>Funds</i>	£'000	£'000	£'000	£'000	£'000
General	-	1,591	2,291	(1,550)	2,332
Designated	1,120	-	3,538	-	4,658
Restricted	-	-	204	-	204
Endowment	-	722	-	-	722
Total	1,120	2,313	6,033	(1,550)	7,916

14. Financial commitments

At 31 March 2017 SU had remaining commitments under non-cancellable leases as follows:

<i>Expiry date</i>	2017 Land & Buildings £'000	2016 Land & Buildings £'000	2017 Machinery £'000	2016 Machinery £'000
Within one year	-	20	3	-
Two to five years	-	-	8	-
Total	-	20	11	-



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