



Scripture Union

# Year in review

Trustees' annual report & financial statements

YEAR ENDED  
31 MARCH  
2021

“Though the mountains be shaken and the hills be removed, yet my unfailing love for you will not be shaken nor my covenant of peace be removed”

ISAIAH 54:10 (NIV)

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# Report of the Trustees (incorporating the Directors' and Strategic Reports) for year ended 31 March 2021

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The Trustees are pleased to present their annual Directors' report and financial statements of the Charitable Company for the year ended 31 March 2021 which are also prepared to meet the requirements for a Directors' 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 2019).

## Reference and administrative details of the charity, its trustees and advisers

<b>Status</b>	Scripture Union is a charitable company limited by guarantee. It is governed by its Articles of Association adopted with effect from 1 October 2009 and amended by special resolution passed on 17 October 2020.	
<b>Registered name</b>	Scripture Union (also known as 'SU', 'SU England and Wales' and 'Scripture Union Cymru')	
<b>Charity registration number</b>	213422	
<b>Company registration number</b>	00039828	
<b>Country of incorporation</b>	England and Wales	
<b>Principal &amp; registered office</b>	Trinity House, Opal Court, Opal Drive, Fox Milne, Milton Keynes MK15 0DF	
<b>Trustees</b>	Mr Richard Godden	Chair
	Ms Kim Hurst	Honorary Treasurer
	Mr Richard Evans	
	Mr Malcolm Forsyth	<i>(appointed 19 November 2020)</i>
	Rev Dr Mark Griffiths	
	Rev Stephen Hallett	
	Mr Junior Johnson	
	Mrs Julie Kittow	<i>(appointed 17 November 2020)</i>
	Rev Dr Edward Scrase-Field	
	Mr Timothy Warren	
<b>Leadership Team</b>	Dr Myles MacBean	National Director
	Mr Terence Clutterham	Culture & Innovation Director
	Mrs Keren Mallinson	Mission Development Director <i>(until 31 December 2020)</i>
	Mr Richard Shaw	Mission Development Director <i>(from 1 April 2021)</i>
	Mr Stephen Vis	Finance & Services Director
	Mrs Rachel Warwick	Mobilisation Director
<b>Company Secretary</b>	Mrs Susan Winning	
<b>Bankers</b>	HSBC Bank PLC, 4th Floor, 3 Temple Quay, Bristol BS1 6DZ	
<b>Solicitors</b>	Pothecary Witham Weld, 70 St Georges Square, London SW1V 3RD	
<b>Auditor</b>	MHA MacIntyre Hudson, 6 <sup>th</sup> Floor, 2 London Wall Place, London EC2Y 5AU	
<b>Investment advisers</b>	Rathbones Investment Management Limited, 8 Finsbury Circus, London EC2M 7AZ	
<b>Insurance brokers</b>	Zurich Municipal, 2 Gladiator Way (N2), Farnborough, Hants GU14 6GB	

## Introduction

2020-21 was, of course, the year of COVID-19; a year of exceptional disruption and uncertainty. In these circumstances, if this Report were an account of crisis management and damage limitation, it is likely that few readers would be surprised.

But that is not what this Report comprises. It is far more positive. Yes, there was a lot of creativity and leadership deployed in responding to COVID-19 limitations, but 2020-21 was also a year of progress in which many of The 95 heard the gospel and the foundations were laid for many more to do so in coming years.

Scripture Union (SU) was already working towards greatly increased use of digital communication channels, and the advent of the COVID-19 pandemic thus led to a huge increase in the speed of their adoption rather than a radical change of direction. There was an astonishingly rapid move from in-person to on-line events and from hard copy to digital content: 1,334 guests attended on-line events; 'Lockdown' and 'Leaving Lockdown' videos were viewed over 33,000 times; over 4,000 people attended on-line training events; and there were 1,849 downloads of the Halloween and Christmas resources packs.

Our new *Revealing Jesus* strategy was formally launched in October 2020 at an on-line event joined by over 1,100 people, which compares with the 300 people we might have expected to attend the previously planned physical event. Since the launch, and despite an inevitable slowdown during the last lockdown, by 31<sup>st</sup> March 2021 109 Faith Guides from 73 churches across England and Wales had committed to working with us to accompany The 95 on their journey of faith.

These things required a huge amount of work by our Leadership Team and staff, who had to alter their working practices dramatically. They were greatly assisted by the investment in technology infrastructure that was made in 2019-20 but such technology requires a willingness to change, and our staff rose to the challenge. In the Report for 2019-20, I commented that the new Leadership Team had been subjected to an onerous test and had come through with flying colours and I can say the same thing this year. On behalf of the Trustees, I would again like to thank Myles MacBean and the Leadership Team.

Keren Mallinson, our former Mission Development Director, left her role at the end of 2020. Her six years with Scripture Union were a time of great change and her organisational skills, judgment and capacity for work were greatly appreciated throughout that time. She will be greatly missed and, on behalf of the Trustees, I would like to thank her for all that she did for SU and to welcome her successor, Richard Shaw.

Two new Trustees joined the Board in November 2020, Malcolm Forsyth and Julie Kittow. They bring to the Board considerable experience of work with children and young people in different contexts and we are already appreciating their contributions.

During the course of the year, the Trustees spent a lot of time considering issues arising from the terrible abuse committed by John Smyth forty years ago (*see page 14*). We remain deeply saddened by the abuse suffered by the victims, and profoundly regret that such acts were carried out by someone associated with Scripture Union. We remain committed to ensuring that our current practices continue to be shaped and improved by lessons learned so that we serve and protect those in our care to the best of our ability.

Finally, I would like to express the thanks of the Trustees to all those who have supported Scripture Union by means of prayer, by giving their time or by giving financially. SU aims to mobilise the Church in England and Wales to reach The 95 and this will only be achieved as many Christians around the country respond to God's call to join together in the task. We constantly thank God as we see him responding to our prayers in relation to this.

*Richard Godden*  
Chairman

## Aims, objectives and activities

### Aims

SU's overarching aim is to make God's good news known to children and young people and to encourage them to meet God through the Bible and prayer (*see Objects of the Charity, page 14, for more details*). We work to fulfil this aim 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; 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.

### Revealing Jesus

#### Accompanying the 95 on a lifelong journey of faith

In October 2020 we launched *Revealing Jesus*, our new mission framework. Building on our campaign to share the Good News of Jesus with the 95% of children and young people not connected with a church, the framework aims to envision, resource and equip churches as they engage with the younger generations in their community. Setting out a four-stage journey of faith, *Revealing Jesus* invites Christians to act as *Faith Guides* who accompany children and young people over the long term; creating opportunities for them to *Connect, Explore, Respond* and *Grow* in their faith in Jesus. Our *Mission Enablers* walk alongside the *Faith Guides*, using an SU-developed training programme and providing access to a unique series of resource collections to use at each stage. We're praying that this will result in thousands of young people discovering a life of vibrant personal faith in Jesus.

*More information can be found at [su.org.uk/revealingjesus](http://su.org.uk/revealingjesus)*

### Main objectives for the year and our Strategic Plan

The Trustees confirm that they have referred to and have given due regard to the Charity Commission's guidance on public benefit when reviewing the Charitable Company's aims and objectives and when 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 SU's operating plan, we sought, from April 2020, to fulfil our long-term vision by pursuing the following primary objectives:

- **Mobilising others:** Mobilise the SU Movement and the wider Christian community to engage with The 95 as supporters, volunteers and mission partners.
- **Developing thought leadership:** Develop 'best in class' understanding on key aspects of engaging children and young people who are not in church, and influence the Movement and beyond through documenting, communicating and advocating the principles.
- **Creating opportunities:** Pioneer, develop and multiply opportunities for children and young people to explore and grow in the difference Jesus can make to the challenges and adventures of life.
- **Continuing digital transformation:** Ensure transformation of cross-functional, mission enabling systems and processes to underpin organisational growth and efficiency.
- **Supporting global partnership:** Support and learn from SU movements globally who have a passion about working with children and young people who don't yet know Jesus.

## Strategic report

### Review of activities and performance during the year

The focus of all 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.

### Involving volunteers

SU is at heart a volunteer movement. SU 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. With COVID-19 pausing many activities through most of the year, it has been difficult for our many volunteers who faithfully work with our teams in face-to-face activity. However, in the times when activity could take place there were 753 known opportunities for volunteer involvement during the year – the equivalent of 661 working weeks, or 14 full-time staff. Without this body of volunteers, which included 560 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, 34 were concerned with governance of the Charitable Company (for example, trustees and members of Council) and therefore could not be filled by staff. These contributed the equivalent of an estimated 52 working weeks.

Most opportunities for volunteer involvement relate to events, but many volunteers are becoming involved in regional and national initiatives. Two people worked with us during the year as part of our 10:2 leadership development (young leader) programme and two people worked with us on student placement.

In addition to SU volunteers, our local mission partnership programme involves many hundreds of volunteers supporting 120 workers employed by 67 trusts. *(See Note 4 to the financial statements, page 30, for an outline of our local mission partnership 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 the Movement's objectives and, alongside relevant commentary, form the basis of a quarterly progress report: the Mission Update. The Mission Update is prepared by the Leadership Team and endorsed by the Trustees before being circulated to members of Council 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.

### Impact of COVID-19

The COVID-19 Action Team was formed in March 2020 and met weekly throughout the year to manage the Movement's response to COVID-19 constraints and opportunities. Always acting in accordance with the government guidelines applicable at any point in time, we remained flexible to meet the rapidly changing circumstances. The Trustees were consulted on policy and informed of key executive decisions at all times.

*Mission activity* - As reported later (*pages 7-8*), key changes to normal mission practice included the 2020/21 season of face-to-face *Holidays and Missions* being cancelled and replaced with innovative online activities, while the *Regional Mission* and the *Development Hub* teams pivoted to provide popular online lockdown-specific resources and followed this with imaginative material to support physically-distanced mission.

*Mission operations* - More generally, the flexibility of our staff and our prior investment in a new technology infrastructure allowed for a rapid move to homeworking for all staff. Nevertheless, throughout the year a small group attended the National Office at least two days a week to enable critical IT, financial and supporter care functions.

*Impact on income and going concern* - God has continued to be generous to us, and the Fundraising team has continued to implement the Fundraising Strategy with good results. Cash flow has remained healthy. We continue to monitor income on a regular basis, including rolling cash forecasts and scenario modelling to support our Going Concern assessment. Given the strength of our Balance Sheet (*see page 23*), we are confident that we can continue to operate in the foreseeable future.

*Staff wellbeing* - God's generosity meant we did not have to instigate a general furlough programme. However, the cancellation of the Holidays and Missions season led to three staff being furloughed for at least part of the summer. A small number of staff also requested and were granted part-time furlough during the third lockdown for child-care purposes. There were a small number of self-isolations and a very small number of COVID-19 infections amongst the staff team, none of which reported as due to mission activity.

## Developing new strategy

We rapidly progressed the development of our new strategic mission framework, *Revealing Jesus*, (*see page 4*) during the year. We defined the new Mission Enabler role and retrained our field staff, implemented necessary systems to support new processes, developed training and support processes to enable us to serve the new Faith Guide role, and built out the innovative content and functionality of the Faith Guide Hub. This was all successfully launched at an online event in October 2020 that attracted over 1,100 live viewers.

After launch, the new mission framework set the agenda across all our major objectives (*see below*). We continue to iteratively refine the framework based on experience, whilst investigating the framework's impact on areas such as holidays and missions, digital mission, schools work, and mission in socially diverse urban and rural contexts.

## Mobilising others

Our aim during the year was to mobilise the SU Movement and the wider Christian community to engage with The 95 as supporters, volunteers and mission partners within the *Revealing Jesus* mission framework.

Initiatives and milestones during the year included:

- Launching and promoting the new *Revealing Jesus* mission framework. We had originally planned to do this at our national conference in June 2020. When this was cancelled due to COVID-19 restrictions, we moved to an online launch in October 2020 which was viewed more than 3,500 times in the first month.
- Growing the Fundraising Team to increase our breadth and capacity. We now have a Major Donor Fundraiser and a Trust Fundraiser on the team and performance in these areas is improving noticeably.

## Developing thought leadership

During the year we sought to develop 'best in class' understanding of key aspects of engaging children and young people who are not in church, and to influence the understanding of all those involved in SU's mission activities through documenting, communicating and advocating the principles. Further development of *Revealing Jesus* was delayed due to COVID-19 restricting what could be learned through face-to-face mission. However, good progress was made on other matters including the development of action plans from the ethnicity report (*see below*) that are now beginning to be implemented.

Initiatives and milestones during the year included the following:

- Theological reflection, research and review of SU's mission practice was completed ready for the launch of the *Revealing Jesus* mission framework, and the summary of the *Faith for Gen Z* research was published.
- Formational work on the training modules for Faith Guides and the development of a module on handling the Bible with The 95 were completed.
- The first two public editions of the booklet that forms the basis of our *Revealing Jesus* mission framework were published and distributed in July and October 2020.
- Following the qualitative research *Faith for Gen Z* which was published in 2019, planning was completed for quantitative research into faith formation in Gen Z children and young people, with publication expected in 2022.
- We commenced planning the content of the book that will help tell the story of the development of the *Revealing Jesus* mission framework and progress made in the first two years from launch.
- Following biblical reflection on how we better support and serve ethnic minorities, and on the needs of millennial workers, reports were published and action plans developed on the culture changes needed in the Movement.
- We created a theological framework for prayer, and workshopped ways to develop our understanding and practice of prayer across the Movement.

## Creating opportunities for children and young people

Good progress has continued to be made in creating opportunities for children and young people to explore the difference Jesus can make to the challenges and adventures of life. Progress was made in implementing the new *Revealing Jesus* mission framework in all areas, including completion of content collections within the Faith Guide Hub, a review of our future approach to holidays and events against the new framework, the recruitment of Faith Guides and the development of online digital engagement opportunities.

Initiatives and milestones during the year included the following:

- Despite severe COVID-19 restrictions, strong relationships have been developed with Faith Guides and their churches. By the end of March 2021, 109 Faith Guides from 73 churches across England and Wales had registered, with many more having indicated their interest – a tribute to the passion and gifting of our Mission Enablers and the new Faith Guides.
- The new Faith Guide Hub was launched, giving Faith Guides exclusive access to exciting new content collections tailored to support them as they use the *Revealing Jesus* mission framework in their local church setting.
- A new approach to content creation for the Development Hub was created to ensure processes can be easily undertaken with our many internal and external contributors. Phase 2 of the Hub was launched in January 2021 with Phase 3 due for completion by end of July 2021. All phases are increasingly creating resources for a blended online/offline context.



- Knowing that most local mission activity was taking place online due to COVID-19 restrictions, we created a wide range of digital resources to help churches engage with The 95. Videos produced were viewed over 33,000 times.
- We created training and resources to support socially-distanced mission where restrictions allowed, with online training attended by over 4,000 people. QR-code trails for Halloween and Christmas were produced in English and Welsh, with 1,849 downloads of the resource pack and 15,300 QR Code scans.
- Significant in-person mission activity took place when permitted, including sports, detached and community activities.
- Although in-person holidays and missions were cancelled, cross-functional work by staff enabled the provision of 27 online events using a mixture of pre-recorded video and zoom meetings. Registered guests totalled 1,334, and there was a very positive response from attendees, parents and volunteer team members. A detailed review of holidays and missions has taken place using the *Revealing Jesus* mission framework as the backdrop.
- Several organisations have shown strong interest in national partnerships and collaboration agreements as part of the *Revealing Jesus* mission framework. We have entered a collaboration with KICK and a partnership agreement with the Baptist Union of Wales, while several other national discussions are still underway.
- About 70% of local mission partners (LMPs) (*see page 30*) furloughed their workers through the summer of 2020, returning at the beginning of the autumn term. Most have been developing resources for schools with only a few going into schools.

### Continuing digital transformation

Our aim during the year was to ensure transformation of cross-functional, mission enabling systems and processes to underpin organisational growth and efficiency. Good progress was made on the main projects, although much is still to be done if the replacement of our customer relationship management (CRM) system is to happen on time in 2021. Improvements to key processes had to be fitted around higher priority activities, so some have been carried forward into the coming year.

Initiatives and milestones included the following:

- We developed and launched the technical infrastructure for the Faith Guide Hub (*see the section above for a description of the Faith Guide Hub*).
- The Faith Guide registration system was developed and launched, enabling Faith Guides and their nominating church to be registered and linked to our Mission Enabler teams for training and support.
- The website was updated for improved usability, together with improved user management and tools to assist with resource management.
- We researched options for the replacement of our present CRM system, tendered for its replacement, chose the supplier and technology for implementation, and started the project which is due to deliver in the autumn of 2021.
- Internal processes were improved and moved to online systems, to cope with the impact of the pandemic and remote working and to improve the efficiency of the organisation.
- Despite the pandemic, we were able to continue on all projects with just some minor delays, reaping benefits from the work in the previous financial year when we completed the rollout of a new technology infrastructure.

## Supporting global partnership

There are over 130 independent SU movements around the world working in around 120 countries, all of which are united by Scripture Union's aims, belief and working principles. SU England and Wales is one such movement. Each national movement seeks to work through local people in ways that are appropriate to the national culture and the number of staff is typically very small compared to the number of their volunteers. Facilitated by the SU International team, staff and volunteers globally 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.

Our aim during the year was to support and learn from SU movements globally who have a passion for working with children and young people who don't yet know Jesus. Initiatives and milestones included the following:

- *Strategic investment* - We established with SU International a shared understanding of the strategic priorities of the global SU family to better align our grants. Implementation was delayed as COVID-19 diverted the attention of national movements. Nevertheless, a global initiative was developed to implement minimum-standard safeguarding policies globally, which we will support through a significant grant approved in May 2021. We envisage further support of key global strategic initiatives in the coming year and for regional initiatives.
- *International ministry through sport* - Ministry through sport remains a global priority. A significant grant was approved in April 2021 to support the "Smooth Stone" project developed by SU Malawi which uses sport to share the gospel in culturally appropriate ways with marginalised/at risk young people.
- *Grant funding* - SU England and Wales continues to give a percentage of our gift income and unrestricted legacies to other SU movements around the world. Grants approved during the year totalled £118,000 (2020: £81,000). Amongst the projects supported was SU South Africa's Sinawe school workers programme which brings the light of the gospel into schools while helping the children deal with trauma and other needs. In addition to the grants made from our own resources, we receive gifts from our supporters restricted for international purposes which we use to make grants to support ongoing SU mission and specific SU projects in other parts of the world. Such grants this year totalled £115,000 (2020: £160,000) (*see the Statement of financial activities, page 22, and Note 4 to the financial statements, pages 29-30*).
- *Guardians of Ancora* - Guardians of Ancora is our free digital game that gives children a fun, safe play-space where Bible stories come alive as they explore their relationship with God and the Bible. Despite COVID-19-related delays, our new Spanish *Guardianes de Ancora* is in beta testing before being released to the more than 0.5 billion Spanish speakers worldwide. The final planned language localisation of the game into isiZulu - developed in partnership with SU South Africa - is planned for completion in the coming year. This year has also seen a significant increase in the number of national movements committed as distribution partners for the English language game. We also led seminars for global movement on online safety and digital ministry, and developed a 24-session *Guardians of Ancora*-based curriculum in English, Serbian and Albanian.
- *Global content licensing* - We have refreshed and streamlined our approach to supporting the re-publishing of printed resources by national movements. A clearly defined portfolio of readily localised resources is backed by a simple content licence model that will allow most movements to reuse our content licence free of charge.

## Plans for next year and beyond

The Movement has revised its direction in the last few years, presenting a clear, renewed vision, mission and priority for the coming years (*see page 4*). The aim of the Strategic Plan is to ensure that SU operationally fulfils its renewed mission to its priority community, and hence achieve its vision. The Plan is fully integrated into SU's annual operating plan for the coming year, as agreed by the Trustees in February 2021.

Our overall aim for the coming year remains to grow the reach and impact of SU's mission activity. To achieve this, we will continue to focus on the following primary objectives:

- **Mobilising others:** Mobilise the SU Movement and the wider Christian community to engage with The 95 through *Revealing Jesus* as donors, prayer supporters and volunteers.
- **Thought leadership:** Develop 'best in class' understanding of key aspects of engaging children and young people who are not in church, and influence the Movement and beyond through documenting, communicating and advocating the principles.
- **Creating relational opportunities:** Pioneer, develop and multiply opportunities for children and young people to explore and grow in the difference Jesus can make to the challenges and adventures of life
- **Transforming organisational efficiency:** Ensure transformation of cross-functional, mission enabling systems and processes to underpin organisational growth and efficiency.
- **Supporting global partnership:** Support and learn from SU movements globally who have a passion about working with children and young people who don't yet know Jesus.

We plan to use £650,000 of the funds set aside in our Project and Development Fund (*see Note 13 to the financial statements, pages 33-34*) in pursuing these objectives. This includes in the region of £420,000 for transforming organisational efficiency, £175,000 for creating relational opportunities, £40,000 for establishing thought leadership and £15,000 for mobilising others.

## Financial review

### Financial position

We thank God and our many supporters for their financial generosity in funding the work of SU especially in a year of such economic impact due to COVID-19, and we are also grateful for the regular prayers and time offered by our supporters and volunteers that multiply the work of the staff teams. For the year ended 31 March 2021 we had an overall surplus £1,073,000, compared to a deficit of £992,000 last year. This was primarily due to:

- a significant growth in investments of £714,000, which compares to a reduction of £314,000 last year due to the impact of COVID-19 during February and March 2020;
- spend on Project and Development Fund (PDF) initiatives of £365,000 being lower than had been planned for the year, as a number of one-off initiatives to grow scale and impact of SU missional activities were deferred (*see Reserves Policy, pages 11-12, for more details*);
- an operating budget surplus being achieved, despite planning for a small budgeted operating deficit. COVID-19 restrictions meant that our 2020 holiday and mission programme was cancelled, and we took the precautionary step of limiting expenditure in the first half of the year as the impact of the COVID-19 pandemic was assessed. We were able to restart recruitment as our donation and gift income held up during the second half of the year. Nevertheless, local and national lockdown restrictions limited our ability to run face-to-face activity.

As a result, our balance sheet has improved and is healthy at £6,644,000. This includes £2,227,000 within the PDF, total restricted funds of £177,000 and total endowment funds of £693,000 (*see Note 13 to the financial statements, pages 33-34*). We expect to continue to spend the PDF reserves over

the next three to five years as we continue to deliver on the Strategic Plan. Overall financial deficits are anticipated again in these years as the PDF reserves are progressively spent.

Total gift income, including restricted gift income but excluding legacies, amounted to £2,532,000 which represents a 0.2% decrease from £2,537,000 in the previous year. It includes gifts of £115,000 restricted for SU activity overseas. Unrestricted legacy income of £1,055,000 was received; this is 34% higher than last year at £789,000. Further details are included in the fundraising performance section below (*page 13*). Holidays and Mission income at £9,000 is 98% lower than last year's £554,000 due to the cancellation of the programme. Publishing sales and royalty income at £801,000 is down 6% compared to last year's £853,000 as we continue to move away from commercial publishing in line with our strategy. Publishing activity is now much reduced and focused on a narrow range of products.

Total income at £4,526,000 is £344,000 lower than the previous year (7% down). Total expenditure of £4,167,000 is £1,381,000 lower than last year (24% down).

For the year ending 31 March 2022, the Trustees aim to continue to spend reserves in line with the reserves policy (*see below*), and as such have aligned budgeted General Fund expenditure to exceed budgeted income by £200,000, as we seek to invest in the new strategy. In addition, expenditure of around £650,000 from PDF reserves is planned.

### Reserves policy

The level of required reserves is reviewed annually as part of the process of budget preparation for the following year to ensure that it remains relevant to SU's current and future position, in particular reflecting the developments necessary to deliver our strategy. It is also 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 include 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 level of General Fund reserves retained by the Movement at between three and six months of unrestricted normal ongoing charitable expenditure. At 31 March 2021, the General Fund stood at £2,078,000 (2020: £1,961,000) which represents 6.1 months (2020: 5.4 months) of ongoing unrestricted charitable expenditure for the Movement based on the financial statements for year ended 31 March 2021. We have planned an operating deficit for the year ending 31 March 2022 to bring us back into our Reserve Policy range. In addition to the General Fund, the Trustees have set aside designated funds as described below and in Note 13 to the financial statements (*see pages 33-34*).

The level and timing of legacy income is uncertain and therefore continues to be budgeted at a conservative level. Legacy income received above the budgeted levels may be used to add to designated reserves within the Project and Development Fund (PDF) (*see Note 13 to the financial statements, pages 33-34, for more information*). 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 totalled £365,000 (2020: £559,000) and included £199,000 for continuing digital transformation (*see page 8*), £106,000 for creating opportunities for children and young people to explore the Bible, respond to Jesus and grow in faith (*see page 7*), £44,000 for mobilising others to engage with The 95 (*see page 6*), £7,000 for developing thought leadership (*see page 7*) and £9,000 for Mission Transformation and Support. The balance of the Fund at 31 March 2021 was £2,227,000 (2020: £1,392,000) after the transfer of £1,200,000 into the Fund to provide for future planned strategic initiatives (*see Note 13 to the financial statements pages 33-34*).

PDF funds are set aside to grow SU's mission scale and impact and the Trustees have plans in place to expend the majority of PDF reserves over the next three to five years. In line with our objectives for next year we plan to spend an estimated £650,000 for the year to 31 March 2022 (*see page 10 for further information*).

Continuing investment in mission development projects is needed – particularly for digital engagement with volunteers and The 95 – and additional funding will be sought from major donors and trusts.

## Principal funding sources

SU relies substantially on voluntary income to fund our activities. Other income shown in the statement of financial activities (*see page 22*) includes sales of publications and fees for holidays, training and other events. When setting a price for our paid-for events and resources, appropriate consideration is given to how we can both maximise mission benefit and avoid pricing being a barrier to participation and partnership. We normally receive no funding from the government or other statutory bodies, nor from the National Lottery; however this year we did receive Government grants of £20,000 relating to Furlough funding claimed under the Coronavirus Job Retention scheme.

## Fundraising review

### Fundraising approach

Scripture Union embraces fundraising first and foremost as ministry. It is a way of announcing our vision to reach the 95% of under 18s who don't go to church and inviting other people to get involved in our mission. Our financial supporters, rather than a means to an end, are seen as a vital part of our ministry and work.

Through fundraising we proclaim what we believe in such a way that all who support us, will benefit through their involvement of seeing God's kingdom grow through the lives of children and young people. We share what God is doing with openness and honesty, providing opportunities for individuals, churches, and trusts to respond, in order to grow the ministry.

Underpinning all our fundraising is prayer, and an acknowledgement that God is the provider of all our needs, through those who choose to partner with us. We ensure that anyone involved in fundraising activities is aware of and embraces these principles.

We have an in-house fundraising team which is assisted, when required, by the services of fundraising consultants. The strategic targets for donor retention, reactivation, acquisition and uplift, fell slightly short this year as the COVID-19 pandemic necessitated a less direct approach to fundraising. Instead, we focused on building relationship with donors, while reviewing our donor journeys to improve retention and create a secure process into which we can recruit new donors in future.

The customer relationship management system replacement project currently underway created an opportunity to review our tracking and categorisation of fundraising income streams. A simplified structure will be implemented in the coming financial year, under three headings of individual, church and grants and trusts.

We are registered with the Fundraising Regulator, and we endeavour to meet the high standards promoted by their Fundraising Practice by ensuring our activities are open, fair, honest and legal. We continue to work towards full compliance with the Data Protection Act 2018. We ensure that staff are fully trained and understand their responsibilities in their respective areas.

We take pride in treating the wishes of our donors and their privacy with the utmost respect. We contact supporters in the ways that they prefer, adapting them as needed. Supporters can change their preferences at any time, and we will not contact them if they ask us not to. We never share names, addresses or other personal information with third parties for charity, commercial or fundraising purposes. We genuinely appreciate feedback from supporters and the public and we

review our fundraising activities in light of feedback and complaints we may receive. During the year we received four complaints relating to our fundraising activity, none of which were deemed to be highly serious or referred to the Fundraising Regulator.

### **Fundraising performance**

Income received as a result of the managed fundraising programme decreased slightly by £5,000 from £2,537,000 to £2,532,000.

Donations received during the year came predominantly from individual supporters (91%), with the balance being received from trusts (7%) and churches (2%). It is also worth noting that income from Major Donors came in at 300% of budget for this year.

Legacies of every size are vital to the ongoing work of SU. Several large legacies contributed to income received from legacies during the year totalling £1,091,000. This was higher than the £789,000 received the previous year, with legacy income for both years exceeding our expectations.

The cost of raising funds during the year increased slightly from £425,000 to £426,000 (*see Note 4 to the financial statements, pages 29-30*).

We place a high priority on the need to inform supporters of our activities and our quarterly magazine *Connecting You* was sent by post or email to more than 28,000 (2020: 30,000) supporters 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 and invested (£4,907,000 as at 31 March 2021 (£2,377,000 as at 31 March 2020)). This includes a capital endowment (£693,000 as at 31 March 2021 (£625,000 as at 31 March 2020)) and this year includes £1,793,000 moved from bank deposits to High Quality Bonds (£nil as at 31 March 2020). Income from the General Fund portfolio is reinvested whilst income from the Endowment Fund is used 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. Rathbones, our investment managers, continue to manage £3.1m of our investment portfolio aiming to outperform a benchmark comprising 35% FTSE All-Share, 30% FTSE World ex UK, 25% UK Gilts, 5% Property, 5% Cash. The longer-term track record also remains good in both absolute and relative terms, with the five years to 31 March 2021 producing a return of 54.21%. This represents an outperformance of the benchmark which has risen 29.55% over that time.

This year we also migrated cash savings from bank deposits into the Rathbone High Quality Bond Fund invested in short-maturity bonds with an average credit rating of A. This portfolio is designed to earn a slightly higher income than we can achieve at high street banks, where interest rates on large capital sums have fallen sharply. Total returns from inception to 31st March were -0.5%, however, we have made 1.2% since 31st March and so the total return since inception stands at 0.7%.

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 – although volatility in the market can drive significant short-term fluctuations – and the assets are invested to mitigate this risk over the long-term. SU aims to diversify its assets through investment in a multi-asset investment fund that reflects SU's ethical investment policy which specifically excludes companies whose principal business is in armaments, gambling, tobacco or alcoholic drinks. The Trustees are aware that this may have some impact on investment performance.

The 31 March 2021 reporting date is almost exactly a year on from the lows in markets amid the onset of the COVID-19 pandemic, and the subsequent rebound in the markets has been reflected in the growth in our investments during the year.

## 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 Trustees and the suitability of the risk review and management process is monitored by the Audit and Finance Committee (*see page 17*).

During the year, the Leadership Team and the Trustees carried out detailed reviews of potential reputational, financial, mission and operational risks to the Movement. The major risks to which the Charitable Company is exposed have been reviewed and systems have been established to manage those risks.

Internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects. Security of our IT networks, access control and malware detection minimise the potential risk of a cyber security breach. Procedures are in place to ensure compliance with legislation, regulation, codes of practice and standards. All procedures are reviewed periodically to ensure that they continue to meet the needs of the Charitable Company.

One primary risk has been identified:

**Criticism, incident or allegation regarding work with children** – Key elements of the management of this risk are safer recruitment processes, regular review of SU's safeguarding policy, clear lines of responsibility and accountability, input from SU's safeguarding advisory group, compliance with externally-set activity standards and regular training and review.

We remain deeply saddened by the accounts of abuse suffered by the victims of the late John Smyth, a trustee of SU from 1971-79. The lessons-learned review into SU's past connections with John Smyth was completed in March 2021. The independent reviewer made a number of recommendations which are now being worked through to ensure learning is implemented and that we are in line with best practice in our safeguarding across the movement.

## 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 and amended by special resolution passed on 17 October 2020.

### 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 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 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

Policies and procedures for the recruitment, appointment and induction of all new trustees are in place and maintained by the Trustees.

Responsibility for the trustee recruitment process lies with the Chair of Trustees. Each candidate is interviewed by a panel that usually comprises the Chair, one or more trustees and a member of Council. In the case of candidates who the group believes may be called to be trustees, a second interview by the same or similar panel is normally conducted. Each candidate is assessed having regard to the overall composition of the Board of Trustees, including any skills and experience that its then current members lack. The Trustees themselves may proactively approach and co-opt additional trustees to fill vacancies and such appointments are effective until the next Annual Meeting.

The Council appoints new trustees and reappoints those who have come to the end of their current term of office and who are eligible, willing and nominated for re-election. Trustees, who are also Directors of the Charitable Company 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 and a maximum of twelve trustees.

## Induction and training of trustees

All trustees receive induction training, information and support to acquire the necessary detail of how the Movement and the Board of Trustees work, so that they can play a full part in discussion and decision-making.

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 SU's aims, belief and working principles and the Strategic Plan. Participation in induction processes run principally for new staff is encouraged, both for new trustees and by way of a 'refresher'. All new and serving trustees are encouraged to attend or participate in a local, regional or national SU holiday, mission or other event as part of their induction and ongoing development.

## Organisational structure

The members of the Council are the Members of the Company. The Council appoints the members of the Board of Trustees (*listed on page 2*) and the Trustees appoint the National Director and approves the process for the appointment of other members of the Leadership Team (*also listed on page 2*). The National Director and, in relation to their respective areas of responsibility, the members of the Leadership Team are responsible for the day-to-day running of SU.

**Trustees** – The Trustees have ultimate responsibility for the strategic leadership and the management of the affairs of SU in accordance with its Articles of Association and applicable law (including company law and charity law). It has four scheduled meetings each year and meets physically or by conference call on other occasions as necessary. The Trustees seek to apply the principles set out in the Charity Governance Code having regard to the aims, beliefs and working principles of SU. In February 2020, the Trustees approved a document which describes the governance structure of SU, including the division of powers between the Council and the Trustees and the delegation of powers by the Trustees. The document focuses on the legal structure and legal allocation of powers and responsibilities.

**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 Trustees on the overall direction of the Movement. It has no executive powers and its key responsibilities are to ensure that the Statement of Aims, Belief and Working Principles is



applied, to review the progress made towards fulfilling the Strategic Plan and to elect trustees. The Council, comprising up to 36 members (including trustees and leadership team members), normally 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 Charitable Company and of the incoming resources and application of resources, including the income and expenditure, of the Charitable Company 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 judgements 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 Charitable Company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charitable Company's transactions and disclose with reasonable accuracy at any time the financial position of the Charitable Company 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 Charitable Company 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 Charitable Company'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 Charitable Company'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 Charitable Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### ***Qualifying third party indemnity provisions***

During the reporting period and up to the date of this report, the Charitable Company maintained liability insurance and third-party indemnity provisions for its Trustees, under which the Charitable Company has agreed to indemnify the Trustees to the extent permitted by law in respect of all liabilities to third parties arising out of, or in connection with, the execution of their powers, duties and responsibilities as Directors of the Charitable Company.

### ***Internal controls***

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

- its assets are safeguarded against unauthorised use;

- proper records are maintained and financial information used within the Charitable Company or for publication is reliable; and
- the Charitable Company 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 quarterly Board meetings.

The Movement operates a comprehensive annual planning and budgeting process which is approved by the Trustees. 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 Trustees have delegated certain tasks to the Audit and Finance Committee, comprising trustees and volunteers. The Committee meets regularly and has responsibility for:

- monitoring the integrity of the financial statements and any formal announcement relating to financial performance;
- reviewing the integrity of the internal financial control and financial and risk management systems;
- monitoring and reviewing the performance of the internal audit function;
- reviewing the independence of the external auditor and the provision of any non-audit services;
- reviewing the performance of the external auditor and making recommendations to the Trustees in relation to their appointment, re-appointment and removal and approving their remuneration and terms of engagement;
- monitoring financial performance and approving the annual draft budget for submission to the Trustees;
- reviewing and approving investment policies and reviewing the performance of the investment managers;
- monitoring the pension arrangements and reviewing the performance of insurance companies that provide the relevant pension policies and any pensions advisors;
- monitoring compliance with corporate and charity laws and regulations.

The Nominations and Advisory Committee, comprising members of Council, a trustee and a staff member, is a sub-committee of Council. It meets regularly as required and has responsibility for:

- proposing individuals for admission as members of the Council (other than individuals who are admitted by virtue of being a trustee or member of the Leadership Team).
- helping Council to evaluate itself and its work.

### ***Management and staff***

The Trustees delegate to the National Director the day-to-day management of the Movement and the implementation of policies and other decisions of the Trustees. The National Director may sub-delegate the management and implementation and the exercise of powers to members of the Leadership Team (*members listed on page 2*). The Trustees 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 annually review and determine the pay of the Leadership Team with reference to comparable national charities' pay levels (XpertHR Voluntary Sector Salary Survey). The Trustees aim to follow the principle that the pay of the highest paid employee is not normally 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 30*).

## Related parties

All trustees give of their time freely and no trustee received remuneration during the year. Details of trustees' expenses and any related party transactions are disclosed in Note 6 to the financial statements (*pages 30-31*).

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 30*). 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 and Finance Committee (*see page 17*). Grant allocations amounting to £244,000 were made during the year. For a summary of grant allocations, see Note 4 to the financial statements (*pages 29-30*).

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 the growth of SU's mission and used in a manner consistent with SU's Statement of 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 SU's Audit and Finance 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 or three 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 our priority of sharing the good news of Jesus with children and young people who don't yet know him. This may include supporting projects that create local sustainability to achieve that priority.

### Appointment of external auditor

MHA MacIntyre Hudson was appointed as external auditor in 2019 and has expressed willingness to continue in that capacity.

\* \* \* \* \*

The Trustees submit their annual report and the audited financial statements for the year ended 31 March 2021. 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 15 July 2021 and signed on their behalf by:**



Richard Godden  
Chairman



Kim Hurst FCA  
Treasurer

## Opinion

We have audited the financial statements of Scripture Union (the 'charitable company') for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flow and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2021, 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.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the financial statements section of our report.

We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Trustees' assessment of the entity's ability to continue to adopt the going concern basis of accounting included critical reviews of budgets and forecasts provided.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

## Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report (incorporating the Directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

## Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a strategic report.

### Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement included in the Trustees' Annual Report, the Trustees (who are also the Directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

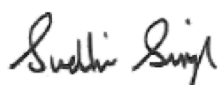
- Obtaining an understanding of the legal and regulatory frameworks that the entity operates in, focusing on those laws and regulations that had a direct effect on the financial statements;
- Enquiry of management to identify any instances of known or suspected instances of fraud;
- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of management about any instances of non-compliance with laws and regulations;
- Reviewing the control systems in place and testing the effectiveness of the controls;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

### Use of this report

This report is made solely to the charitable company'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 charitable company'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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



**Sudhir Singh FCA** (Senior Statutory Auditor)  
For and behalf of MHA MacIntyre Hudson  
Chartered Accountants and Statutory Auditors  
6<sup>th</sup> Floor, 2 London Wall Place  
London, EC2Y 5AU

Date 23 July 2021

# Statement of financial activities incorporating an income and expenditure account for the year ended 31 March 2021

	Notes	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total 2021 £'000	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total 2020 £'000
<b>Income and endowments</b>									
<i>Income from generated funds:</i>									
- Income from donations and legacies	2a	3,183	440	-	<b>3,623</b>	2,785	541	-	3,326
- Income from investments	2b	34	21	-	<b>55</b>	60	26	-	86
- Income from grants	2c	20	-	-	<b>20</b>	-	-	-	-
<i>Income from charitable activities:</i>									
- Holidays and missions		9	-	-	<b>9</b>	554	-	-	554
- Other fee income		17	1	-	<b>18</b>	51	-	-	51
- Publishing sales and royalties		801	-	-	<b>801</b>	853	-	-	853
<b>Total income</b>		<b>4,064</b>	<b>462</b>	<b>-</b>	<b>4,526</b>	<b>4,303</b>	<b>567</b>	<b>-</b>	<b>4,870</b>
<b>Expenditure</b>									
<i>Expenditure on raising funds:</i>									
- Cost of raising funds		426	-	-	<b>426</b>	425	-	-	425
<i>Expenditure on charitable activities:</i>									
- Face-to-face mission in England and Wales		1,741	326	-	<b>2,067</b>	2,747	448	-	3,195
- Advocacy		236	-	-	<b>236</b>	316	-	-	316
- Content creation		340	20	-	<b>360</b>	464	2	-	466
- Commercial publishing		729	-	-	<b>729</b>	722	-	-	722
- International activities		234	115	-	<b>349</b>	264	160	-	424
<b>Total expenditure</b>	4	<b>3,706</b>	<b>461</b>	<b>-</b>	<b>4,167</b>	<b>4,938</b>	<b>610</b>	<b>-</b>	<b>5,548</b>
<b>Net gain/(loss) on investment assets</b>	8a	646	-	68	<b>714</b>	(240)	-	(74)	(314)
<b>Net income/(expenditure) for the year being net movement in funds</b>		1004	1	68	<b>1,073</b>	(875)	(43)	(74)	(992)
<i>Reconciliation of funds:</i>									
<b>Fund balances brought forward</b>		4,770	176	625	<b>5,571</b>	5,645	219	699	6,563
<b>Fund balances carried forward</b>	13	<b>5,774</b>	<b>177</b>	<b>693</b>	<b>6,644</b>	<b>4,770</b>	<b>176</b>	<b>625</b>	<b>5,571</b>

- a) All of the above results are derived from continuing activities. SU has no other recognised gains and losses other than those stated above.
- b) Income from donations and legacies in 2021 and 2020 benefited from legacy income which significantly exceeded expectations.
- c) The annual net growth for restricted and unrestricted funds reflects:
- o planned spending down of the Project and Development Fund of £365,000 (*see reserves policy, pages 11-12*);
  - o a significant growth in investments of £714,000; and
  - o a budgeted surplus as we sought to limit expenditure in the first half of the year due to the COVID-19 pandemic, and the ongoing limitations in activities in the second half of the year as local and national lockdowns limited our ability for face-to-face operations.


The Notes on pages 25-36 form part of these financial statements.

# Balance sheet

As at 31 March 2021

	Notes	2021 £'000	2020 £'000
<b>Fixed assets</b>			
Tangible assets	7	890	934
Investments	8a	4,907	2,377
<b>Total Fixed Assets</b>		<b>5,797</b>	<b>3,311</b>
<b>Current assets</b>			
Investments	8b	122	2,122
Stocks	9	109	171
Debtors	10	447	421
Cash at bank and in hand		1,056	668
<b>Total Current Assets</b>		<b>1,734</b>	<b>3,382</b>
<b>Liabilities</b>			
Creditors: amounts falling due within one year	11a	(868)	(948)
<b>Net current assets</b>		<b>866</b>	<b>2,434</b>
<b>Total assets less current liabilities</b>		<b>6,663</b>	<b>5,745</b>
Creditors: amounts falling due over one year	11b	-	(149)
Provisions for liabilities	12	(19)	(25)
<b>Net assets</b>		<b>6,644</b>	<b>5,571</b>
<b>The funds of the Charitable Company</b>			
<b>Unrestricted funds</b>			
Fixed assets fund		890	934
Working capital fund		-	95
Project and development fund		2,227	1,392
International fund		579	388
General fund		2,078	1,961
		<b>5,774</b>	<b>4,770</b>
<b>Restricted funds</b>			
Income fund		177	176
<b>Endowment funds</b>			
Endowment fund		693	625
<b>Total charity funds</b>		<b>6,644</b>	<b>5,571</b>

The financial statements were approved and authorised for issue by the Trustees on 15 July 2021 and signed on their behalf by:



Richard Godden  
Chairman



Kim Hurst FCA  
Treasurer

The Notes on pages 25-36 form part of these financial statements.

Company Registration Number 00039828



## Cash flow statement

for the year ended 31 March 2021

	<i>Notes</i>	<b>2021</b> £'000	2020 £'000
<b>Net cash (used in) operating activities</b>	<i>See (a) below</i>	<b>163</b>	(466)
<b><i>Cash flows from investing activities</i></b>			
Interest received	<i>2b</i>	<b>34</b>	60
Dividends received	<i>2b</i>	<b>21</b>	26
Purchase of tangible fixed assets	<i>7</i>	<b>(14)</b>	(12)
Sale of investments	<i>8a</i>	<b>695</b>	176
Purchase of investments	<i>8a</i>	<b>(2,536)</b>	(229)
Movement in investment cash	<i>8a</i>	<b>25</b>	22
<b>Net cash from investing activities</b>		<b>(1,775)</b>	43
<b>Change in cash and cash equivalents for the year</b>		<b>(1,612)</b>	(423)
<b>Cash and cash equivalents at the beginning of the year</b>		<b>2,790</b>	3,213
<b>Total cash and cash equivalents at the end of the year</b>	<i>See (b) below</i>	<b>1,178</b>	2,790

Change in cash and cash equivalents due to exchange rate movements during the year was £1,729 (2020: £130).

### Notes to cash flow statement

<b>(a) Reconciliation of net income/(expenditure) for the year</b>		<b>2021</b>	2020
	<i>Notes</i>	<b>£'000</b>	£'000
<b>Net income/(expenditure) for the reporting period</b>	<i>See SOFA</i>	<b>1,073</b>	(992)
<i>Adjustments for:</i>			
Depreciation charges	<i>7</i>	<b>58</b>	84
Net (profit)/loss on investments	<i>8a</i>	<b>(714)</b>	314
Dividends and interest from investments	<i>2b</i>	<b>(55)</b>	(86)
Decrease/(increase) in stocks	<i>9</i>	<b>62</b>	(32)
(Increase)/decrease in debtors	<i>10</i>	<b>(26)</b>	59
(Decrease)/increase in creditors	<i>11</i>	<b>(229)</b>	187
(Increase) in provision for pensions	<i>12</i>	<b>(6)</b>	-
<b>Net cash provided by/(used in) operating activities</b>		<b>163</b>	(466)
<b>(b) Cash and cash equivalents</b>		<b>2021</b>	2020
	<i>Notes</i>	<b>£'000</b>	£'000
Cash at bank and in hand	<i>See Balance Sheet</i>	<b>1,056</b>	668
Notice deposits (less than 3 months)	<i>8b</i>	<b>122</b>	2,122
<b>Net funds</b>		<b>1,178</b>	2,790

The Notes on pages 25-36 form part of these financial statements.

## 1. Accounting policies

The principal accounting policies adopted, judgements and key sources 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 2019) (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.

SU 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 despite the impacts of COVID-19. For the year ending 31 March 2022 a balanced operating budget has been set and project and development activity will be funded from the designated Project and Development Fund reserve. A regular review of income has been implemented. In addition to ownership of a building used as the national office and long-term reserves, SU has a healthy cash balance. Cash flow forecasts indicate that ongoing operational activity will continue beyond 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 the Council (as outlined on page 15). 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, including Government grants, 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 SU becomes entitled to the income, based on notifications received, when there is probability of receipt and when the amount is reliably measurable. 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 of the dividend due has been received.

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 Charitable Company holds these granted funds within a 'client account' and, because the Charitable Company 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 1(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.

Termination benefits, including redundancy costs, are recognised when the Charitable Company has the obligation to pay the benefits and they can be reliably measured.

- 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 Charitable Company 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 allocation of support and governance costs is set out in Note 4 (*pages 29-30*). The basis on which these costs are allocated is:

Finance	Staff time
Technical Services	Headcount
Human Resources	Headcount
Facilities	National Office Headcount
Database	Staff time
Mobilisation	Staff time
Management / Leadership Team	Staff time

- 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 Charitable Company as capital. The purpose and use of the designated, restricted and endowment funds are set out in Note 13 to the financial statements (*pages 33-34*).

- 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. Assets are capitalised when the cost totals £500 or more. 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 (page 30). 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 Charitable Company 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.
- p) **Critical accounting estimates and areas of judgement** – Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Charitable Company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are listed below.
- Depreciation rates for tangible fixed assets
  - Useful economic lives of assets
  - Allocation of support costs
  - Legacy income accruals
  - Stock provisions
- The Trustees do not consider the COVID-19 pandemic to have had a material impact on these accounting estimates and areas of judgement.

a) **Financial instruments** – The Charitable Company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. The financial assets and financial liabilities of the Charitable Company are as follows:

- *Debtors* – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in Note 10 (see page 32). Prepayments, legacies receivable, tax recoverable and accrued income are not financial instruments.
- *Cash at bank* – is classified as a basic financial instrument and is measured at face value.
- *Liabilities* – trade creditors, accruals, loans payable and other creditors will be classified as financial instruments and are measured at amortised cost as detailed in Note 11 (see page 32). Taxation and social security are not included in the financial instruments' disclosure. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is simply an obligation to deliver charitable services rather than cash or another financial instrument.

## 2. Income

### 2a. Income from donations and legacies

	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	<b>Total</b> <b>2021</b> <b>£'000</b>	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	<b>Total</b> <b>2020</b> <b>£'000</b>
Donations	2,128	404	-	<b>2,532</b>	1,996	541	-	2,537
Legacies	1,055	36	-	<b>1,091</b>	789	-	-	789
	<u>3,183</u>	<u>440</u>	<u>-</u>	<u><b>3,623</b></u>	<u>2,785</u>	<u>541</u>	<u>-</u>	<u>3,326</u>

### 2b. Income from investments

	<b>2021</b> <b>£'000</b>	<b>2020</b> <b>£'000</b>
Interest receivable	<b>34</b>	60
Dividends receivable	<b>21</b>	26
	<u><b>55</b></u>	<u>86</u>

Of the investment income, £21,000 (2020: £26,000) was attributable to restricted income with the balance of £34,000 (2020: £60,000) adding to unrestricted funds.

### 2c. Income from grants

	<b>2021</b> <b>£'000</b>	<b>2020</b> <b>£'000</b>
Government grants	<b>20</b>	-
	<u><b>20</b></u>	<u>-</u>

During the year, the Charitable Company claimed COVID-19 Job Retention Scheme grants totalling £19,723 for staff unable to continue to work during lockdown. There are no unfulfilled conditions to this income at year end.

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

	<b>2021</b> <b>£'000</b>	<b>2020</b> <b>£'000</b>
Auditor remuneration: Audit fee	<b>18</b>	17
Auditor remuneration: Other services (corporation tax)	<b>1</b>	2
Depreciation charges	<b>58</b>	84
Operating lease rentals: machinery	<b>3</b>	3
	<u><b>80</b></u>	<u>106</u>

4. Expenditure	Grant funding of activities (see below)		Support costs (see below)	Total 2021 £'000	Total 2020 £'000
	£'000	£'000	£'000		
Costs of raising funds	-	133	293	426	425
Face-to-face mission in England and Wales	11	1,541	515	2,067	3,195
Advocacy	-	128	108	236	316
Content creation	-	245	115	360	466
Commercial publishing	-	631	98	729	722
International activities	233	60	56	349	424
Total 2021	244	2,738	1,185	4,167	5,548
Total 2020	268	3,973	1,307	5,548	

Full comparative numbers for year ended 31 March 2020 are included as a separate Note on page 35.

#### Analysis of support costs

	Technical		Human	Facilities	Database	Mobilisation	Management / Leadership	Total 2021 £'000	Total 2020 £,000
	Finance £'000	Services £'000	Resources £'000				Team £'000		
Costs of raising funds	73	31	3	25	35	111	15	293	298
Face-to-face mission in England and Wales	100	156	28	64	22	33	112	515	532
Advocacy	7	13	2	13	4	48	21	108	162
Content creation	51	31	5	12	2	4	10	115	143
Commercial publishing	30	23	5	16	12	7	5	98	122
International activities	20	5	1	3	4	2	21	56	50
Total 2021	281	259	44	133	79	205	184	1,185	1,307
Total 2020	288	276	58	159	101	217	208	1,307	
Basis of activity	Staff time	Headcount	Headcount	National Office Headcount	Staff time	Staff time	Staff time		

The basis on which costs have been allocated is outlined in Note 1(e) (page 26). 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. The support costs shown are therefore a best estimate of the costs that have been so allocated.

Included within support costs is £43,000 (2020 £54,000) of Governance costs which comprise all costs associated with meeting the constitutional and statutory requirements of the Charitable Company. It includes internal and external audit costs of £18,000 (2020: £17,000), Board and Council meeting costs of £203 (2020: £4,000) and an allocation of indirect costs to cover support from members of staff of £25,000 (2020: £33,000).

Grant activity in furtherance of the Charitable Company's objects	Activities undertaken directly	Grant funding of activities	Support Costs	Total 2021 £'000	Total 2020 £'000
	£'000	£'000	£'000		
Scripture Union worldwide	20	49	20	89	128
Scripture Union – Africa	13	49	12	74	121
Scripture Union – Americas	12	55	3	70	16
Scripture Union – England and Wales	30	11	20	61	70
Scripture Union – Europe	3	36	8	47	52
Scripture Union – Former Soviet Republics	5	23	8	36	68
Scripture Union – rest of Britain & Ireland	2	9	2	13	14
Scripture Union – Pacific	2	9	1	12	12
Scripture Union – Asia	2	3	2	7	13
Total 2021	89	244	76	409	494
Total 2020	163	273	58	494	

Grant allocations amounting to £244,000 (2020: £273,000) were made during the year. This includes £31,000 (2020: £nil) 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 £9,000 (2020: £27,000).

<b>Movement in recognised funding commitments during the year</b>	Charitable commitments accrued £'000
Grant commitments accrued at the start of the year	27
New grant commitments charged to the Statement of Financial Activities during the year	244
Grants paid during the year	(230)
Amount of grant commitments accrued as at 31 March 2021	41

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

SU England and Wales works in partnership with, and makes grants to, independent SU movements around the world as noted on pages 9, 18 and 19.

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, including:

- Local mission partners, whose aims are similar to those of SU and who operate in a particular local area, referred to on pages 5, 8 and 18. 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.
- Great Wood Trust - Scripture Union has use of the Great Wood site under a licence agreement (*see page 32*).

## 5. Staff costs and remuneration of key management personnel

	2021 £'000	2020 £'000
<b>Staff costs</b>		
Wages and salaries	1,942	2,034
Social security costs	189	201
Reorganisation costs	7	7
<b>Pension costs</b>		
Scripture Union (L&G) Personal Pension Plan	188	193
Unfunded pension scheme	6	-
	2,332	2,435
<b>Average number of employees, analysed by function</b>	2021 Number	2020 Number
Income generation	4	5
Advocacy	3	3
Face-to-face mission in England and Wales	36	36
Content creation	6	6
Commercial publishing	6	6
International activities	1	1
Administration and support of staff and volunteers	9	11
	65	68

The average number of employees during the year was 65 (2020: 68), including 19 (2020: 17) 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 62 (2020: 62). Contractual reorganisation costs of £7,000 were incurred during the year (2020: £nil).

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 £373,000 (2020: £377,000).

During the year, one employee (2020: two employees) earned between £60,001 and £70,000, and one employee (2020: one employee) earned between £80,001 and £90,000, excluding employer pensions contributions.

## 6. Related Parties

The Trustees received no emoluments in their role as trustees during the year, but one of the ten trustees received reimbursement of travel expenses totalling £82 (2020: £995 reimbursed to six of ten trustees).

## Notes forming part of the financial statements for year ended 31 March 2021

The Culture and Innovation Director was paid £250 (2020: £375) and his wife was paid £300 (2020: nil) during the year for writing notes for one of our Bible reading guides. There were no other related party transactions (2020: sale of a laptop for £125 to The Red Trust (Bushey), a charity of which the wife of the Finance and Services Director is a Trustee).

7. Tangible fixed assets	Freehold land and buildings £'000	Computer equipment £'000	Fixtures and fittings £'000	Machinery £'000	Total £'000
Cost:					
At 1 April 2020	810	225	253	19	1,307
Additions	-	14	-	-	14
Disposals	-	(6)	-	(7)	(13)
<b>At 31 March 2021</b>	<b>810</b>	<b>233</b>	<b>253</b>	<b>12</b>	<b>1,308</b>
Depreciation:					
At 1 April 2020	65	200	89	19	373
Charge for year	16	17	25	-	58
Disposals	-	(6)	-	(7)	(13)
<b>At 31 March 2021</b>	<b>81</b>	<b>211</b>	<b>114</b>	<b>12</b>	<b>418</b>
Net book value					
<b>At 31 March 2021</b>	<b>729</b>	<b>22</b>	<b>139</b>	<b>-</b>	<b>890</b>
At 31 March 2020	745	25	164	-	934

At 31 March 2021, the Trustees had authorised the capital expenditure budget for the ensuing year of £71,000 (2020: £70,000). Disposals as shown on the SOFA are shown net of depreciation. There were no capital commitments as at 31 March 2021 (2020: £nil).

During the first quarter of 2021, an Impairment review was undertaken to assess the impact, if any, of the COVID-19 pandemic on the value of our fixed assets, with input from a firm of surveyors for the freehold land and building together with some of the fixtures and fittings. The review concluded no impairment losses needed to be recognised. This outcome was reviewed by the Audit and Finance Committee in March 2021 and noted by the Trustees in May 2021.

## 8. Investments

### 8a. Fixed asset investments

Investments at market value	2021 £'000	2020 £'000
Investment cash	24	49
Fixed Interest & UK Government stocks	511	398
UK Listed Stock Exchange Investments, Unit Trusts and OEICs	4,372	1,930
	<b>4,907</b>	<b>2,377</b>
<i>Movement during the year:</i>		
Market value at 1 April	2,377	2,660
Less: Disposals at open market value	(695)	(176)
Add: Acquisition at cost	2,536	229
Net gain/(loss) on revaluation	714	(314)
Movement in investment cash	(25)	(22)
<b>Market value at 31 March</b>	<b>4,907</b>	<b>2,377</b>

The historic cost of investments is £3,809,000 (2020: £1,934,000).

### 8b. Current asset investments

	2021 £'000	2020 £'000
Virgin Money	-	2,000
Scottish Widows	122	122
	<b>122</b>	<b>2,122</b>

Current asset investments represent short-term cash deposits. The Virgin Money account was closed during the year, with the majority of the cash moved to Corporate Bond investments seeking a better return than interest available for cash deposit accounts.



## 9. Stocks

	2021 £'000	2020 £'000
Work in progress	17	69
Finished goods	92	102
	<u>109</u>	<u>171</u>

Value of stock recognised as an expense on the SOFA is £177,000 (2020: £198,000).

## 10. Debtors

	2021 £'000	2020 £'000
Trade debtors	19	45
Tax recoverable	51	51
Other debtors	27	47
Legacies receivable	300	140
Prepayments and accrued income	50	138
	<u>447</u>	<u>421</u>

Prior to sign-off of the financial statements, SU had been notified of further legacies with an estimated value of £246,000 (2020: £224,000). In accordance with Note 1(c) as noted on page 25, it was not considered appropriate to accrue for this amount in the financial statements as at 31 March 2021 all criteria for recognising legacy income in these instances had not been met.

A prepayment of £10,000 for the use of Great Wood Trust's site for our holiday programme related to summer 2021, with a further £20,000 for summer 2021 recognised as an expense as at 31st March 2021 given the decision that our holiday and events programme was significantly reduced due to COVID-19.

## 11. Creditors

### 11a. Creditors: amounts falling due within one year

	2021 £'000	2020 £'000
Trade creditors	191	184
Accruals and deferred income	567	415
Taxation and social security costs	46	277
Interest free loans from supporters	32	35
Other creditors	32	37
	<u>868</u>	<u>948</u>

### *Deferred income*

	2021 £'000	2020 £'000
Deferred income at 1 April	144	211
Resources deferred during the year	144	144
Amounts released from previous periods	(144)	(211)
Deferred income at 31 March	<u>144</u>	<u>144</u>

Deferred income relates to subscriptions on dated published products.

### 11b. Creditors: amounts falling due over one year

	2021 £'000	2020 £'000
Accruals and deferred income	-	149
	<u>-</u>	<u>149</u>

## 12. Provisions for liabilities

	2021 £'000	2020 £'000
<b>Ex-gratia pensions</b>		
Balance at start of year	25	25
Pensions paid	(9)	(9)
Increase in provision	3	9
Balance at end of year	<u>19</u>	<u>25</u>

Ex-gratia pensions are provided to a small number of former staff on an unfunded basis. See Note 1(l) (page 27) for more details.

## 13. Statement of funds

	Balance 1 April 2020 £'000	Income £'000	Expenditure £'000	Net investment gains £'000	Transfers £'000	Balance 31 March 2021 £'000
<b>Unrestricted funds</b>						
Designated funds:						
Fixed Assets	934	-	-	-	(44)	890
Working Capital	95	-	-	-	(95)	-
Project and Development	1,392	-	(365)	-	1,200	2,227
International	388	352	(161)	-	-	579
	<u>2809</u>	<u>352</u>	<u>(526)</u>	<u>-</u>	<u>1,061</u>	<u>3,696</u>
General fund	1,961	3,712	(3,180)	646	(1,061)	2,078
<b>Total unrestricted funds</b>	<u>4,770</u>	<u>4,064</u>	<u>(3,706)</u>	<u>646</u>	<u>-</u>	<u>5,774</u>
<b>Restricted funds</b>						
Income funds:						
Endowment income	-	21	(21)	-	-	-
Gifts for SU overseas	-	115	(115)	-	-	-
Good News Fund	13	2	-	-	-	15
Google AdWords	-	19	(19)	-	-	-
Rooted	27	-	(13)	-	-	14
SU Holiday Fund	92	10	-	-	-	102
Team support	-	228	(228)	-	-	-
Others	44	67	(65)	-	-	46
<b>Total restricted funds</b>	<u>176</u>	<u>462</u>	<u>(461)</u>	<u>-</u>	<u>-</u>	<u>177</u>
<b>Endowment funds</b>						
Endowment fund	625	-	-	68	-	693
<b>Total endowment funds</b>	<u>625</u>	<u>-</u>	<u>-</u>	<u>68</u>	<u>-</u>	<u>693</u>
<b>Total funds</b>	<u>5,571</u>	<u>4,526</u>	<u>(4,167)</u>	<u>714</u>	<u>-</u>	<u>6,644</u>

Full comparative numbers for year ended 31 March 2020 are included as a separate Note on page 36.

### Unrestricted funds

Designated funds are as follows:

- The **Fixed Assets Fund** represents the net book value of fixed assets.
- The **Working Capital Fund** represented 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. Given the strategic reduced focus on publishing, we have decided to close this designated fund transferring outstanding balances to the General Fund.
- 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, or other income that exceeds budgeted levels, to provide for one-off project and development expenditure. Details of plans for use of this Fund are outlined in the *plans for next year and beyond* section (page 10).

- The **International Fund** is a provision for the support of projects in SU movements around the world. At the discretion of the Trustees, an agreed percentage of gift income not specifically restricted for other SU movements and unrestricted legacies is transferred to the fund. Grants are made throughout the year and relevant expenditure incurred is charged to the fund as it arises.

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 to fund any deficits on current charitable activities.

#### Restricted funds

Income funds are as follows:

- 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.
- 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.
- Good News Fund** refers to gifts received to provide grants to equip and resource local churches and mission partners in initiatives to share the good news of Jesus with children and young people in local communities.
- Google AdWords** refers to a monthly in-kind grant for AdWords advertising provided under the Google Grants for Non-profits Programme.
- Rooted** refers to a gift to promote this resource below fully allocated cost to maximise reach and impact.
- SU Holiday Fund** refers to gifts received to provide financial assistance for children whose families cannot afford for them to attend an SU holiday.
- Team support** refers to gifts and payments received to support the work of an employee or group of employees.
- Others** comprises gifts and grants given for specified purposes or projects not falling into the categories covered by the above seven income funds.

With the exception of in-kind Google AdWords grants, 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 2021
<i>Funds</i>	£'000	£'000	£'000	£'000	£'000
General	-	4,214	(1,248)	(888)	2,078
Designated	890	-	2,806	-	3,696
Restricted	-	-	177	-	177
Endowment	-	693	-	-	693
<b>Total</b>	<b>890</b>	<b>4,907</b>	<b>1,735</b>	<b>(888)</b>	<b>6,644</b>

## 14. Financial commitments

At 31 March 2021 SU had remaining commitments under non-cancellable leases as follows:

<i>Expiry date</i>	2021	2020
	Machinery £'000	Machinery £'000
Within one year	3	1
Two to five years	12	-
Over five years	2	-
<b>Total</b>	<b>17</b>	<b>1</b>

The value of lease payments included in the SOFA in the year was £3,000 (2020: £3,000).

## Comparative data for year ended 31 March 2020

4. Expenditure (2020 comparative)	Grant funding of activities	Direct cost	Support cost	Total 2020
	(see below) £'000	£'000	(see below) £'000	
Costs of raising funds	-	127	298	425
Face-to-face mission in England and Wales	27	2,636	532	3,195
Advocacy	-	154	162	316
Content creation	-	323	143	466
Commercial publishing	-	600	122	722
International activities	241	133	50	424
<b>Total 2020</b>	<b>268</b>	<b>3,973</b>	<b>1,307</b>	<b>5,548</b>

Analysis of support costs	Finance	Technical	Human	Facilities	Database	Fundraising	Management/	Total
	£'000	Services	Resources	£'000	£'000	and Comms	Leadership Team	
		£'000	£'000	£'000	£'000	£'000	£'000	£'000
Costs of raising funds	56	28	5	24	36	134	15	298
Face-to-face mission in England and Wales	126	179	37	79	30	24	57	532
Advocacy	13	14	3	24	3	53	52	162
Content creation	46	21	6	8	15	4	43	143
Commercial publishing	28	34	6	24	14	1	15	122
International activities	19	-	1	-	3	1	26	50
	<b>288</b>	<b>276</b>	<b>58</b>	<b>159</b>	<b>101</b>	<b>217</b>	<b>208</b>	<b>1,307</b>

*Basis of activity*

Staff time	Staff time	Headcount	National Office Headcount	Staff time	Staff time	Staff time
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Grant activity in furtherance of the Charitable Company's objects	Activities undertaken directly	Grant funding of activities	Support costs	Total 2019
				£'000
Scripture Union worldwide	48	64	16	128
Scripture Union - Africa	34	72	15	121
Scripture Union - England and Wales	30	32	8	70
Scripture Union - Former Soviet Republics	19	41	8	68
Scripture Union - Europe	15	31	6	52
Scripture Union - Americas	-	14	2	16
Scripture Union - Asia	5	7	1	13
Scripture Union - rest of Britain & Ireland	10	3	1	14
Scripture Union - Pacific	2	9	1	12
	<b>163</b>	<b>273</b>	<b>58</b>	<b>494</b>

### Movement in recognised funding commitments during the year

	Charitable commitments accrued
	£'000
Grant commitments accrued at the start of the year	82
New grant commitments charged to the Statement of Financial Activities during the year	273
Grants paid during the year	(328)
Amount of grant commitments accrued as at 31 March 2020	27

**13. Statement of funds (2020 comparative)**

	Balance 1 April 2019 £'000	Income £'000	Expenditure £'000	Net investment gains £'000	Transfers £'000	Balance 31 March 2020 £'000
<b>Unrestricted funds</b>						
Designated funds:						
Fixed Assets	1,006	-	-	-	(72)	<b>934</b>
Working Capital	33	-	-	-	62	<b>95</b>
Project and Development	1,601	-	(559)	-	350	<b>1,392</b>
International	680	247	(189)	-	(350)	<b>388</b>
	<u>3,320</u>	<u>247</u>	<u>(748)</u>	<u>-</u>	<u>(10)</u>	<u><b>2809</b></u>
General fund	2,325	4,056	(4,190)	(240)	10	<b>1,961</b>
<b>Total unrestricted funds</b>	<u>5,645</u>	<u>4,303</u>	<u>(4,938)</u>	<u>(240)</u>	<u>-</u>	<u><b>4,770</b></u>
<b>Restricted funds</b>						
Income funds:						
Children's evangelism	40	-	(40)	-	-	-
Endowment income	-	26	(26)	-	-	-
Gifts for SU overseas	-	160	(160)	-	-	-
Good News Fund	38	2	(27)	-	-	<b>13</b>
Google AdWords	-	16	(16)	-	-	-
Guardians of Ancora	7	-	(7)	-	-	-
Rooted	-	27	-	-	-	<b>27</b>
SU Holiday Fund	93	20	(21)	-	-	<b>92</b>
Team support	-	293	(293)	-	-	-
Others	41	23	(20)	-	-	<b>44</b>
<b>Total restricted funds</b>	<u>219</u>	<u>567</u>	<u>(610)</u>	<u>-</u>	<u>-</u>	<u><b>176</b></u>
<b>Endowment funds</b>						
Endowment fund	699	-	-	(74)	-	<b>625</b>
<b>Total endowment funds</b>	<u>699</u>	<u>-</u>	<u>-</u>	<u>(74)</u>	<u>-</u>	<u><b>625</b></u>
<b>Total funds</b>	<u>6,563</u>	<u>4,870</u>	<u>(5,548)</u>	<u>(314)</u>	<u>-</u>	<u><b>5,571</b></u>

<b>Analysis of funds by asset</b>	Tangible fixed assets £'000	Investments £'000	Current assets £'000	Liabilities and provisions £'000	<b>Total 2020 £'000</b>
General	-	1,752	1,331	(1,122)	<b>1,961</b>
Designated	934	-	1,875	-	<b>2,809</b>
Restricted	-	-	176	-	<b>176</b>
Endowment	-	625	-	-	<b>625</b>
<b>Total</b>	<u>934</u>	<u>2,377</u>	<u>3,382</u>	<u>(1,122)</u>	<u><b>5,571</b></u>



# Scripture Union

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