



Scripture Union

Year in review

Trustees' annual
report & financial
statements

YEAR ENDED
31 MARCH
2022



*"Let each generation tell its children of your
mighty acts; let them proclaim your power"*

PSALM 145:4 (NLT)

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Report of the Trustees (incorporating the Directors' and Strategic Reports) for year ended 31 March 2022

The Trustees are pleased to present their annual Directors' report and financial statements of the Charitable Company for the year ended 31 March 2022 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

Status	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		
Registered name	Scripture Union (also known as 'SU', 'SU England and Wales' and 'Scripture Union Cymru')		
Charity registration number	213422		
Company registration number	00039828		
Country of incorporation	England and Wales		
Principal & registered office	Trinity House, Opal Court, Opal Drive, Fox Milne, Milton Keynes MK15 0DF		
Trustees	Mr Richard Godden	–	Chair
	Ms Kim Hurst	–	Honorary Treasurer
	Mr Richard Evans		
	Mr Malcolm Forsyth		
	Rev Dr Mark Griffiths		
	Rev Stephen Hallett		
	Mr Junior Johnson		
	Mrs Julie Kittow		
	Mrs Sandra Morris		(appointed 3 January 2022)
	Rev Dr Edward Scrase-Field		
	Mr Timothy Warren		(retired 9 October 2021)
Leadership Team	Dr Myles MacBean	–	National Director
	Mr Terence Clutterham	–	Culture & Innovation Director (until 31 July 2021)
	Mr Richard Shaw	–	Mission Development Director
	Mr Stephen Vis	–	Finance & Services Director
	Mrs Rachel Warwick	–	Mobilisation Director
Company Secretary	Mrs Susan Winning		
Bankers	HSBC Bank PLC, 4th Floor, 3 Temple Quay, Bristol BS1 6DZ		
Solicitors	Pothecary Witham Weld, 70 St Georges Square, London SW1V 3RD		
Auditor	MHA MacIntyre Hudson, 6 th Floor, 2 London Wall Place, London EC2Y 5AU		
Investment advisers	Rathbones Investment Management Limited, 8 Finsbury Circus, London EC2M 7AZ		
Insurance brokers	Zurich Municipal, 2 Gladiator Way (N2), Farnborough, Hants GU14 6GB		

Introduction

Our *Revealing Jesus* strategy was publicly launched in the Autumn of 2020, and 2021-22 was thus the first full year of its implementation. This occurred against the continuing uncertainty caused by COVID-19, which presented challenges both for Scripture Union (SU) and for the Faith Guides, churches and local mission partners with whom we work. These resulted in progress being slower than we would have liked – and yet the year saw significant progress!

Our strategy (*see the Revealing Jesus box, page 3*) focuses on our Mission Enablers building a network of Faith Guides who are working in churches, making contacts with children and young people over the long term. During 2021-22 the number of those Faith Guides grew to 218, from 160 churches, and we launched an online Faith Guide community with a view to assisting our Mission Enablers to support Faith Guides and helping the Faith Guides to support one another.

At the same time, the resources available to Faith Guides were enhanced by the addition of three new multi-media collections being added to the Faith Guide Hub (*see Creating relational opportunities, page 7*) and more widely we launched seasonal content for Christmas, Easter and Halloween, the latter being featured extensively on *Songs of Praise*.

In addition, we engaged with various groups with a view to consulting, testing and refining our strategy. These included some of our many local mission partners, several national and regional groups (some with which we have formed strategic partnerships) and minority ethnic church leaders in key cities. After workshops with these leaders, we launched projects with six groups of partners designed to test our strategic framework and resources in minority ethnic contexts and to build new relationships.

In-person events during the Spring and Summer of 2021 were, of course, seriously disrupted by COVID-19 restrictions but 12 in-person holidays and day-camps and ten in-person missions were held, in addition to 16 online events. In total these events engaged around 3,000 children and young people: significantly fewer than in previous years but, in the circumstances, a pleasing number.

It was also good to be able to hold an in-person conference in November 2021, which brought together over 200 people with a passion for seeing children and young people come to know Jesus: Faith Guides, local mission partners, volunteers from our holidays and missions, SU staff, and others.

We had to say goodbye during the year to some people who have worked with us for many years. These included Terry Clutterham, who retired from the Leadership Team after decades on the staff in various roles, most recently as Culture and Innovation Director fleshing out the Revealing Jesus mission framework within our new strategy, and Tim Warren who retired after completing a second period as a Trustee. The resulting Trustee vacancy was filled by Sandra Morris, who brings long experience of working with children and young people and considerable knowledge of SU both on the front line and as a member of the Council.

There remain many uncertainties in the world, but God is unchanging and we look forward with confidence. The Revealing Jesus strategy is scalable: the more money that becomes available the more Mission Enablers we will be able to employ and hence the more Faith Guides we will be able to serve and the more children and young people we will be able to reach. Owing to the generosity of many supporters (including recent legacies), we are now able to recruit eight new staff across England and Wales, who will be engaged either in sports mission or in equipping and coaching Faith Guides. We also plan to invest further in new collections of resources for the Faith Guide Hub.

The Trustees of SU recognise that we are simply members of a team that includes many other people who support the work by means of prayer, by giving their time or by giving money. We are thankful to God for them all and we pray that he would stir up his Church in England and Wales so that the 95% of children who are not connected with a church ('The 95') would hear about Jesus and be given the chance to respond to him.

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

It was in October 2020 that we launched our *Revealing Jesus* strategy with its innovative 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 95'), 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, the framework 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 the *Faith Guide Hub*, a unique portfolio of themed *Faith Guide Collections* applicable to all stages of a faith journey. With much still to be done, we give thanks that in this last year we have seen significant first fruit as we work towards our vision for thousands of young people discovering a life of vibrant personal faith in Jesus.

More information can be found at 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 2021, 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 through the Revealing Jesus strategy 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.

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 a volunteer-led movement, and we are grateful to the many individuals who give their time, energy and skills in support of the Movement. Volunteering at SU comes in many forms, including at holidays and missions, regional and national events, and in governance, and volunteers join in our mission from a wide range of backgrounds, bringing a rich and diverse range of experiences, expertise and gifts. Recruiting volunteers has been a struggle as activities have restarted after the pandemic, but we continue to trust God to provide the workers for the harvest. Over the past year we have created 1,316 known opportunities for volunteer involvement, equivalent to 2,287 working weeks, or 49 full time staff. These individuals have contributed significantly to the mission activity of the Movement, which would not be possible without them. Of these volunteer opportunities, 36 related to governance of the Charitable Company (for example, trustees and Council members) and therefore could not be filled by staff. These governance volunteers contributed the estimated equivalent of 56 working weeks.

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

In addition to SU volunteers, our local mission partnership programme involves many hundreds of volunteers working alongside 125 workers employed by 66 trusts. *(See Note 4 to the financial statements, page 30, for an outline of our local mission partnership programme.)*

Our Revealing Jesus strategy is also volunteer-focused; supporting local churches to raise up church volunteers as Faith Guides to be equipped by SU Mission Enablers to reach out to 'The 95' (*see su.org.uk/revealingjesus for more information about Faith Guides and the strategy.*)

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 reviewed 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, formed in March 2020, has met regularly 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 for England and for Wales, we have remained flexible to meet the rapidly changing circumstances. The Trustees have been consulted on policy and informed of key executive decisions at all times.

Mission activity – During the year we were pleased to make significant progress re-engaging in in-person mission (see *Creating relational opportunities, page 7*) despite continuing COVID-19 impact. We were, for example, encouraged that the 2021/22 Holidays and Missions program had over half the events of 2019 – 38 events ran, 22 of which were in-person, which enabled us to engage with around 3,000 children and young people. Nevertheless, despite COVID-19 constraints relaxing during the first half of the year and continued growth in engagement with churches on the Revealing Jesus framework, our wider mission context remained challenging throughout the year with many churches not ready to engage in looking outward and thinking missionally.

Mission operations – Staff continued to work from home for much of the first part of the year, with a small group attending the National Office to undertake critical IT, financial and supporter care functions. An experimental phase of 'new norm' working began in November, which included National Office staff having the option to work from home for part of the week, though this was disrupted by the introduction of the government's 'Plan B' in England and similar in Wales. The staff perspective on our experimental new norm policies was surveyed and the results are being considered. Any changes to working patterns are anticipated to be implemented later this summer.

Impact on income and going concern – Throughout the COVID-19 pandemic, God's generosity through our many supporters has allowed us to continue our mission activity. The Fundraising team has begun to see early results from its Fundraising Strategy with improved relationship with and response from major donors, improved relationships with trusts in that we increasingly receive invitations to submit proposals, and more targeted appeals realising higher yields. 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. Nevertheless, while compensated somewhat by strong legacy income, this year saw a reduction in gift income rather than the hoped-for increase that would allow us to sustainably scale our team of Mission Enablers over the long-term to meet the challenge of enabling churches to reach the 12 million children and young people not connected with a church.

Staff wellbeing – Staff wellbeing has remained relatively high, though long-term COVID-19 constraints inevitably began to cause background challenges. A number of self-isolations and COVID-19 infections amongst the staff were reported. No members of staff were furloughed during the year.

Safeguarding

We continue to seek to deliver high quality safeguarding policy and practices across all of SU's work in England and Wales. Safeguarding has always held high priority in all our activities and we were pleased to be able to recruit a Safeguarding Manager during the year, allowing us to continue to improve safeguarding policy and practice across the Movement.

Following the conclusion of the Lessons Learned Review of our historic involvement with John Smyth (see page 13), we continue to work through the recommendations. A number of changes have been made, including a training needs analysis and the inclusion of a safeguarding statement in every staff role description.

Implementing our Revealing Jesus strategy

The strategic review that started in early 2019 resulted in the initial development of our new Revealing Jesus strategy and its associated mission framework. This culminated in the online launch in October 2020 (see su.org.uk/revealingjesus). It also started a multi-year program of development, field testing, and operational scaling aimed at bringing coherence across all our activity.

Key to our strategy is raising up a generation of church-volunteer Faith Guides to faith journey with the children and young people of their community. Last year the COVID-19 pandemic restricted our

in-person interaction with local churches and potential Faith Guides for longer than anticipated, and local churches took longer than expected to re-engage in mission. This restricted our ability to grow the number of churches and Faith Guides registered with us (*see Creating relational opportunities for children and young people, page 7*). However, it also gave us the opportunity to consolidate our strategy-based work with early-adopter churches and to broaden our collections of resources in the Faith Guide Hub ready for volume adoption. We were also able to invest in critical infrastructure such as our new Customer Relationship Management (CRM) database (*see Transforming organisational efficiency, page 8*).

This work has positioned us well for the coming season (*see Plans for next year and beyond, page 9*) as local churches, denominations and church networks begin their own strategic reviews of how they serve Jesus in their new ministry context.

The following sections describe progress this year, as the new strategy shaped our activity in all five of our top-level objectives, and the Movement realigned itself to equip local churches and their Faith Guides to reveal Jesus to The 95 in their communities.

Mobilising others

Our aim during the year was to mobilise the SU Movement and the wider Christian community to engage with The 95 through the Revealing Jesus strategy as donors, prayer supporters and volunteers. Most key milestones were completed although there were some delays due to recruitment taking longer than hoped, and data migration and process change as we launched our new CRM database.

Initiatives and milestones during the year included:

- A highly successful Movement-wide in-person conference during November 2021 which brought together over 200 Faith Guides, local mission partners, holiday and mission volunteers, and SU staff across three days of reconnection, worship, teaching and equipping.
- Sustained Revealing-Jesus-focused online mailings that helped grow membership of our 95 Campaign email mailing list by 1,370 to 15,009, with the vast majority being new to our database.
- The development of a social media strategy that allowed us to target the channels used, better focus our messaging and develop a plan to centralise our social media use.
- A re-segmentation of data for appeals and fundraising mailings, allowing for more targeted information and requests for giving.
- A digital legacy campaign, designed to engage younger donors in legacy pledging. This resulted in two pledges in its first month.

Developing thought leadership

During the year we sought to refine our Revealing Jesus strategy through further understanding of key aspects of engaging children and young people who are not in church. The reduced capacity for mission in the local church caused by COVID-19 resulted in less opportunity than anticipated for primary research or feedback on how well the Revealing Jesus strategy worked in the field. Nevertheless, progress has been made on many fronts.

Initiatives and milestones during the year included the following:

- Based on research carried out and reported in the previous year, we started the long-term process of implementing the holistic culture changes needed in the Movement if we are to better support and serve ethnic minorities, and meet the needs of millennial workers.
- In partnership with a like-minded organisation, we carried out detailed qualitative research into faith formation in Generation Z children and young people. The quantitative research has been commissioned and will be undertaken later than planned this autumn.

- We developed a hybrid mission model to enable online and in-person elements of mission with children and young people to be appropriately integrated at different points on an individual's faith journey. This is now moving into development and pilot testing.
- In partnership with others, we carried out in-depth research into the part peer-to-peer evangelism has in the faith journey of young people. The results were published in June 2022 and will be used to further develop our Revealing Jesus framework.

Plans were put on hold to develop the book telling the in-depth story of the development of the Revealing Jesus framework within the distinctive history of SU. COVID-19 meant there was insufficient evidence of the framework in action. The situation will be reviewed in late 2022 based on the new Generation Z research and the outcome of the hybrid mission work (*see above*), and on further investment plans for 2022-23 (*see Plans for next year and beyond, page 9*).

Creating relational opportunities for children and young people

We continued to see good progress in pioneering, developing and multiplying opportunities for children and young people to explore the difference Jesus can make to the challenges and adventures of life. The slower-than-expected return to mission by local churches resulted in less opportunity than hoped for to grow Faith Guide and church registrations. Nevertheless, the Development Hub was able to continue creating new and exciting resources to equip Faith Guides and churches in their mission, and our Holidays and Missions team re-established in-person ministry as lockdown eased.

Key initiatives and milestones during the year included the following:

- A campaign of regional advocacy and training events during the year led to 109 new Faith Guides from 87 churches registering with us, meaning a total of 218 Faith Guides from 160 churches now actively work with us.
- During the year, detailed conversations about our Revealing Jesus strategy continued with our 66 local mission partners, as well as with major regional and national organisations. This resulted in Revealing Jesus framework-related partnership agreements with Southampton City Mission and the Church of England's Diocese of Durham.
- In January 2022 we launched a digital media-based community for Faith Guides that has so far successfully engaged over one third of Faith Guides in social media support from Mission Enablers, and mutual peer-to-peer support.
- We created and launched three new collections of resources for Faith Guides, deepening the rich portfolio of content available in the Faith Guide Hub. *Show Time*, seeks to reveal Jesus through the creative arts, *SeeKing Jesus* to help children find their place in God's big story and *Be More Micah* to reveal to The 95 God's heart for mercy and justice.
- Strong engagement with our online-only Holidays and Missions at Easter 2021 was followed by a major push to re-engage children and young people with in-person events in Summer 2021. Twelve COVID-secure in-person holidays and day-camps ran as well as ten in-person missions which, together with 16 online events, engaged circa 3,000 children and young people and were supported by more than 600 volunteers.
- After workshops with church leaders from ethnic minority churches in key cities we have launched projects with six groups of partners to test the Revealing Jesus framework, understand the effectiveness of our resources, and build new relationships in these relatively new contexts for SU.

Transforming organisational efficiency

We continued to transform our systems and processes to enable efficient and effective organisational growth. Our primary focus was on the introduction of our new CRM database. A major investment in terms of money and time, when fully implemented this will radically enhance our capability across our organisation with a single organisational view of relationships and funds across supporter care, communications, marketing, fundraising and regional mission. Launched in January 2022, the transition of some quarter-of-a-million database records and the necessary dedication of resources led to a knock-on effect on operations and to other projects that had to be deferred. However, while it will take some time to realise full strategic benefits, all key operational elements are now complete.

We also completed several smaller system improvements during the year which included further migration of services to cloud-based computing. We also upgraded payment aspects of our website which has enabled us to comply with the latest security and fraud standards. Donors are also now able to cover the costs of card processing, an option taken up by almost a third of donors in the first few months of operation.

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 volunteers. Facilitated by the Scripture Union 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 about working with children and young people who don't yet know Jesus. Initiatives and milestones included the following:

- *Strategic investment* – Implementation of our shared understanding with SU International of the strategic priorities of the global SU movement was once again delayed as COVID-19 diverted the attention of national movements. We have continued to support the initiative to establish minimum-standard safeguarding policies globally, and we are considering a grant application to support the next global strategic priority to train global SU movements in developing, managing and delivering project-orientated initiatives. Projects which we are currently funding are progressing well.
- *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 £70,000 (2021: £118,000). Amongst the projects supported was 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. In addition to the grants we make 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 £96,000 (2021: £115,000) (*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. Our new Spanish *Guardianes de Ancora* was released in October 2021 and is potentially available to the more than 0.5 billion Spanish speakers worldwide. Partnership discussions with Spanish-speaking SU movements have been deferred as many were significantly affected by the pandemic. The planned language localisation of the game into

isiZulu did not go ahead due to the priorities of SU South Africa having to be realigned with COVID-19 realities.

- *International sub-publishing* – An international sub-publishing process has been devised and used to re-establish sub-publishing agreements with SU USA. A file-sharing system has been developed to automate the process for national SU movements to access available resources although the launch of this has been deferred because of resource constraints caused by the launch of our new CRM database.

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 3*). The aim of the Strategic Plan is to ensure that SU operationally fulfils its renewed mission to its priority community, and hence achieves its vision. The Plan is fully integrated into SU's annual operating plan for the coming year, as agreed by the Trustees in February 2022.

Our overall aim remains to grow the reach and impact of SU's mission activity. To achieve this, we will continue to focus on the same primary objectives as for year ended 31 March 2022 as stated on page 3, delivering them through the Revealing Jesus strategy.

We plan to use £685,000 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 £490,000 for creating relational opportunities, £150,000 for transforming organisational efficiency and thought leadership, and £45,000 for mobilising others and mission transformation.

Strategic investment will focus on deepening relationships with existing Faith Guides and their churches while growing the size of our Faith Guide community by increasing our pioneering work in new cities. To do this we plan to recruit eight new Revealing Jesus Pioneers and Sports Pioneers. This will also test our strategy at greater scale for further refinement through the year. The other key element of strategic investment will be the design and testing of the hybrid approaches to mission that have been identified in the last year as part of our thought leadership work.

We will continue to develop our growing relationships with minority ethnic churches and church leaders, completing the projects launched last year (*see Creating relational opportunities, page 7*) and feeding lessons learned into reviews of the Revealing Jesus framework and related resources.

We also aim to firmly re-establish our Easter and Summer programme of Missions and Holidays after two challenging years. We envisage upwards of 80 Missions, events and residential holidays across England and Wales. Strategically this will include the piloting of up to five new regional Faith Guide Holidays where, supported by Mission Enablers, Faith Guides provide a residential experience for the children and young people they are journeying with.

A further operational objective will be to encourage increased recurring gift income in the medium-term to enable continued long-term sustainable expansion of our mission reach. This will involve work to grow our support base among younger generations and developing targeted propositions for support of Mission Enablers by major donors and trusts.

Financial review

Financial position

We thank God and our many supporters for their financial generosity in funding the work we were able to do in 2021-22, especially given the negative economic impact of the pandemic. We were particularly grateful for those who left legacies, which were significant in the year. However, it was disappointing that donations and gifts fell in 2021-22 as, in the longer term, our ability to expand the work among The 95 is dependent upon our donation income increasing, which is a key focus of our fundraising efforts.

For the year ended 31 March 2022, we had an overall deficit of £73,000, compared to a surplus of £1,073,000 last year, due to spend on Project and Development Fund (PDF) initiatives of £596,000 (*see Reserves Policy, pages 10-11, for more details*). We had planned for a larger deficit for the year, however we received higher legacy income, and incurred lower costs because of local and national lockdown restrictions limiting our ability to find churches and volunteers to adopt our Revealing Jesus framework and to run a full programme of holidays and missions.

Our balance sheet is healthy at £6,571,000 (2021: £6,644,000). This includes £2,381,000 (2021: £2,227,000) within the PDF, total restricted funds of £183,000 (2021: £177,000) and total endowment funds of £656,000 (2021: £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 years as we deliver on the Strategic Plan and, as a first significant step, in Spring 2022 the Trustees approved investment in a number of new fixed-term roles focusing on implementing our Revealing Jesus framework by expanding into new geographic areas, extending the coverage of our mission-through-sport activities, and investing in broadening our relationship with the wider church (*see page 9*). This will be a significant investment of over £600,000 to maximise the missional benefit of the funding that we have received from the wide range of supporters of our mission. As a result, financial deficits are anticipated again in the next two years as the General and PDF reserves are progressively spent.

Total gift income, including restricted gift income but excluding legacies, amounted to £2,382,000 which represents a 6% decrease from £2,532,000 in the previous year. It includes gifts of £96,000 restricted for SU activity overseas. Unrestricted legacy income of £1,096,000 was received; this is 4% higher than last year at £1,055,000. Further details are included in the fundraising performance section below (*page 12*). Holidays and Mission income at £57,000 is significantly higher than last year's £9,000 as we were able to run a reduced events programme this year (events were online only last year), but this remains well short of the pre-pandemic 2019 income. Publishing sales and royalty income at £791,000 is down 1% compared to last year's £801,000 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 £4,400,000 is £126,000 lower than the previous year (3% down). Total expenditure of £4,533,000 is £366,000 higher than last year (9% up).

For the year ending 31 March 2023, 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 £575,000, as we seek to invest in the new strategy. In addition, expenditure of around £685,000 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.

During the year the Trustees undertook a complete review of the Movement's needs for reserves using a risk-based approach. The new approach focuses upon the quantification of risk associated with items in the Movement's Risk Register, together with an assessment of likely correlation of events happening concurrently. As a result, the Trustees consider it prudent to set the target level of general reserves retained by the Movement at between £1.2m and £1.6m. Reserves were previously measured by the number of months (2021: 6.1 months) of ongoing unrestricted charitable expenditure for the Movement based on the financial statements for the year.

At 31 March 2022, the General Fund stood at £2,009,000 (2021: £2,078,000), which exceeds the new Reserves range. The Trustees have planned for continued investment which will give rise to an

operating deficit for the year ending 31 March 2023 and bring us back into the agreed Reserves 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 totaled £596,000 (2021: £365,000) and included £410,000 for continuing digital transformation (*see page 8*), £182,000 for creating opportunities for children and young people to explore the Bible, respond to Jesus and grow in faith (*see page 7*), and £4,000 for mobilising others to engage with The 95 (*see page 6*) and for developing thought leadership (*see pages 6-7*). The balance of the Fund at 31 March 2022 was £2,381,000 (2021: £2,227,000) after the transfer of £750,000 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 years. In line with our objectives we plan to spend an estimated £685,000 in the year to 31 March 2023 (*see page 9 for further information*).

Principal funding sources

SU relies substantially on voluntary income to fund our activities, with the majority of donations coming from individual regular givers, and from major donors. 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; no Government grants relating to Furlough funding were claimed this year under the Coronavirus Job Retention scheme.

Fundraising review

Fundraising approach

SU embraces fundraising first and foremost as ministry. It is a way of inviting donors to partner in our vision to reach 'The 95'. Our supporters, rather than a means to an end, are seen as a vital part of our ministry and work.

Through fundraising we proclaim that we believe all who support us will benefit through their involvement in seeing God's kingdom grow through the transformed 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. Relationship building with donors has underpinned all fundraising activity over this year. However, COVID-19 impacted donor response somewhat and hence strategic targets for improved donor retention, reactivation, acquisition, and uplift fell slightly short of plan. At the same time during the year, we reviewed and re-engineered our end-to-end donor journeys to improve retention and create a secure process into which future donors will be recruited.

Work continues to increase regular giving to achieve the sustainable scaling of our operation envisioned in our Strategic Plan, in particular, to allow us to move fixed-term PDF-funded roles to permanent positions funded from regular operational income. A priority is seeking new funding from major donors and trusts.

The new CRM database will provide significantly improved tracking and reporting opportunities for fundraising. Once it is fully established, a simplified reporting structure will be developed and implemented, focusing on income by source within three categories; individual, churches and grants/trusts.

We regard the lawful and correct treatment of personal information as of paramount importance, and we have policies and procedures in place to be compliant 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. We did not receive any complaints relating to our fundraising activity during the year.

Fundraising performance

Income received as a result of the managed fundraising programme decreased by £150,000 from £2,532,000 to £2,382,000.

Donations received during the year came predominantly from individual supporters (83%), with the balance being received from trusts (10%), churches (4%) and other sources (3%).

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 £1,101,000. This was higher than the £1,091,000 received the previous year, with legacy income for both years exceeding our expectations.

The cost of raising funds during the year increased slightly from £426,000 to £456,000 (*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 19,000 supporters during the year. This is noticeably less than the 28,000 in 2021 – the list was reviewed during the year to better target our spend on postage and as part of the data cleanse process to implement the new CRM database.

Investment policy and performance

A portion of SU's reserves available for investment has been identified and held as long-term reserves and invested (£4,490,000 as at 31 March 2022 (£4,907,000 as at 31 March 2021)). This includes a capital endowment (£656,000 as at 31 March 2022 (£693,000 as at 31 March 2021)) and includes High Quality Bonds of £1,246,000 (£1,793,000 as at 31 March 2021). During the year we withdrew £501,000 from the High Quality Bonds for use within the movement. 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.

Periodically the Trustees review 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 a £3.2m 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 portfolio returned 5% over the period, slightly behind the benchmark which rose by 8%. This underperformance occurred in the most recent quarter to 31st March, amid the war in Ukraine and

aggressive monetary tightening from the Federal Reserve, both of which have unsettled investors. The longer-term track record remains good in both absolute and relative terms, with the five years to 31 March 2022 producing a return of 38.4%. This represents an outperformance of the benchmark which has risen 18.2% over that time. Rathbones expect markets to remain volatile in the short-term given the geopolitical environment but consider equity valuations to look attractive at this level for long-term investors.

We also have an investment in the Rathbone High Quality Bond Fund which is 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. Short-term capital returns have been affected by volatility in bond markets amid the aforementioned tightening of monetary policy, but Rathbones remain confident that the overall total returns will meet expectations over the long-term. We continue to monitor our investments closely to ensure that they achieve our intended returns.

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 as experienced over the past few years – however our 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 which generate the majority of their revenue from armaments, gambling, tobacco, alcoholic drinks, production and dissemination of pornographic materials, high interest lending or single purpose abortifacients. The Trustees are aware that this may have some impact on investment performance.

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 pages 16-17*).

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.

Two primary risks have 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 continue to be deeply saddened by the accounts of abuse suffered by the victims of the late John Smyth, a trustee of SU from 1971-79, and the ongoing impact of this on the victims and those around them. We are confident that lessons learned are being applied to our work and are committed to ongoing learning and improvement in this area.

Failure to generate sufficient income, falling numbers of supporters and mistrust of charities, particularly fundraising activity – Key elements of the management of this risk are prayer, maintaining a focus on trusting God to provide for His mission, ongoing building of personal relationship with donors, implementation of SU's fundraising strategy, periodic Trustee review of SU's fundraising ethos and strategy and implementation of the strategic plan with a clear focus on income generation and expenditure.

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, at least one trustee, 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 1*) and the Trustees appoint the National Director and approve the process for the appointment of other members of the Leadership Team (*also listed on page 1*). 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). The Board 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. A review of our compliance was carried out by an experienced volunteer auditor during the year as part of a tri-annual cycle to assess SU's application of the principles described in the Code. It was the auditor's opinion that processes supporting the code principles are strong and mostly effective. A small number of isolated practices were identified with elements incurring a moderate or low risk and the Trustees have agreed actions to meet the resulting recommendations.

A trustee-approved document is in place 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 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 38 members (including trustees and leadership team members), normally meets for a full day twice a year. Our aim is for the membership of Council to be broadly representative of SU's areas of work and community.

Statement of Trustees' responsibilities

The Trustees (who are also Directors of SU 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;
- adequate 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 1*). 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 1*) 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 (*page 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 pages 16-17*). Grant allocations amounting to £166,000 were made during the year (2021: £244,000). (*See Note 4 to the financial statements, pages 29-30, for a summary of grant allocations.*)

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 2022. 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 13 July 2022 and signed on their behalf by:



Richard Godden
Chairman



Kim Hurst FCA
Honorary Treasurer

Independent Auditor's Report to the Members of Scripture Union

For the year ended 31 March 2022

Opinion

We have audited the financial statements of Scripture Union (the 'charitable company') for the year ended 31 March 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 2022, 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.

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:

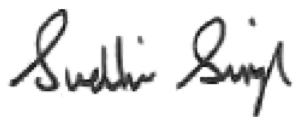
- Obtaining an understanding of the legal and regulatory frameworks that the entity operates in, focusing on those laws and regulations that had a direct effect on the financial statements;
- Enquiry of management to identify any instances of known or suspected instances of fraud;
- Enquiry of management 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;
- 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 on behalf of MHA MacIntyre Hudson
Statutory Auditor
London, United Kingdom

Date: 7 October 2022

Statement of financial activities incorporating an income and expenditure account for the year ended 31 March 2022

	Notes	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total 2022 £'000	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total 2021 £'000
Income and endowments									
<i>Income from generated funds:</i>									
- Income from donations and legacies	2a	3,097	386	-	3,483	3,183	440	-	3,623
- Income from investments	2b	34	20	-	54	34	21	-	55
- Income from grants	2c	-	-	-	-	20	-	-	20
<i>Income from charitable activities:</i>									
- Holidays and missions		57	-	-	57	9	-	-	9
- Other fee income		15	-	-	15	17	1	-	18
- Publishing sales and royalties		791	-	-	791	801	-	-	801
Total income		3,994	406	-	4,400	4,064	462	-	4,526
Expenditure									
<i>Expenditure on raising funds:</i>									
- Cost of raising funds		456	-	-	456	426	-	-	426
<i>Expenditure on charitable activities:</i>									
- Face-to-face mission in England and Wales		2,182	288	-	2,470	1,741	326	-	2,067
- Advocacy		209	-	-	209	236	-	-	236
- Content creation		337	16	-	353	340	20	-	360
- Commercial publishing		727	-	-	727	729	-	-	729
- International activities		222	96	-	318	234	115	-	349
Total expenditure	4	4,133	400	-	4,533	3,706	461	-	4,167
Net gain/(loss) on investment assets	8a	97	-	(37)	60	646	-	68	714
Net (expenditure)/income for the year being net movement in funds		(42)	6	(37)	(73)	1004	1	68	1,073
<i>Reconciliation of funds:</i>									
Fund balances brought forward		5,774	177	693	6,644	4,770	176	625	5,571
Fund balances carried forward	13	5,732	183	656	6,571	5,774	177	693	6,644

- All of the above results are derived from continuing activities. SU has no other recognised gains and losses other than those stated above.
- Income from donations and legacies in both 2021 and 2022 benefited from legacy income which significantly exceeded expectations.
- The net deficit for the year was due to spend on Project and Development Fund (PDF) initiatives of £596,000 (see *Reserves Policy, pages 10-11, for more details*).

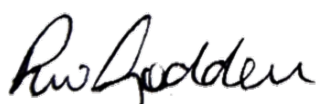
The Notes on pages 25-36 form part of these financial statements.

Balance sheet

As at 31 March 2022

	Notes	2022 £'000	2021 £'000
Fixed assets			
Tangible assets	7	858	890
Investments	8a	4,490	4,907
Total Fixed Assets		5,348	5,797
Current assets			
Investments	8b	-	122
Stocks	9	104	109
Debtors	10	664	447
Cash at bank and in hand		1,315	1,056
Total Current Assets		2,083	1,734
Liabilities			
Creditors: amounts falling due within one year	11	(847)	(868)
Net current assets		1,236	866
Total assets less current liabilities		6,584	6,663
Provisions for liabilities	12	(13)	(19)
Net assets		6,571	6,644
The funds of the Charitable Company	13		
Unrestricted funds			
Fixed assets fund		858	890
Working capital fund		-	-
Project and development fund		2,381	2,227
International fund		484	579
General fund		2,009	2,078
		5,732	5,774
Restricted funds			
Income fund		183	177
Endowment funds			
Endowment fund		656	693
Total charity funds		6,571	6,644

The financial statements were approved and authorised for issue by the Trustees on 13 July 2022 and signed on their behalf by:



Richard Godden
Chairman



Kim Hurst FCA
Honorary Treasurer

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

Company Registration Number 00039828

Statement of cash flows

for the year ended 31 March 2022

	Notes	2022 £'000	2021 £'000
Net cash (used in) operating activities	<i>See (a) below</i>	(368)	163
Cash flows from investing activities			
Interest received	2b	34	34
Dividends received	2b	20	21
Purchase of tangible fixed assets	7	(26)	(14)
Sale of investments	8a	1,241	695
Purchase of investments	8a	(709)	(2,536)
Movement in investment cash	8a	(55)	25
Net cash from investing activities		505	(1,775)
Change in cash and cash equivalents for the year		137	(1,612)
Cash and cash equivalents at the beginning of the year		1,178	2,790
Total cash and cash equivalents at the end of the year	<i>See (b) below</i>	1,315	1,178

Change in cash and cash equivalents due to exchange rate movements during the year was £654 (2021: £1,729).

Notes to statement of cash flows

(a) Reconciliation of net income/(expenditure) for the year		2022 £'000	2021 £'000
Net (expenditure)/income for the reporting period	<i>Notes See SOFA</i>	(73)	1,073
<i>Adjustments for:</i>			
Depreciation charges	7	58	58
Net (profit)/loss on investments	8a	(60)	(714)
Dividends and interest from investments	2b	(54)	(55)
Decrease in stocks	9	5	62
(Increase) in debtors	10	(217)	(26)
(Decrease) in creditors	11	(21)	(229)
(Increase) in provision for pensions	12	(6)	(6)
Net cash (used in)/provided by operating activities		(368)	163
(b) Cash and cash equivalents	<i>Notes</i>	2022 £'000	2021 £'000
Cash at bank and in hand	<i>See Balance Sheet</i>	1,315	1,056
Notice deposits (less than 3 months)	8b	-	122
Net funds		1,315	1,178

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. For the year ending 31 March 2023 an operating deficit is planned 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) and are shown as a liability or creditor on the Balance Sheet. The Charitable Company holds these granted funds within a 'client account'.

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 three 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.

q) **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	Total 2022 £'000	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total 2021 £'000
Donations	2,001	381	-	2,382	2,128	404	-	2,532
Legacies	1,096	5	-	1,101	1,055	36	-	1,091
	<u>3,097</u>	<u>386</u>	<u>-</u>	<u>3,483</u>	<u>3,183</u>	<u>440</u>	<u>-</u>	<u>3,623</u>

2b. Income from investments

	2022 £'000	2021 £'000
Interest receivable	34	34
Dividends receivable	20	21
	<u>54</u>	<u>55</u>

Of the investment income, £20,000 (2021: £21,000) was attributable to restricted income with the balance of £34,000 (2021: £34,000) adding to unrestricted funds.

2c. Income from grants

	2022 £'000	2021 £'000
Government grants	-	20
	<u>-</u>	<u>20</u>

During the year, the Charitable Company claimed no COVID-19 Job Retention Scheme grants (2021: £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:

	2022 £'000	2021 £'000
Auditor remuneration: Audit fee	18	18
Auditor remuneration: Other services (corporation tax)	2	1
Depreciation charges	58	58
Operating lease rentals: machinery	4	3
	<u>82</u>	<u>80</u>

4. Expenditure

	Grant funding of activities (see below)		Support costs (see below)		Total 2022	Total 2021
	£'000	£'000	£'000	£'000	£'000	£'000
Costs of raising funds	-	108	348	456	426	
Face-to-face mission in England and Wales	-	1,951	519	2,470	2,067	
Advocacy	-	68	141	209	236	
Content creation	-	263	90	353	360	
Commercial publishing	-	619	108	727	729	
International activities	166	112	40	318	349	
Total 2022	166	3,121	1,246	4533	4,167	
Total 2021	244	2,738	1,185	4,167		

Full comparative numbers for year ended 31 March 2021 are included as a separate Note on page 35.

Analysis of support costs	Finance £'000	Technical Services £'000	Human Resources £'000	Facilities £'000	Database £'000	Mobilisation £'000	Management/ Leadership Team £'000	Total 2022 £'000	Total 2021 £'000
Costs of raising funds	98	36	3	24	28	149	10	348	293
Face-to-face mission in England and Wales	87	180	29	60	23	26	114	519	515
Advocacy	9	15	2	13	9	64	29	141	108
Content creation	18	36	5	11	5	6	9	90	115
Commercial publishing	25	27	5	15	18	14	4	108	98
International activities	10	6	1	3	3	3	14	40	56
Total 2022	247	300	45	126	86	262	180	1,246	1,185
Total 2021	281	259	44	133	79	205	184	1,185	
<i>Basis of allocation</i>	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 £48,000 (2021 £43,000) 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 (2021: £18,000), Board and Council meeting costs of £4,000 (2021: £203) and an allocation of indirect costs to cover support from members of staff of £26,000 (2021: £25,000).

Grant activity in furtherance of the Charitable Company's objects	Activities undertaken directly £'000	Grant funding of activities £'000	Support Costs £'000	Total 2022 £'000	Total 2021 £'000
<i>International grant activity</i>					
Africa	-	47	12	59	74
Worldwide	-	39	10	49	89
Americas	-	37	8	45	70
Former Soviet Republics	-	21	5	26	36
Europe	-	9	2	11	47
Pacific	-	9	2	11	12
Rest of Britain & Ireland	-	3	1	4	13
Asia	-	1	-	1	7
Grant activity - international	-	166	40	206	348
Grant activity - England and Wales	30	-	20	50	61
Total 2022	30	166	60	256	409
Total 2021	89	244	76	409	

Grant allocations amounting to £166,000 (2021: £244,000) were made during the year. There were no new multi-year grant commitments (2021: £31,000) which are payable in future years. There were £6,000 grant commitments (2021: £9,000) accrued at the start of the year which remain payable in future years.

Movement in recognised funding commitments during the year

Charitable commitments accrued
£'000

Grant commitments accrued at the start of the year	41
New grant commitments charged to the Statement of Financial Activities during the year	166
Grants paid during the year	(201)
Amount of grant commitments accrued as at 31 March 2022	6

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 8, 17 and 18.

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 2, 4, 5, 6, 7 and 17. 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 - SU has use of the Great Wood site under a licence agreement.

5. Staff costs and remuneration of key management personnel

	2022 £'000	2021 £'000
Staff costs		
Wages and salaries	2,208	1,942
Social security costs	219	189
Reorganisation costs	-	7
Pension costs		
Scripture Union (L&G) Personal Pension Plan	202	188
Unfunded pension scheme	6	6
	2,635	2,332
Average number of employees, analysed by function	2022 Number	2021 Number
Income generation	5	4
Advocacy	3	3
Face-to-face mission in England and Wales	37	36
Content creation	7	6
Commercial publishing	6	6
International activities	1	1
Administration and support of staff and volunteers	12	9
	71	65

The average number of employees during the year was 71 (2021: 65), including 23 (2021: 19) 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 65 (2021: 62). No contractual reorganisation costs (2021: £7,000) were incurred during the year.

SU's key management personnel are the members of the Leadership Team (*listed on page 1*). The employment benefits of the key management personnel – including employer pension and national insurance contributions – totalled £372,000 (2021: £373,000).

During the year, two employees (2021: one employee) earned between £60,001 and £70,000, no employee (2021: one employee) earned between £80,001 and £90,000, and one employee (2021: no employee) earned between £90,001 and £100,000, excluding employer pensions contributions.

6. Related Parties

The Trustees received no emoluments in their role as trustees during the year, but eight of the eleven trustees received reimbursement of travel expenses totalling £1,502 (2021: £82 reimbursed to one of ten trustees).

During 2021/22, Dominic Vis the son of Stephen Vis, Finance & Services Director and a member of Key Management Personnel, commenced employment by the Charity in the role of an IT assistant. Stephen Vis was not involved in the appointment process. Dominic Vis was employed under standard terms of employment and at the normal pay scales as applied to other members of staff for such roles. There were no payments to Dominic Vis in 2021. (2021: Culture and Innovation Director was paid £250 and his wife was paid £300 during the year for writing notes for one of our Bible reading guides).

7. Tangible fixed assets	Freehold land and buildings £'000	Computer equipment £'000	Fixtures and fittings £'000	Machinery £'000	Total £'000
Cost:					
At 1 April 2021	810	233	253	12	1,308
Additions	-	25	1	-	26
Disposals	-	(5)	-	(2)	(7)
At 31 March 2022	810	253	254	10	1,327
Depreciation:					
At 1 April 2021	81	211	114	12	418
Charge for year	16	16	26	-	58
Disposals	-	(5)	-	(2)	(7)
At 31 March 2022	97	222	140	10	469
Net book value					
At 31 March 2022	713	31	114	-	858
At 31 March 2021	729	22	139	-	890

At 31 March 2022, the Trustees had authorised capital expenditure for the ensuing year of £52,000 (2021: £71,000). Disposals as shown on the SOFA are shown net of depreciation. There were no capital commitments as at 31 March 2022 (2021: £nil).

No triggering event since the review of asset valuations undertaken in the first quarter of 2021 has been identified, and as such no further impairment review has been necessary.

8. Investments

8a. Fixed asset investments

	2022 £'000	2021 £'000
Investments at market value		
Investment cash	78	24
Fixed Interest & UK Government stocks	448	511
UK Listed Stock Exchange Investments, Unit Trusts and OEICs	3,964	4,372
	4,490	4,907
<i>Movement during the year:</i>		
Market value at 1 April	4,907	2,377
Less: Disposals at open market value	(1,240)	(695)
Add: Acquisition at cost	709	2,536
Net gain on revaluation	60	714
Movement in investment cash	54	(25)
Market value at 31 March	4,490	4,907

The historic cost of investments is £3,685,000 (2021: £3,809,000).

8b. Current asset investments

	2022 £'000	2021 £'000
Scottish Widows	-	122
	-	122

Current asset investments represent short-term cash deposits. The Scottish Widows account was closed during the year.

9. Stocks

	2022 £'000	2021 £'000
Work in progress	31	17
Finished goods	73	92
	<u>104</u>	<u>109</u>

Value of stock recognised as an expense on the SOFA is £172,000 (2021: £177,000).

10. Debtors

	2022 £'000	2021 £'000
Trade debtors	71	19
Tax recoverable	80	51
Other debtors	79	27
Legacies receivable	372	300
Prepayments and accrued income	62	50
	<u>664</u>	<u>447</u>

Prior to sign-off of the financial statements, SU had been notified of further legacies with an estimated value of £339,000 (2021: £246,000). 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 2022 all criteria for recognising legacy income in these instances had not been met.

11. Creditors

Creditors: amounts falling due within one year

	2022 £'000	2021 £'000
Trade creditors	330	191
Accruals and deferred income	346	567
Taxation and social security costs	53	46
Interest free loans from supporters	32	32
Other creditors	86	32
	<u>847</u>	<u>868</u>

Deferred income

	2022 £'000	2021 £'000
Deferred income at 1 April	144	144
Resources deferred during the year	133	144
Amounts released from previous periods	(144)	(144)
Deferred income at 31 March	<u>133</u>	<u>144</u>

Deferred income relates to subscriptions on dated published products and holiday income in advance of the event taking place.

12. Provisions for liabilities

	2022 £'000	2021 £'000
<i>Ex-gratia pensions</i>		
Balance at start of year	19	25
Pensions paid	(9)	(9)
Increase in provision	3	3
Balance at end of year	<u>13</u>	<u>19</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 2021 £'000	Income £'000	Expenditure £'000	Net investment gains/(losses) £'000	Transfers £'000	Balance 31 March 2022 £'000
Unrestricted funds						
Designated funds:						
Fixed Assets	890	-	-	-	(32)	858
Project and Development	2,227	-	(596)	-	750	2,381
International	579	65	(160)	-	-	484
	3,696	65	(756)	-	718	3,723
General fund	2,078	3,929	(3,377)	97	(718)	2,009
Total unrestricted funds	5,774	3,994	(4,133)	97	-	5,732
Restricted funds						
Income funds:						
Endowment income	-	20	(20)	-	-	-
Gifts for SU overseas	-	96	(96)	-	-	-
Good News Fund	15	2	(6)	-	-	11
Google AdWords	-	16	(16)	-	-	-
Rooted	14	-	-	-	-	14
SU Holiday Fund	102	9	-	-	-	111
Team support	-	249	(249)	-	-	-
Others	46	14	(13)	-	-	47
Total restricted funds	177	406	(400)	-	-	183
Endowment funds						
Endowment fund	693	-	-	(37)	-	656
Total endowment funds	693	-	-	(37)	-	656
Total funds	6,644	4,400	(4,533)	60	-	6,571

Full comparative numbers for year ended 31 March 2021 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 **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 impact of the 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 9).
- 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 2022
<i>Funds</i>	£'000	£'000	£'000	£'000	£'000
General	-	2,584	285	(860)	2,009
Designated	858	1,250	1,615	-	3,723
Restricted	-	-	183	-	183
Endowment	-	656	-	-	656
Total	858	4,490	2,083	(860)	6,571

14. Financial commitments

At 31 March 2022 SU had remaining commitments under non-cancellable leases as follows:

	2022	2021
<i>Expiry date</i>	Machinery	Machinery
	£'000	£'000
Within one year	4	3
Two to five years	14	12
Over five years	-	2
Total	18	17

The value of lease payments included in the SOFA in the year was £4,000 (2021: £3,000).

Comparative data for year ended 31 March 2021

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

Analysis of support costs

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

**Grant activity in furtherance of the
Charitable Company's objects**

	Activities undertaken directly £'000	Grant funding of activities £'000	Support Costs £'000	Total 2021 £'000
Scripture Union worldwide	20	49	20	89
Scripture Union – Africa	13	49	12	74
Scripture Union – Americas	12	55	3	70
Scripture Union – England and Wales	30	11	20	61
Scripture Union – Europe	3	36	8	47
Scripture Union – Former Soviet Republics	5	23	8	36
Scripture Union – rest of Britain & Ireland	2	9	2	13
Scripture Union – Pacific	2	9	1	12
Scripture Union – Asia	2	3	2	7
Total 2021	89	244	76	409

Movement in recognised funding commitments during the year

	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

13. Statement of funds(2021 comparative)

	Balance 1 April 2020 £'000	Income £'000	Expenditure £'000	Net investment gains £'000	Transfers £'000	Balance 31 March 2021 £'000
Unrestricted funds						
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
	2809	352	(526)	-	1,061	3,696
General fund	1,961	3,712	(3,180)	646	(1,061)	2,078
Total unrestricted funds	4,770	4,064	(3,706)	646	-	5,774
Restricted funds						
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
Total restricted funds	176	462	(461)	-	-	177
Endowment funds						
Endowment fund	625	-	-	68	-	693
Total endowment funds	625	-	-	68	-	693
Total funds	5,571	4,526	(4,167)	714	-	6,644

NOTE: The **Working Capital Fund** (designated 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, this designated fund was closed in year ended 31 March 2021 and outstanding balances transferred to the General Fund.

Analysis of funds by asset	Tangible fixed assets £'000	Investments £'000	Current assets £'000	Liabilities and provisions £'000	Total 2021 £'000
<i>Funds</i>					
General	-	4,214	(1,248)	(888)	2,078
Designated	890	-	2,806	-	3,696
Restricted	-	-	177	-	177
Endowment	-	693	-	-	693
Total	890	4,907	1,735	(888)	6,644



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