



Scripture Union

# Year in review

Trustees' annual  
report & financial  
statements

YEAR ENDED  
31 MARCH  
2023

“Pray that the LORD your God will tell us where we should go and what we should do.”

JEREMIAH 42:3 (NIV)



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# Report of the Trustees (incorporating the Directors' and Strategic Reports) for year ended 31 March 2023

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The Trustees are pleased to present their annual Directors' report and financial statements of the Charitable Company for the year ended 31 March 2023 which are also prepared to meet the requirements for a Directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

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

<b>Status</b>	Scripture Union is a charitable company limited by guarantee. It is governed by its Articles of Association adopted with effect from 1 October 2009 and amended by special resolution passed on 17 October 2020		
<b>Registered name</b>	Scripture Union (also known as 'SU', 'SU England and Wales' and 'Scripture Union Cymru')		
<b>Charity registration number</b>	213422		
<b>Company registration number</b>	00039828		
<b>Country of incorporation</b>	England and Wales		
<b>Principal &amp; registered office</b>	Trinity House, Opal Court, Opal Drive, Fox Milne, Milton Keynes MK15 0DF		
<b>Trustees</b>	Mr Richard Godden	-	Chair
	Ms Kim Hurst	-	Honorary Treasurer
	Mr Richard Evans		
	Mr Malcolm Forsyth		
	Rev Dr Mark Griffiths		
	Rev Stephen Hallett		
	Mr Junior Johnson		
	Mrs Julie Kittow		
	Mrs Sandra Morris		
	Rev Dr Edward Scrase-Field		<i>(retired 12 November 2022)</i>
<b>Leadership Team</b>	Dr Myles MacBean	-	National Director
	Mr Richard Shaw	-	Mission Development Director
	Mr Stephen Vis	-	Finance & Services Director
	Mrs Rachel Warwick	-	Mobilisation Director
<b>Company Secretary</b>	Mrs Susan Winning		
<b>Bankers</b>	HSBC Bank PLC, 4th Floor, 3 Temple Quay, Bristol BS1 6DZ		
<b>Solicitors</b>	Pothecary Witham Weld, 70 St Georges Square, London SW1V 3RD		
<b>Auditor</b>	MHA, 6 <sup>th</sup> Floor, 2 London Wall Place, London EC2Y 5AU		
<b>Investment advisers</b>	Rathbones Investment Management Limited, 8 Finsbury Circus, London EC2M 7AZ		
<b>Insurance brokers</b>	Zurich Municipal, 2 Gladiator Way (N2), Farnborough, Hants GU14 6GB		

## Introduction

Over the past year, it has been encouraging to see considerable progress in the implementation of Scripture Union's (SU's) *Revealing Jesus* strategy. On the front line, the number of Faith Guides grew from 218 at the end of March 2022 to 316 a year later, whilst the number of churches supporting Faith Guides grew from 160 to 237. Equally importantly, seven new part-time *Revealing Jesus* Pioneers working within major cities were engaged and we launched two pilots for hybrid mission (relating to sports and online games), five pilots of *Revealing Jesus* within an urban, ethnic minority church context and three pilots with Local Mission Partners (designed to multiply the reach of *Revealing Jesus*). The Pioneers hit the ground running and the pilots are progressing well and have potential for further roll out.

The refocussing of the SU holidays on to 'the 95' also commenced: in the Summer of 2022, five new 'Faith Guide Holidays' were successfully trialled and 12 are now planned for 2023. These are designed to be suitable for Faith Guide led groups.

You can read more about progress made in implementing the *Revealing Jesus* strategy on pages 3 to 6 of this Report.

Meanwhile, our 'ever green' publications, such as *It's Your Move*, proved to be meeting a continuing need, with sales above expectations. New materials for use by Faith Guides were also produced, some of which were released during the year, whilst others (notably *Be More Micah* and *Showtime*) have been released since the year end. We have also continued to invest in thought leadership partnerships and recently published a report into youth peer-to-peer evangelism, with a report on how GenZ engages with the Bible coming out shortly.

Although the first half of the two-and-a-half years since the launch of *Revealing Jesus* was disrupted by the Covid-19 pandemic, we have conducted a 'lessons learned' review of our strategy, with input being sought from a wide range of people including Faith Guides. This has confirmed the essential robustness of the *Revealing Jesus* framework but has suggested some adjustments in its implementation. In particular, we have realised that, without losing our focus on Faith Guides, we need to expand significantly the number of churches we work with by providing a form of engagement that demands less of time-poor church members and resource-poor churches.

The work of SU is, of course, dependent on financial resources. Many people continue to give generously and we are most grateful to them. However, as the accounts in this report reveal, gift income fell significantly in the past year and, although generous legacies offset some of this fall, financial resources are becoming strained. It would be most disappointing if lack of resources were to render it impossible to continue the work in the way that is currently planned. We are, therefore, redoubling our efforts to engage a new generation of supporters of all ages, ranging from major donors who might be interested in directly supporting some of the *Revealing Jesus* work to a younger group of supporters whose financial contribution might be smaller but who might support the work in many ways over a long period.

Finally, as always, I thank all the people who have worked hard to achieve the things mentioned above. The SU family is a large one and those who have contributed include not only the trustees, leadership team and staff of SU itself but also our Local Mission Partners, the growing army of Faith Guides and the churches that support them, and many others. Without them *Revealing Jesus* would merely be a good idea. With them, we are seeing it become a reality.

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. We work to fulfil this aim as effectively as possible with the resources that God gives us.

SU's **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.

Our **values** underpin all we do: we serve *the living God*, depending on him in faith, and trusting him to transform us and the lives of those we work with: we are rooted in *the Bible*, seeking a sound understanding that is applied in daily living and encouraged in the lives of others; we trust in the power of *prayer*, embedding it into everything we do; we share God's heart for *children and young people*, demonstrating his love to them and inviting them into lifelong relationship with Jesus; we have a *responsibility* to work to create a safe and caring culture in all we do, reflecting God's heart as we strive to excel in the mission he has called us to; and we invest in *relationships* to advance mission opportunities, equipping and empowering each other in the kingdom.

All work carried out by SU is consistent with our charitable objects, as set out in the Articles of Association: to advance Christianity by sharing the good news of our Lord Jesus Christ with people throughout the world. The objects are carried out through, 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.

### Our Strategy – Revealing Jesus

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

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 mission 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 equips Christians to act as *Faith Guides* who accompany children and young people over the long term and create opportunities for them to *connect* with Christians, *explore* the Bible, *respond* to Jesus and *grow* in their faith in Jesus. Our *Mission Enablers* and *Revealing Jesus Pioneers* 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.

Having completed our first full post-Covid year of operating the Revealing Jesus strategy, we give thanks for the significant progress towards our vision for thousands of young people to discover a life of vibrant personal faith in Jesus, and the valuable insight we have gained that is influencing our future plans (*see Plans for next year and beyond, page 9*).

### Main objectives for the year

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 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. 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 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 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.

Keeping children and young people safe is of paramount importance to SU and the need to provide adequate care for children and young people is always held as a high priority in all our activities and is at the forefront of any event planning.

### Implementing our Revealing Jesus strategy

Our Revealing Jesus strategy sets out how we intend to meet our objectives, fulfil our mission, and bring about our vision within our priority community.

#### Thought Leadership

We have continued to invest in thought leadership. With like-minded organisations we published the 'Influencers' report that aimed to understand how young people are influenced by their peers in their faith journey. Lessons learned have been integrated across our mission models and included in the Spring 2023 edition of the *Revealing Jesus* book. In partnership we also completed research on 'Translating Jesus', investigating how the Christian faith might best be communicated to young people in their culture. Following further analysis, the results will influence future developments.

We recognise the importance of building a culture within the SU movement that supports our Vision, Mission and Priority (*stated on page 3*). We therefore completed an in-depth review and have published a revised statement of culture aligned with our Revealing Jesus strategy. This is being workshopped across the staff team and work has started on deriving relevant behaviours.



## Faith Guides

Our strategy recognises Faith Guides as key to fulfilling our mission. They are passionate individuals who are commissioned by the local church and supported by SU's Mission Enablers and Revealing Jesus Pioneers. These Faith Guides seek to journey with children and young people as they connect with others, explore the Bible, respond to Jesus and grow in their faith.

We started the year having just emerged from the final Covid-related restrictions on activity. The gradual rebound of the local church from these restrictions continued to negatively impact our ability to engage with them on mission to the 95 and hence we missed our aspirational targets. Nevertheless, the number of Faith Guides increased significantly over the year from 218 to 316 against an aspiration of 400, while the number of associated churches increased in line with our aspirations from 160 to 237. During the year, groups led by Faith Guides regularly connected with over 33,000 children and young people in the connect-explore-respond phases of the Revealing Jesus mission framework. This compared to almost 8,000 the previous year, though some of this growth can be attributed to the stabilisation of our metric reporting.

This growth in the number of churches and Faith Guides registering with us and actively connecting with the 95 allowed us to gain valuable insight into the operation of the Revealing Jesus framework throughout our first full post-Covid year of operation. Early results gave us confidence to invest from our Project and Development Fund (*see Note 13, page 31*) to recruit seven new Revealing Jesus Pioneers and Sports Pioneers who are now fully integrated into our regional mission activity. The *Plans for next year and beyond* section (page 9) highlights how these insights are influencing our future plans.

We continued to embed the Revealing Jesus strategy into the culture of the SU movement. For example, gatherings of staff, Faith Guides, volunteers and church leaders were held in Wales and in each of the four regions of England to build community and share best practice. The removal of Covid restrictions also allowed us to hold multiple in-person and online training seminars on mission to children and young people within the Revealing Jesus framework in contexts such as school and sport.

## Faith Guide Hub

The Faith Guide Hub gives Faith Guides exclusive access to specially selected digital and physical resources gathered in themed 'collections'. The resources help Faith Guides develop in their role and create the best faith journey with the 95. During the year we continued to develop our existing collections while preparing two new ones for launch in summer 2023: *Be More Micah – Environment* to reveal to the 95 God's heart for stewardship of the environment, and an expansion of *Showtime* to reveal Jesus in the wider creative arts.

## Grow Communities

An important part of the Revealing Jesus mission framework is the concept of a Grow Community. This is a culturally appropriate worshipping community of children and young people that is peer-shaped, peer-served and adult-guided. It enables the faith of the 95 to flourish in their commitment to Jesus in a setting where they set the agenda. Emerging from Covid restrictions, we helped Faith Guides to progress the spiritual journey of their young people such that by the end of the year there were some 20 Grow Communities serving around 225 children and young people.

## Holidays and Missions

Our holidays and missions remain at the heart of our missional activity. Responding to the Revealing Jesus strategy, during Easter and summer 2022 we piloted five new-style Faith Guide Holidays where, supported by Mission Enablers, Faith Guides provided a residential experience for the children and young people they are journeying with. These events were received very well, and we plan to run 12 in 2023. With around 1,600 children and young people attending a residential event and many others attending missions, our 2022 season demonstrated a healthy recovery to around 70% of pre-Covid levels, and further improvements are anticipated in 2023.

Our programme of non-residential missions also saw participation return towards pre-Covid levels, while training and materials placed more emphasis on being visible in the community and on using the mission events to initiate all-year-round Revealing-Jesus-shaped opportunities.

### **Partnerships**

Part of our strategy for scaling the impact of Revealing Jesus is to engage in strategic mission partnerships. In the last year we have deepened existing relations and progressed discussions concerning partnerships with several national church networks. At the local level we began to get significant insight from the five continuing projects with local church groups that pilot the use of Revealing Jesus within an urban, ethnic minority church context. We completed a review of all existing local mission partnerships and started strategic pilots with three local mission partners to test multiplying the reach of the Revealing Jesus strategy through partner staff acting as associate Mission Enablers. Note: local mission partners are individual trusts or groups affiliated with SU and are an integral part of SU's regional teams. The partnership enables trusts to respond to local needs whilst sharing the SU core values and identity.

### **Hybrid mission**

Our thought leadership work previously concluded that, as part of our Revealing Jesus strategy, there was significant potential for hybrid mission models 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. During the year, two pilots were designed and launched to test the concept in the areas of mission through sport and online games.

### **Publishing activity**

New printed resources are now aligned to our Revealing Jesus strategy, or meet a limited number of specific supporter needs such as Bible reading guides, holiday club resources and seasonal content. We also promote and sell a selection of legacy and 'evergreen' resources such as *It's Your Move*. Together with a renewed focus on product marketing, this led to higher-than-expected income of £843,000 from publishing sales and royalties compared with £791,000 the previous year.

We continue to release some new downloadable content outside the Faith Guide Hub to meet specific needs of supporters, including seasonal content and holiday clubs. This continues to be well received, with some 88,000 items downloaded during the year, compared with 83,000 the previous year. New materials now give clear guidance on use of the resource with the 95, and signpost users and readers to the Revealing Jesus mission framework.

## **Organisational sustainability**

### **Fundraising and Communications**

SU embraces fundraising first and foremost as ministry. It is a way of inviting donors to partner in our vision to reach the 95 and our supporters are 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. We inform supporters of our activities and our quarterly magazine *Connecting You* was sent by post or email to more than 16,000 supporters during the year, as well as being shared through email mailing lists and social media channels.

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. The Fundraising Team run a monthly online prayer meeting for supporters which is well attended.

Income received as a result of the managed fundraising programme during the year decreased by £293,000 from £2,382,000 to £2,089,000. 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 £1,154,000. This was higher than the £1,101,000 received the previous year, with legacy income for both years exceeding our expectations. The cost of raising funds during the year increased slightly from £456,000 to £465,000 (*see Note 4 to the financial statements, page 27*).

We have an in-house fundraising team which is assisted, when required, by the services of fundraising consultants. We are committed to fundraising in a way that is legal, open, honest and respectful and in line with the Code of Fundraising Practice published by the Fundraising Regulator.

Work continues to increase regular giving to sustain and grow the operation envisioned in our Strategic Plan in particular, and to allow us to move fixed-term roles which are funded from the Project and Development Fund to permanent positions funded from regular operational income. Our focus this year has been on retaining new donors, reviewing welcome communications and targeted follow-up asks. Having retained 39% of donors in 2021-22, we saw an increase to 53% of retained donors – surpassing our target by 6%. A priority for the coming year is new donor acquisition, now that we can be more confident of retaining new supporters.

During the year we worked with existing Major Donors to develop Major Giving Proposals based on the Revealing Jesus strategy. These are now being shared with new potential Major Donors with the aim of increasing our income in this area. A Mid-Level Donor Fundraiser was recently added to the team, to deepen our relationship with this sector in the hope of seeing an uplift in both short-term giving and lifetime value.

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 received two minor fundraising complaints this year, both relating to our thanking process and transparency of information. The team has responded and both complaints have been resolved satisfactorily.

### **Investment performance**

A portion of SU's reserves available for investment has been identified and held as long-term reserves and invested (£3,518,000 as at 31 March 2023 (£4,490,000 as at 31 March 2022)). This includes a capital endowment (£638,000 as at 31 March 2023 (£656,000 as at 31 March 2022)), High Quality Bonds of £636,000 (£1,246,000 as at 31 March 2022) and disinvested cash of £500,000 (£nil as at 31 March 2022). 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.

Rathbones, our investment managers, continue to manage a £2.4m 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 0.6% over the period, slightly ahead of the benchmark which returned 0.0%. Aggressive monetary tightening from the Federal Reserve, the ongoing war in Ukraine, and Autumn's political crisis in the UK have unsettled investors and made for a difficult and volatile year. The longer-term track record remains good in both absolute and relative terms, with the five years to 31 March 2023 producing a return of 22.3%. This represents an outperformance of the benchmark which has risen 11.1% over that time. Rathbones expect markets to remain volatile in the short-term given the geopolitical environment and the lagged effect of monetary tightening, 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. Short-term capital returns were affected by volatility in bond markets in the first half of the year amid the aforementioned tightening of monetary policy. However there has been a strong recovery over the past six months, and 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.

We have been drawing on reserves to fund project spending over the past six months, and close communication with Rathbones has allowed us to draw down funds at attractive moments in the market, as well as to optimise the short-term returns on cash that has been disinvested.

### **Environmental impact**

During the year we developed and implemented an Environmental Policy, recognising that, in Scripture, God specifically commands mankind to take care of his creation. An energy usage audit identified power usage in the National Office as our greatest environmental impact. We have taken steps to reduce this usage and, in April 2023, installed solar panels to provide approximately half the office's power usage. We continue to recycle consumables where possible and encourage the reduction in single use plastics across our staff teams and events.

### **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 SU. Volunteering at SU comes in many forms, including at holidays, 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 1,383 known opportunities for volunteer involvement, equivalent to 2,612 working weeks, or 56 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, 32 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 51 working weeks.

Most opportunities for volunteer involvement relate to events, but many volunteers are becoming involved in regional and national initiatives. Two young adults 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 120 workers employed by 60 trusts.

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.

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.

### **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 Scripture Union International, 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.

SU England and Wales continues to make grants to other SU movements around the world and grants approved during the year totalled £114,000 (2022: £70,000). Amongst the projects supported were a horticultural project at a campsite in Zimbabwe, refurbishment of a campsite in South Africa, educational interventions in El Salvador and a Bible project in Vietnam. 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 £86,000 (2022: £96,000) (*see the Statement of financial activities, page 20, and Note 4 to the financial statements, pages 27-28*).

## **Plans for next year and beyond**

Since the new Revealing Jesus strategic plan and its associated mission framework was launched in late 2020, the Movement has significantly altered its direction to better enable SU to operationally fulfil its renewed mission to its priority community, and hence better achieve its vision. Nevertheless, our overall aim for next year and beyond remains to grow the reach and impact of SU's mission activity through the primary objectives stated on page 4.

The year ended 31 March 2023 was the first full post-Covid year of operating the Revealing Jesus strategy. Over recent months this has allowed us to make a meaningful 'lessons learned' review of our strategy in action. Input was sought from a wide range of people including Faith Guides. The review confirmed the robustness of the Revealing Jesus framework but suggested some adjustments in its implementation. In particular, we have realised that, without losing our focus on investing in deep relationships with Faith Guides and their churches, we also need to significantly expand our engagement with churches by providing a relationship model and resources that demands less of resource-poor churches and time-poor church members.

The definition of this modified offering and the related development plan is now underway, with the first new components of the renewed offering likely to be released in the autumn of 2023.

The associated revised three-year strategic plan – including an early view of the impact of the modified offering – has been agreed by the Trustees, with year one of the plan reflected in SU's agreed annual operating plan for the coming year. The plan includes operational targets for the existing offering to Faith Guides, and for the new offering under development. The result is a planned operating deficit and the deployment of £357,000 of the Project and Development Fund (*see Note 13 to the financial statements, pages 31-32*) in support of our Revealing Jesus strategy.

Strategic investments in the coming year include the continued funding of the fixed-term Revealing Jesus Pioneers and Sports Pioneers to help to deepen relationships with existing Faith Guides and their churches, to reach more churches with our existing offering, and to broaden our reach through the new offerings under development. The other key element of strategic investment will be the continuation of the pilots of hybrid mission. We will also continue with our five pilots of using Revealing Jesus in the ethnic minority church context and complete our three pilots with Local Mission Partners to test multiplying the reach of the Revealing Jesus strategy through partner staff acting as associate Mission Enablers.

We plan to build on the encouraging results in 2022 and continue re-establishing our Easter and Summer programme of Missions and Holidays, including the operation of 12 new Faith Guide Holidays.

Other key plans include the introduction of a new communications programme aimed at acquiring younger generation supporters, and a new church-focussed communications strategy for Revealing Jesus. We will also build on the improved donor retention in 2022-23 which allows us to refocus on donor acquisition. At the same time, we plan to roll out our new major donor offering while extending it into mid-level donors and trusts.



## Financial review

### Financial position

We thank God and our many supporters for their financial generosity in funding SU's work, although we recognise that in recent years the level of donations received has been falling as a result of the economic climate. We have been blessed by legacy income which has helped mitigate the reduction in donations, but we also recognise that it is not wise to rely on legacy income in the long term and are therefore investing in growing our fundraising capabilities.

For the year ended 31 March 2023, we had an overall deficit of £809,000, compared to a deficit of £73,000 last year. This reflects our deliberate investment in the Revealing Jesus strategy – see the *Implementing our Revealing Jesus strategy* section starting on page 4 for more details.

Our balance sheet has clearly reduced given the overall deficit for the year, and at 31 March 2023 amounted to £5,762,000 (2022: £6,571,000). This includes £2,024,000 (2022: £2,381,000) within the Project and Development Fund (PDF), total restricted funds of £154,000 (2022: £183,000) and total endowment funds of £638,000 (2022: £656,000) (*see Note 13 to the financial statements, pages 31-32*). We will continue to spend the PDF reserves as we invest in our fixed term mission roles to demonstrate the effectiveness of the Strategic Plan. We recognise that we need donation income to fund our longer-term plans. In the meantime, financial deficits are anticipated again in the next two years as the General and PDF reserves are progressively spent. The endowment fund is a restricted gift whereby we can use the income from these investments for the mission work of SU at home and especially work in schools, however we are not able to access the investments themselves.

Total gift income, including restricted gift income but excluding legacies, amounted to £2,089,000 which represents a 12% decrease from £2,382,000 in the previous year. It includes gifts of £86,000 restricted for SU activity overseas. Unrestricted legacy income of £1,137,000 was received; this is 4% higher than last year at £1,096,000. Further details are included in the fundraising performance section above (*pages 6-7*). Holidays and Mission income at £341,000 is significantly higher than last year's £57,000. Publishing sales and royalty income at £843,000 is 7% higher when compared to last year's £791,000. Publishing activity continues to be focused on a narrow range of products that directly support our Revealing Jesus strategy or key needs of our supporter base.

Total income at £4,532,000 is £132,000 higher than the previous year (3% increase). Total expenditure of £5,085,000 is £552,000 higher than last year (11% increase).

For the year ending 31 March 2024, 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 £550,000, as we seek to invest in the new strategy. In addition, expenditure of around £680,000 from PDF reserves is planned.

### Reserves review

The level of required reserves is reviewed annually using a risk-based approach and within the process of budget preparation for the following year to ensure that it remains relevant to SU's current and future position, in particular reflecting the developments necessary to deliver our strategy. It is also included within monthly financial reporting for review by the Trustees throughout the year.

The risk-based approach focuses on 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, as at 31 March 2023 the Trustees considered it prudent to set the target level of general reserves retained by the Movement at between £1.2m and £1.6m. The General Fund stood at £1,803,000 (2022: £2,009,000) on that date, which is a little above the top of the reserves 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 31-32*).

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 31-32, 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 £357,000 (2022: £596,000). The balance of the Fund at 31 March 2023 was £2,024,000 (2022: £2,381,000) to provide for future planned strategic initiatives. The Trustees have plans in place to expend the majority of PDF reserves over the next two years including an estimated £680,000 in the year to 31 March 2024.

### Principal funding sources

SU relies substantially on voluntary income to fund our activities (*see Fundraising and communications, pages 6-7*), 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 20*) 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.

### Investment policy

The Trustees review the level of general reserves and cash flow demands periodically 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.

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 – though volatility in the market can drive significant short-term fluctuations as experienced over the past few years – and 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 a risk-management policy 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. Major 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 14-15*).

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.

***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.

### 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.

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.

**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 of Trustees 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 and has implemented a tri-annual cycle to assess SU's application of the principles described in the Code. A questionnaire based on the online self-audit tool developed by the Directory of Social Change (The Governance App) was completed by Trustees in Spring 2023. Learning is being taken from the results, though no significant areas of concern have been identified.

**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. The Committee, which comprises trustees and volunteers, 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 and remuneration of key management personnel**

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 need to have 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 (*pages 29-30*).

### **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 29*).

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 6*). 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 £225,000 were made during the year (2022: £166,000). (*See Note 4 to the financial statements, pages 27-28, for a summary of grant allocations.*)

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

Following a rebranding exercise on 15 May 2023 the trading name of the company's independent auditor changed from MHA MacIntyre Hudson to MHA.

\* \* \* \* \*

The Trustees submit their annual report and the audited financial statements for the year ended 31 March 2023. 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 12 July 2023 and signed on their behalf by:**



Richard Godden  
Chairman



Kim Hurst FCA  
Honorary Treasurer

## Opinion

We have audited the financial statements of Scripture Union (the 'charitable company') for the year ended 31 March 2023 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 2023, 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;

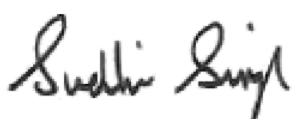
- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of management about any instances of non-compliance with laws and regulations;
- Reviewing the control systems in place and testing the effectiveness of the controls;
- Performing audit 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, Statutory Auditor  
London, United Kingdom

Date: 23 July 2023

MHA is the trading name of MacIntyre Hudson LLP, a limited liability partnership in England and Wales (registered number OC312313)



# Statement of financial activities incorporating an income and expenditure account for year ended 31 March 2023

	Notes	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total 2023 £'000	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total 2022 £'000
<b>Income and endowments</b>									
<i>Income from generated funds:</i>									
- Income from donations and legacies	2a	2,883	360	-	3,243	3,097	386	-	3,483
- Income from investments	2b	48	16	-	64	34	20	-	54
- Income from grants	2c	2	-	-	2	-	-	-	-
<i>Income from charitable activities:</i>									
- Holidays and missions		341	-	-	341	57	-	-	57
- Other fee income		39	-	-	39	15	-	-	15
- Publishing sales and royalties		843	-	-	843	791	-	-	791
<b>Total income</b>		<b>4,156</b>	<b>376</b>	<b>-</b>	<b>4,532</b>	<b>3,994</b>	<b>406</b>	<b>-</b>	<b>4,400</b>
<b>Expenditure</b>									
<i>Expenditure on raising funds:</i>									
- Cost of raising funds	4	465	-	-	465	456	-	-	456
<i>Expenditure on charitable activities:</i>									
- Face-to-face mission in England and Wales	4	2,671	319	-	2,990	2,182	288	-	2,470
- Advocacy	4	174	-	-	174	209	-	-	209
- Content creation	4	165	-	-	165	337	16	-	353
- Commercial publishing	4	965	-	-	965	727	-	-	727
- International activities	4	240	86	-	326	222	96	-	318
<b>Total expenditure</b>	4	<b>4,680</b>	<b>405</b>	<b>-</b>	<b>5,085</b>	<b>4,133</b>	<b>400</b>	<b>-</b>	<b>4,533</b>
<b>Net (loss)/gain on investment assets</b>	8	(238)	-	(18)	(256)	97	-	(37)	60
<b>Net (expenditure)/income for the year being net movement in funds</b>		(762)	(29)	(18)	(809)	(42)	6	(37)	(73)
<i>Reconciliation of funds:</i>									
<b>Fund balances brought forward</b>		5,732	183	656	6,571	5,774	177	693	6,644
<b>Fund balances carried forward</b>	13	4,970	154	638	5,762	5,732	183	656	6,571

- a) All of the above results are derived from continuing activities. SU has no other recognised gains and losses other than those stated above.
- b) Income from donations and legacies in both 2022 and 2023 benefited from legacy income which significantly exceeded expectations.
- c) The net deficit for the year was due to a combination of a planned operating deficit together with spend on Project and Development Fund (PDF) initiatives of £357,000 and the downward movement on investments of £256,000.

The Notes on pages 23-34 form part of these financial statements.

## Balance sheet

As at 31 March 2023

	Notes	2023 £'000	2022 £'000
<b>Fixed assets</b>			
Tangible assets	7	839	858
Investments	8	3,518	4,490
<b>Total Fixed Assets</b>		<b>4,357</b>	<b>5,348</b>
<b>Current assets</b>			
Stocks	9	147	104
Debtors	10	883	664
Cash at bank and in hand		1,186	1,315
<b>Total Current Assets</b>		<b>2,216</b>	<b>2,083</b>
<b>Liabilities</b>			
Creditors: amounts falling due within one year	11	(800)	(847)
<b>Net current assets</b>		<b>1,416</b>	<b>1,236</b>
<b>Total assets less current liabilities</b>		<b>5,773</b>	<b>6,584</b>
Provisions for liabilities	12	(11)	(13)
<b>Net assets</b>		<b>5,762</b>	<b>6,571</b>
<b>The funds of the Charitable Company</b>	13		
<b>Unrestricted funds</b>			
Fixed assets fund		839	858
Project and development fund		2,024	2,381
International fund		304	484
General fund		1,803	2,009
		<b>4,970</b>	<b>5,732</b>
<b>Restricted funds</b>			
Income fund		154	183
<b>Endowment funds</b>			
Endowment fund		638	656
<b>Total charity funds</b>		<b>5,762</b>	<b>6,571</b>

The financial statements were approved and authorised for issue by the Trustees on 12 July 2023 and signed on their behalf by:



Richard Godden  
Chairman



Kim Hurst FCA  
Honorary Treasurer

The Notes on pages 23-34 form part of these financial statements.

Company Registration Number 00039828

# Statement of cash flows

for year ended 31 March 2023

	Notes	2023 £'000	2022 £'000
<b>Net cash (used in) operating activities</b>	<i>See (a) below</i>	<b>(867)</b>	<b>(368)</b>
<b>Cash flows from investing activities</b>			
Interest received	2b	47	34
Dividends received	2b	17	20
Purchase of tangible fixed assets	7	(42)	(26)
Sale of investments	8	1,770	1,241
Purchase of investments	8	(565)	(709)
Movement in investment cash	8	(489)	(55)
<b>Net cash from investing activities</b>		<b>738</b>	<b>505</b>
<b>Change in cash and cash equivalents for the year</b>		<b>(129)</b>	<b>137</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>1,315</b>	<b>1,178</b>
<b>Total cash and cash equivalents at the end of the year</b>	<i>See (b) below</i>	<b>1,186</b>	<b>1,315</b>

Reconciliation of net debt - the Charitable Company does not have any debt in the current or prior year. The only change in cash and cash equivalents is due to exchange rate movements during the year which was £1,093 (2022: £654).

## Notes to statement of cash flows

<b>(a) Reconciliation of net (expenditure) for the year</b>		2023 £'000	2022 £'000
<b>Net (expenditure) for the reporting period</b>	<i>Notes See SOFA</i>	<b>(809)</b>	<b>(73)</b>
<i>Adjustments for:</i>			
Depreciation charges	7	61	58
Net loss/(profit) on investments	8	256	(60)
Dividends and interest from investments	2b	(64)	(54)
(Increase)/decrease in stocks	9	(43)	5
(Increase) in debtors	10	(219)	(217)
(Decrease) in creditors	11	(47)	(21)
(Increase) in provision for pensions	12	(2)	(6)
<b>Net cash (used in) operating activities</b>		<b>(867)</b>	<b>(368)</b>
<b>(b) Cash and cash equivalents</b>		2023 £'000	2022 £'000
Cash at bank and in hand	<i>Notes See Balance Sheet</i>	<b>1,186</b>	<b>1,315</b>
<b>Net funds</b>		<b>1,186</b>	<b>1,315</b>

The Notes on pages 23-34 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 2024 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, budgets and forecasts make use of scenario analysis, and budgets use multiyear forecasts to help frame decision making. 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 13). 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 spiritual refreshment 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 27-28*). The basis on which these costs are allocated is:

Finance	Staff time
Human Resources	Headcount
Facilities	National Office
Digital Solutions	Headcount
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 31-32*).

- 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
Computer network	five 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 28*). 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

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 30). 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 30). 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 2023 £'000	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total 2022 £'000
Donations	1,746	343	-	2,089	2,001	381	-	2,382
Legacies	1,137	17	-	1,154	1,096	5	-	1,101
	<u>2,883</u>	<u>360</u>	<u>-</u>	<u>3,243</u>	<u>3,097</u>	<u>386</u>	<u>-</u>	<u>3,483</u>

Of the donations income, advertising services donated by GoogleAds was received at a value of £25,697 (2022: £17,502) and was attributable to restricted income.

### 2b. Income from investments

	2023 £'000	2022 £'000
Interest receivable	47	34
Dividends receivable	17	20
	<u>64</u>	<u>54</u>

Of the investment income, £16,000 (2022: £20,000) was attributable to restricted income with the balance of £48,000 (2022: £34,000) adding to unrestricted funds.

### 2c. Income from grants

	2023 £'000	2022 £'000
Government grants	2	-
	<u>2</u>	<u>-</u>

During the year, the Charitable Company received a rates rebate of £1,527 (2022: nil). There are no unfulfilled conditions to this income at year end.

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

	2023 £'000	2022 £'000
Auditor remuneration: Audit fee	21	18
Auditor remuneration: Other services (corporation tax)	1	2
Depreciation charges	61	58
Operating lease rentals: machinery	4	4

### 4. Expenditure

	Grant funding of activities (see below) £'000	Direct costs £'000	Support costs (see below) £'000	Total 2023 £'000	Total 2022 £'000
Costs of raising funds	-	110	355	465	456
Face-to-face mission in England and Wales	25	2,278	687	2,990	2,470
Advocacy	-	21	153	174	209
Content creation	-	48	117	165	353
Commercial publishing	-	848	117	965	727
International activities	200	85	41	326	318
Total 2023	225	3,390	1,470	5,085	4,533
Total 2022	166	3,121	1,246	4,533	

Full comparative numbers for year ended 31 March 2022 are included as a separate Note on page 33.

#### Analysis of support costs

	Finance £'000	Human Resources £'000	Facilities £'000	Digital Solutions £'000	Mobilisation £'000	Management / Leadership Team £'000	Total 2023 £'000	Total 2022 £,000
Costs of raising funds	95	5	26	64	154	11	355	348
Face-to-face mission in England and Wales	110	35	66	322	57	97	687	519
Advocacy	11	3	14	27	65	33	153	141
Content creation	20	5	12	64	6	10	117	90
Commercial publishing	28	6	16	48	15	4	117	108
International activities	1	-	3	10	6	21	41	40
Total 2023	265	54	137	535	303	176	1,470	1,246
Total 2022	247	45	126	386	262	180	1,246	
<i>Basis of allocation</i>	Staff time	Headcount	National Office Headcount	Headcount	Staff time	Staff time		

Digital Solutions costs include both the IT and Database teams, as well as Project Management resources. These resources are now being used across multiple projects, and are therefore included in support costs. Prior year project management costs were £140,000 within specific PDF projects.

The basis on which costs have been allocated is outlined in Note 1(e) (page 24). 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 £55,000 (2022: £48,000) of Governance costs which comprise all costs associated with meeting the constitutional and statutory requirements of the Charitable Company. It includes external audit costs of £21,000 (2022: £18,000), Board and Council meeting costs of £6,000 (2022: £4,000) and an allocation of indirect costs to cover support from members of staff of £28,000 (2022: £26,000).

<b>Grant activity in furtherance of the Charitable Company's objects</b>	Activities undertaken directly £'000	Grant funding of activities £'000	Support Costs £'000	Total 2023 £'000	Total 2022 £'000
<i>International grant activity</i>					
Worldwide	-	79	16	<b>95</b>	49
Africa	1	52	10	<b>63</b>	59
Americas	-	25	5	<b>30</b>	45
Former Soviet Republics	-	17	3	<b>20</b>	26
Europe	1	12	3	<b>16</b>	11
Pacific	-	8	2	<b>10</b>	11
Asia	-	4	1	<b>5</b>	1
Rest of Britain & Northern Ireland	-	3	1	<b>4</b>	4
Grant activity - international	2	200	41	<b>243</b>	206
Grant activity - England and Wales	30	25	20	<b>75</b>	50
Total 2023	32	225	61	<b>318</b>	256
Total 2022	30	166	60	256	

Grant allocations amounting to £225,000 (2022: £166,000) were made during the year. There were no new multi-year grant commitments (2022: £nil) which are payable in future years. There were no grant commitments (2022: £6,000) 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	6
New grant commitments charged to the Statement of Financial Activities during the year	225
Grants paid during the year	(231)

Amount of grant commitments accrued as at 31 March 2023

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, 9, 15 and 16.

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

	2023 £'000	2022 £'000
<b>Staff costs</b>		
Wages and salaries	<b>2,266</b>	2,208
Social security costs	<b>228</b>	219
<b>Pension costs</b>		
Scripture Union (L&G) Personal Pension Plan	<b>214</b>	202
Unfunded pension scheme	<b>1</b>	6
	<b>2,709</b>	2,635
<b>Average number of employees, analysed by function</b>		
	2023 Number	2022 Number
Income generation	<b>6</b>	5
Advocacy	<b>3</b>	3
Face-to-face mission in England and Wales	<b>43</b>	37
Content creation	<b>6</b>	7
Commercial publishing	<b>7</b>	6
International activities	<b>1</b>	1
Administration and support of staff and volunteers	<b>10</b>	12
	<b>76</b>	71

The average number of employees during the year was 76 (2022: 71), including 25 (2022: 23) 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 68 (2022: 65).

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 £328,000 (2022: £372,000).

During the year, three employees (2022: two employees) earned between £60,001 and £70,000 and one employee (2022: one 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 ten trustees received reimbursement of travel expenses totalling £2,419 (2022: £1,502 reimbursed to eight of eleven trustees).

Until June 2022, Dominic Vis, the son of Stephen Vis, Finance & Services Director and a member of Key Management Personnel, was employed by the Charitable Company in the role of 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.

<b>7. Tangible fixed assets</b>	Freehold land and buildings	Computer equipment	Computer network	Fixtures and fittings	Machinery	Total
Cost:	£'000	£'000	£'000	£'000	£'000	£'000
At 1 April 2022	810	253	-	254	10	1,327
Additions	-	20	15	7	-	42
Disposals	-	(37)	-	-	-	(37)
<b>At 31 March 2023</b>	<b>810</b>	<b>236</b>	<b>15</b>	<b>261</b>	<b>10</b>	<b>1,332</b>
Depreciation:						
At 1 April 2022	97	222	-	140	10	469
Charge for year	16	17	2	26	-	61
Disposals	-	(37)	-	-	-	(37)
<b>At 31 March 2023</b>	<b>113</b>	<b>202</b>	<b>2</b>	<b>166</b>	<b>10</b>	<b>493</b>
Net book value						
<b>At 31 March 2023</b>	<b>697</b>	<b>34</b>	<b>13</b>	<b>95</b>	<b>-</b>	<b>839</b>
At 31 March 2022	713	31	-	114	-	858

At 31 March 2023, the Trustees had authorised capital expenditure for the ensuing year of £123,000 (2022: £52,000). Disposals as shown on the SOFA are shown net of depreciation. There were no capital commitments as at 31 March 2023 (2022: £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

### Fixed asset investments

	2023 £'000	2022 £'000
<b>Investments at market value</b>		
Investment cash	569	78
Fixed Interest & UK Government stocks	304	448
UK Listed Stock Exchange Investments, Unit Trusts and OEICs	2,645	3,964
	<b>3,518</b>	<b>4,490</b>
<i>Movement during the year:</i>		
Market value at 1 April	4,490	4,907
Less: Disposals at open market value	(1,770)	(1,240)
Add: Acquisition at cost	565	709
Net (loss)/gain on revaluation	(256)	60
Movement in investment cash	489	54
<b>Market value at 31 March</b>	<b>3,518</b>	<b>4,490</b>

The historic cost of investments is £3,307,000 (2022: £3,685,000).



## 9. Stocks

	2023 £'000	2022 £'000
Work in progress	59	31
Finished goods	88	73
	<u>147</u>	<u>104</u>

Value of stock recognised as an expense on the SOFA is £177,000 (2022: £172,000).

## 10. Debtors

	2023 £'000	2022 £'000
Trade debtors	104	71
Tax recoverable	38	80
Other debtors	141	79
Legacies receivable	506	372
Prepayments and accrued income	94	62
	<u>883</u>	<u>664</u>

Prior to sign-off of the financial statements, SU has been notified of further legacies with an estimated value of £382,000 (2022: £339,000). In accordance with Note 1(c) as noted on page 23, it was not considered appropriate to accrue for this amount in the financial statements, as at 31 March 2023 all criteria for recognising legacy income in these instances had not been met.

## 11. Creditors

### *Creditors: amounts falling due within one year*

	2023 £'000	2022 £'000
Trade creditors	350	330
Accruals and deferred income	351	346
Taxation and social security costs	53	53
Interest free loans from supporters	20	32
Other creditors	26	86
	<u>800</u>	<u>847</u>

### *Deferred income*

	2023 £'000	2022 £'000
Deferred income at 1 April	133	144
Resources deferred during the year	159	133
Amounts released from previous periods	(133)	(144)
Deferred income at 31 March	<u>159</u>	<u>133</u>

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

## 12. Provisions for liabilities

	2023 £'000	2022 £'000
<i>Ex-gratia pensions</i>		
Balance at start of year	13	19
Pensions paid	(5)	(9)
Increase in provision	3	3
Balance at end of year	<u>11</u>	<u>13</u>

Ex-gratia pensions are provided to a small number of former staff on an unfunded basis. See Note 1(l) (page 25) for more details.

<b>13. Statement of funds</b>	Balance 1 April 2022 £'000	Income £'000	Expenditure £'000	Net investment (losses) £'000	Transfers £'000	Balance 31 March 2023 £'000
<b>Unrestricted funds</b>						
Designated funds:						
Fixed Assets	858	-	-	-	(19)	<b>839</b>
Project and Development	2,381	-	(357)	-	-	<b>2,024</b>
International	484	-	(180)	-	-	<b>304</b>
	3,723	-	(537)	-	(19)	<b>3,167</b>
General fund	2,009	4,156	(4,143)	(238)	19	<b>1,803</b>
<b>Total unrestricted funds</b>	<b>5,732</b>	<b>4,156</b>	<b>(4,680)</b>	<b>(238)</b>	<b>-</b>	<b>4,970</b>
<b>Restricted funds</b>						
Income funds:						
Endowment income	-	16	(16)	-	-	-
Gifts for SU overseas	-	86	(86)	-	-	-
Good News Fund	11	5	(3)	-	-	<b>13</b>
Google AdWords	-	25	(25)	-	-	-
Rooted	14	-	(14)	-	-	-
SU Holiday Fund	111	12	(16)	-	-	<b>107</b>
Team support	-	215	(215)	-	-	-
Others	47	17	(30)	-	-	<b>34</b>
<b>Total restricted funds</b>	<b>183</b>	<b>376</b>	<b>(405)</b>	<b>-</b>	<b>-</b>	<b>154</b>
<b>Endowment funds</b>						
Endowment fund	656	-	-	(18)	-	<b>638</b>
<b>Total endowment funds</b>	<b>656</b>	<b>-</b>	<b>-</b>	<b>(18)</b>	<b>-</b>	<b>638</b>
<b>Total funds</b>	<b>6,571</b>	<b>4,532</b>	<b>(5,085)</b>	<b>(256)</b>	<b>-</b>	<b>5,762</b>

Full comparative numbers for year ended 31 March 2022 are included as a separate Note on page 34.

#### 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. 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. Income from the fund is restricted as explained under *Restricted Funds – Endowment Income* above.

<i>Analysis of funds by asset</i>	Tangible fixed assets	Investments	Current assets	Liabilities and provisions	Total 2023
<i>Funds</i>	£'000	£'000	£'000	£'000	£'000
General	-	1,880	734	(811)	1,803
Designated	839	1,000	1,328	-	3,167
Restricted	-	-	154	-	154
Endowment	-	638	-	-	638
<b>Total</b>	<b>839</b>	<b>3,518</b>	<b>2,216</b>	<b>(811)</b>	<b>5,762</b>

#### 14. Financial commitments

At 31 March 2023 SU had remaining commitments under non-cancellable leases as follows:

	2023	2022
<i>Expiry date</i>	<b>Machinery</b>	<b>Machinery</b>
	£'000	£'000
Within one year	4	4
Two to five years	10	14
Over five years	-	-
<b>Total</b>	<b>14</b>	<b>18</b>

The value of lease payments included in the SOFA in the year was £4,000 (2022: £4,000).

## Comparative data for year ended 31 March 2022

<b>4. Expenditure (2022 comparative)</b>	Grant funding of activities (see below) £'000	Direct costs £'000	Support costs (see below) £'000	<b>Total 2022 £'000</b>
Costs of raising funds	-	108	348	<b>456</b>
Face-to-face mission in England and Wales	-	1,951	519	<b>2,470</b>
Advocacy	-	68	141	<b>209</b>
Content creation	-	263	90	<b>353</b>
Commercial publishing	-	619	108	<b>727</b>
International activities	166	112	40	<b>318</b>
<b>Total 2022</b>	<b>166</b>	<b>3,121</b>	<b>1,246</b>	<b>4,533</b>

### Analysis of support costs

	Finance £'000	Technical Services £'000	Human Resources £'000	Facilities £'000	Database £'000	Mobilisation £'000	Management / Leadership Team £'000	<b>Total 2022 £'000</b>
Costs of raising funds	98	36	3	24	28	149	10	<b>348</b>
Face-to-face mission in England and Wales	87	180	29	60	23	26	114	<b>519</b>
Advocacy	9	15	2	13	9	64	29	<b>141</b>
Content creation	18	36	5	11	5	6	9	<b>90</b>
Commercial publishing	25	27	5	15	18	14	4	<b>108</b>
International activities	10	6	1	3	3	3	14	<b>40</b>
<b>Total 2021</b>	<b>247</b>	<b>300</b>	<b>45</b>	<b>126</b>	<b>86</b>	<b>262</b>	<b>180</b>	<b>1,246</b>
<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

#### International grant activity

	Activities undertaken directly £'000	Grant funding of activities £'000	Support Costs £'000	<b>Total 2022 £'000</b>
Africa	-	47	12	<b>59</b>
Worldwide	-	39	10	<b>49</b>
Americas	-	37	8	<b>45</b>
Former Soviet Republics	-	21	5	<b>26</b>
Europe	-	9	2	<b>11</b>
Pacific	-	9	2	<b>11</b>
Rest of Britain & Ireland	-	3	1	<b>4</b>
Asia	-	1	-	<b>1</b>
<b>Grant activity - international</b>	<b>-</b>	<b>166</b>	<b>40</b>	<b>206</b>
<b>Grant activity - England and Wales</b>	<b>30</b>	<b>-</b>	<b>20</b>	<b>50</b>
<b>Total 2022</b>	<b>30</b>	<b>166</b>	<b>60</b>	<b>256</b>

### 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)
<b>Amount of grant commitments accrued as at 31 March 2022</b>	<b>6</b>

### 13. Statement of funds(2022 comparative)

	Balance 1 April 2021 £'000	Income £'000	Expenditure £'000	Net investment gains/(losses) £'000	Transfers £'000	Balance 31 March 2022 £'000
<b>Unrestricted funds</b>						
Designated funds:						
Fixed Assets	890	-	-	-	(32)	<b>858</b>
Project and Development	2,227	-	(596)	-	750	<b>2,381</b>
International	579	65	(160)	-	-	<b>484</b>
	<u>3,696</u>	<u>65</u>	<u>(756)</u>	<u>-</u>	<u>718</u>	<u><b>3,723</b></u>
General fund	2,078	3,929	(3,377)	97	(718)	<b>2,009</b>
<b>Total unrestricted funds</b>	<u>5,774</u>	<u>3,994</u>	<u>(4,133)</u>	<u>97</u>	<u>-</u>	<u><b>5,732</b></u>
<b>Restricted funds</b>						
Income funds:						
Endowment income	-	20	(20)	-	-	-
Gifts for SU overseas	-	96	(96)	-	-	-
Good News Fund	15	2	(6)	-	-	<b>11</b>
Google AdWords	-	16	(16)	-	-	-
Rooted	14	-	-	-	-	<b>14</b>
SU Holiday Fund	102	9	-	-	-	<b>111</b>
Team support	-	249	(249)	-	-	-
Others	46	14	(13)	-	-	<b>47</b>
<b>Total restricted funds</b>	<u>177</u>	<u>406</u>	<u>(400)</u>	<u>-</u>	<u>-</u>	<u><b>183</b></u>
<b>Endowment funds</b>						
Endowment fund	693	-	-	(37)	-	<b>656</b>
<b>Total endowment funds</b>	<u>693</u>	<u>-</u>	<u>-</u>	<u>(37)</u>	<u>-</u>	<u><b>656</b></u>
<b>Total funds</b>	<u>6,644</u>	<u>4,400</u>	<u>(4,533)</u>	<u>60</u>	<u>-</u>	<u><b>6,571</b></u>

<b>Analysis of funds by asset</b>	Tangible fixed assets £'000	Investments £'000	Current assets £'000	Liabilities and provisions £'000	<b>Total 2022 £'000</b>
<i>Funds</i>					
General	-	2,584	285	(860)	<b>2,009</b>
Designated	858	1,250	1,615	-	<b>3,723</b>
Restricted	-	-	183	-	<b>183</b>
Endowment	-	656	-	-	<b>656</b>
<b>Total</b>	<u>858</u>	<u>4,490</u>	<u>2,083</u>	<u>(860)</u>	<u><b>6,571</b></u>







# Scripture Union

[www.scriptureunion.org.uk](http://www.scriptureunion.org.uk)

Registered Office: Trinity House Opal Court Opal Drive Fox Milne Milton Keynes MK15 0DF  
T 01908 856000 F 01908 856111 E [info@scriptureunion.org.uk](mailto:info@scriptureunion.org.uk)

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