





# The Scottish Bible Society

*Report & Financial Statements 2017*

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**The Scottish Bible Society**

Scottish Charity Number: SC010767

Company Number: SC238687



## Reference and Administrative Details

### ***Patron***

HER MAJESTY THE QUEEN

### ***Honorary President***

The Rt Hon The Lord Mackay of Clashfern

### ***Honorary Vice-Presidents***

The Rt Hon The Earl of Elgin and Kincardine

Miss Kathleen Forsyth

Mr John D M Urquhart

Rev Dr Fergus Macdonald

Mr David Laing

### ***Trustees***

Mr Ian Boxall (Chairman)

Mr Richard Atkinson

Rev Marc Bircham

Rev Diana Hall

Mr Gregor Innes

Mr Norman Martin

Mrs Kirsty Mitchell

Mr Jim Roche

### ***Members***

Prof David Bebbington

Mrs Fiona Cameron

Mr Alan Campbell

Mrs Gillian Campbell

Mr John Deighan

The Rt Hon Lord Young

Mr Doug Forbes

The Rt Hon Lord Gill

Mr Lorimer Gray

Rev Chris Greenhalgh

Mr Colin Hay

Rev Dr Stephen Holmes

Mr Murray McCheyne

Mr Stuart McNeill

Mr Colin Mutch

Mrs Louise Nicolson

Miss Ruth Penman

Mr John Purves

Rev Alan Reid

Rev Dave Richards

Mr Eric Robertson

Bishop Stephen Robson

Rev Michael Rollo

Mr James Ross

Prof John Sawkins

Mr David Thompson

Rev John Urquhart

Mr David Vardy

Mr Stuart Weir

Mr Richard Woods

***Company Secretary*** Mr Ross McFarlane

***Management Team*** Ms Elaine M Duncan (Chief Executive), Ms Fiona McDonald (Director of National Ministries), Mr Ross McFarlane (Director of Finance & Administration), Mr Lawrence Sum (Director of Communications)

### ***Registered Office, charity number and company number***

7 Hampton Terrace, Edinburgh EH12 5XU, Telephone: 0131 337 9701, Website: [scottishbiblesociety.org](http://scottishbiblesociety.org)  
Scottish Charity No: SC010767, Registered as a Scottish company, no. SC238687

***Auditor*** Scott-Moncrieff, Exchange Place 3, Semple Street, Edinburgh EH3 8BL

***Bankers*** The Royal Bank of Scotland plc, PO Box 51, 36 St Andrew Square, Edinburgh EH2 2YB

### ***Investment managers***

Adam & Company Investment Management (UK) Ltd, 25 St Andrew Square, Edinburgh, EH2 1AF





## Chief Executive's Report

*For the year ended 31 December 2017*

'...for you have been my partners in spreading the Good News about Christ from the time you first heard it until now.'

**PHILIPPIANS 1:5 (NLT)**

'Don't go it alone!' seems to be a repeated theme in the Bible. It is so good to have other people with us, whether we are facing tough situations or bursting with joy. When Paul writes to the Christians in Philippi he delights in the fact that they are his 'partners in spreading the Good News about Christ' (Phil 1:5, NLT).

Partnerships work best when there is shared vision and an agreed common goal. Ensuring people have a Bible in order that they can encounter Jesus Christ and grow in their relationship with him is the vision and goal we look for in our partnerships.



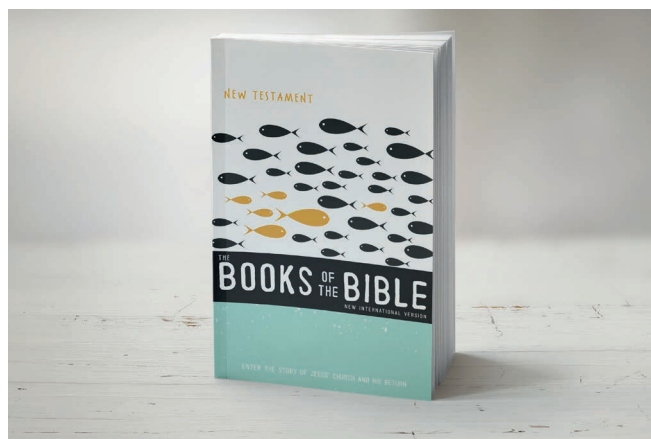
Last year, we reached the mid-point of our multi-year partnership with the Bible Society of Malawi. Our commitment is primarily to support projects, to help children and families in Malawi to receive the Word of God. However, we have also had the opportunity to invest in capacity building, where the exchange of time and talent has seen our staff, board members, and volunteers visit Malawi. Equally, we have benefited from colleagues from Malawi visiting Scotland, as well as being able to fund some Malawian staff to attend global Bible Societies' meetings to further their knowledge and development. This two-way expression of



partnership helps sustain our global mission. We learn from our colleagues as well as being inspired by their work.

Thanks to the prayers and generous financial gifts of our supporters, we provided almost ten thousand Bibles for Malawi last year. Other projects we have helped, include:

- Providing Bibles in a language and format people understand – in Argentina, many deaf young people experience great difficulty writing and understanding Spanish grammar, which is why Bibles in Sign Language are vital to educating deaf children about the love of God.
- Distributing Bibles where there is a shortage – in Guinea-Bissau more than 50% of the population is Muslim, yet there is a hunger for God's Word despite the challenge of low income and short supply.
- Responding to global changes – in Jordan the swelling population is due to an influx of refugees desperate for both physical and spiritual food, which is why the Bible Society in Jordan is partnering with local churches to provide relief packages, Scriptures and emotional support.



In Scotland, our partnership with Biblica, the publishers of the New International Version of the Bible, has flourished with projects such as the

Community Bible Experience (CBE). In the past year, thirty churches have signed-up to this form of reading the Bible together and discussing it as a group. Over a four-year period since our partnership began on CBE, we have seen over 100 churches in Scotland sign-up. This is hugely encouraging as we seek to help churches, groups and individuals to deepen their understanding of God's Word. The following comment from a participant shows that CBE is doing just that: "This experience has helped me to be more committed to Bible reading and applying it to my own life."



Our Bibleworld Books project continues to progress thanks to key partnerships. Firstly, the specially adapted Biblical text used to create a series of books and resources suitable for children to learn the principles of reading, writing and literacy from the Bible, has been shared with us by the American Bible Society. We have combined the text with custom illustrations in a modern, contemporary style and the books, along with some resources for trained volunteers to help the children work through the material, is used in after-school



groups. Secondly, the All Souls family of churches in Fife have been a key partner in helping us with the pilot project. Throughout last year, they were in dialogue with head teachers towards opening the door for the resource to be used in after-school clubs. So far, the children and volunteers in our trial groups have given us great positive feedback. Even parents of the children in

our trial groups are noticing the difference this project has made, with one parent saying: "Bethan is writing stories at home now and reading more" whilst another parent commented: "Hannah would come home and share some of the spiritual aspects discussed."

We cannot do our work alone and God rarely asks any of us to go it alone in the tasks he gives us. It is our privilege to work with churches across Scotland, of all denominations. It is an honour to partner with other Bible Societies across the world. We are caught up into a global mission that has many local expressions.

Our greatest privilege, of course, is to be called into a partnership with God himself. We should never lose the wonder of God calling each of us to play a part in his mission. But it can be a daunting thought too... which is why we keep our eyes fixed on Jesus. He is the one who will help us keep our vision clear and our goals worthy and honouring of him.

**Elaine Duncan**  
Chief Executive

*27 April 2018*



## Trustee's Report

*For the year ended 31 December 2017*

The Trustees (who are also directors of The Scottish Bible Society for the purposes of company law) have pleasure in presenting their annual report and the audited financial statements of the charity ('charitable company') for the year ended 31 December 2017.

### Objectives and activities

#### Objectives

The objects of the charitable company, as set out in the Articles of Association, are to advance the Christian religion by:

- Making the Bible available to people of every language, class and creed in a language they can understand, in a format they can use and at a price they can afford, and to encourage engagement with the Bible for the social and spiritual benefit of all people both in Scotland and elsewhere, but with only such note or comment as is necessary to assist engagement with the Bible and to enable effective partnership with the Christian churches.
- Co-operating with members of United Bible Societies and other organisations for this purpose.

In summary, therefore, the charitable company's mission is to improve the worldwide availability and accessibility of the Bible and to promote and facilitate its use. All its activities are intended to result in greater awareness, readership and understanding of the Bible. The charitable company's strategies for achieving these stated aims and objectives are detailed in the Activities below.

A number of indicators are used to monitor and assess success in the reporting period, from funds raised to support overseas work, the number of speaking engagements fulfilled, to the number of digital downloads as compared to the prior year as well the number of gospels and Bibles distributed.

#### Activities

The charitable company's main activities are: (a) promoting Bible awareness and engagement in Scotland; and (b) fundraising to enable Bible translation and distribution projects in countries where demand for Bible resources is high but the ability to pay is low.

The charitable company promotes the Bible in Scotland through speaking engagements, print and electronic communications, and participation in events in partnership with Church and other organisations. The charitable company continues to provide access via its website to a vast range of Bible resources and gives free advice and assistance to purchasers. Orders for materials are promptly handled by third party distributors. The charitable company's mobile *Bibleworld* classroom provided an introduction to the Bible for older primary school children up until 31 December 2016. A new children's resource is currently being worked on.

Information on all the charitable company's projects and events is carried on its website, in monthly e-newsletters, and in the twice-yearly *Alive & Active* magazine, distributed free throughout Scottish churches.

The charitable company mounts a number of appeals each year in support of specific overseas projects (see 'Grantmaking' below). Funds are also raised through the *Bible-a-month* programme, from church collections, from fundraising events organised by volunteers, from trusts and from legacies and lifetime gifts. Overseas projects are carried out on behalf of the charitable company by local Bible Societies or other partner organisations operating in the relevant overseas locations.

#### Grantmaking

The charitable company makes grants to other Bible Societies through the United Bible Societies (UBS) fellowship to enable Bible based projects to be carried out. These may be selected from a registry of projects put forward by individual Bible Societies or identified in discussion with individual Bible Societies or other partner organisations. In all cases, the projects are designed to respond to an urgent demand for Bible resources (or the infrastructure to enable the supply of those resources) in places or circumstances where the beneficiaries are unable to afford them.

Grants may also be awarded to individuals or groups in Scotland where this will help the charitable company achieve its objectives in an efficient and effective manner. All grant applications are submitted in writing and assessed by senior management to ensure that



there is likely to be an appropriate benefit for the net cost, and that arrangements are in place to monitor performance under the terms of the grant.

### *Volunteers*

The charitable company is fortunate to have the dedicated support of an extensive network of local supporters, church representatives, ambassadors and speakers. Charity volunteers and Action Groups assist in many ways with fundraising, delivery of charitable objectives, governance and administrative support. Their contribution is invaluable.

## **Achievements and performance**

### *Charitable activities*

In Scotland, 2017 saw the charitable company starting to work on its new resource for children, 'Bibleworld Books'. The *Bibleworld* mobile classroom continued to be used by schools until it came off the road in December 2016, delivering high quality curriculum-focused Bible teaching to P5 – S1 classes up and down the country. The new resource, which will replace the mobile unit, is currently being piloted by two groups in Fife. The resource is a literacy teaching project using Bible stories to help encourage those struggling to read.

The charitable company is also investigating the possibility of a global project in 2020. This Bible advocacy and engagement project is still in its infancy.

The charitable company's speakers fulfilled over 96 engagements at churches, conferences and other venues across the country. In addition the number of Bible engagement resources downloaded from the charitable company's website averaged 1,000 a month. The charitable company's Gaelic translators also made good progress! The translation of the New Testament is now complete and the translation is currently available in a digital format. A hard-copy of the New Testament will be available towards the end of 2018.

Direct mail appeals were mounted during the year for a variety of projects run by Bible Societies in Cambodia, Haiti, Jordan, Malawi and Peru, while regular contributions via the Bible-a-month programme raised further sums for work overseas. The appeals supported can be summarised as follows:

- **Cambodia** The provision of 'Listen & Learn' digital audio players to allow literacy classes to be run.
- **Haiti** A literacy project aimed at helping 10,000 Haitians learn to read using the Bible.
- **Jordan** Providing relief packages, Scriptures and emotional support to refugees.
- **Malawi** A Bible distribution project aimed at families and children.
- **Peru** The aim is to feed over 5,000 children as well as provide them with a Bible storybook.

### *Fundraising activities*

The charitable company's funding for its day-to-day operations comes in the main from a dedicated core of individual donors, churches and volunteer Action Groups, contributing regular gifts, one-off donations and legacies. Grants to overseas Bible Societies were mainly funded by direct mail appeals, the Bible-a-month programme and community events.

As stated in last year's report; during 2016 the charitable company continued to evolve its 'appeal' literature following feedback results from its 2015 focus groups made up of various supporters. The conclusion was that no significant changes were required to be made to the appeal literature or timing of the appeals. Throughout the year significant work was carried out on the way in which donations are recorded, to allow for better communication with supporters as well as improved reporting on all donations. Continued focus was put on researching and building relationships with major donors and key partners.

The fundraising objectives remain consistent with prior years. The 'Financial Review' details the financial performance of the fundraising team.

The charitable company's Community Partnership Manager is helping the charity to benefit from closer contacts with churches and volunteer groups. Whilst there was no financial target set, 2017 saw the Community Partnership Manager fulfill more speaking engagements than the prior year and provide more fundraising tools for the volunteer groups to use going forward in future years. He also led a volunteer team on a fact-finding trip to Malawi.

### *Investment performance*



During the year the value of the charitable company's investment portfolio rose by £188,094.

The total return on investments (income and capital appreciation) during 2017 was 9.72% (2016; 15.5%), just behind the benchmark performance of 10.91% (2016; 17.26%). The benchmark for 2017, as with previous years, was based on a combination of indices reflecting the asset allocation of the portfolio. The trustees continue to keep the investment objectives and the performance of the investment managers under review.

### Financial review

Donation income increased during the year (by over 1.5%) to £771.1k in 2017 as against £759.4k in 2016. In 2017 legacy income increased by nearly £80k on 2016, an increase of nearly 15%, to a total legacy income figure of £622.6k. The Board continues to budget for only £100,000 of legacy income each year to ensure that no legacy income is 'spent' before it's actually received.

Donors were given the option to allocate their appeal responses to more general purposes rather than the specific projects covered by the appeal. On average 26% of appeal donors took this option, and in 2017 general income was 78% of total income compared to 83% in 2016.

The investment portfolio finished the year with a revaluation surplus of £187,967. No capital withdrawals were made from the fund. The trustees were satisfied that the portfolio performed favorably when compared against benchmark indicators.

### Reserves policy & Going Concern

Total reserves at 31 December 2017 were as follows;

Unrestricted	£s
General	693,158
Designated	
Capital	3,863,918
Provision	(325,000)
	<b>4,232,076</b>
Restricted	57,510
<b>TOTAL</b>	<b>4,289,586</b>

It has been the policy of the charitable company to maintain unrestricted funds at a level whereby the free reserves of the charity are maintained at a figure equivalent to at least three to six months of the resources expended. The trustees consider that this level of reserves is appropriate to ensure the on-going work of the charity in the event of a significant reduction in support. Designated funds include the Capital Fund which encompasses fixed assets and investments held for long-term capital appreciation. It is not applied for the purposes of revenue expenditure without Board authorisation. The Capital Fund is therefore excluded from the free reserves calculation.

At 31 December 2017 the charitable company's general reserves stood at £693,158, which is 50% (6 months) of resources expended during the year.

The charitable company is currently exploring the possibility of carrying out a substantial building refurbishment programme at its registered office. This refurbishment would be funded in its entirety via the Capital Fund subject to any grants obtained etc.

### Investment policy

The charitable company had investment funds under management of £3,204,338 at 31 December 2017. The purpose of these funds is (a) to provide a resource for future investment in capital intensive projects, such as a Building project, or to allow advantage to be taken of special opportunities for Bible advocacy work and (b) to generate income and gains that can be spent on charitable objectives.

The charitable company holds separate cash reserves to cover any short to medium term liquidity requirements. In relation to its investment funds, the charitable company therefore applies a long term investment objective, at least eight years, and aims to maximise total return from the portfolio within the constraints of a medium risk investment profile. The charitable company's external investment managers, Adam & Company, briefed the Board on the risk profiles of different asset allocations. The investment policy is reviewed periodically.

It is the charitable company's policy specifically to exclude investments in companies whose principal business is in the alcohol, tobacco, gambling and



weapons industries. The objectives going forward remain consistent with those of 2017.

## Risk management

The trustees have examined the major strategic, business and operational risks which the charity faces and confirm that systems have been established to monitor and control these risks, and identify any new risks, so as to mitigate any impact that they may have on the operations of the charity.

The most significant risk is that the environment for fundraising remains difficult. Church attendance at present is in decline while many donors and trusts have a current preference for funding specific projects rather than general funds. To mitigate these risks the charitable company is working to a fundraising strategy to expand the donor base and exposure to a greater variety of trusts thus mitigating the exposure to the risk.

## Plans for future periods

The charitable company remains committed to Bible advocacy work in Scotland – promoting the value and relevance of the Bible in today's culture – and to working with all Scottish church denominations to achieve this. During 2018 the Society will be actively involved in various mission opportunities.

The charitable company's work in extending Bible literacy among the Christian community will continue with the promotion of the Community Bible Experience (CBE) and the production of an Easter Gospel resource as well as leading and speaking at various other engagements and conferences. In addition a child literacy project has begun by using Bible stories as the primary learning resource – 'Bibleworld Books'.

Overseas, the charitable company will continue to work closely with sister Bible Societies. In 2018 the charitable company will appeal for funds to support Bible Society projects in China (proving paper for Bible production), Cuba (the aim is to distribute 1 million Bibles), Iraq (help resource a Bible-based trauma healing project), Malawi (provision of Children's Bibles) and Uganda (faith comes by hearing project), as well as aiding a variety of projects through its *Bible-a-month* partnership.

## Structure, governance and management

### *Company structure and membership*

The charity is a company, incorporated in Scotland, limited by guarantee, governed by Companies' Acts and its Memorandum and Articles of Association. There are 31 members of the charitable company who have guaranteed the debts of the charity in the event of a winding-up, to the extent of £1 each.

The members are required on their appointment to signify their commitment to the Christian faith and to the objects of the charity. They are appointed by the charity in general meeting to reflect a balance in terms of gender, geographical location, background and ecclesiastical tradition. The members meet at least once per annum for the approval of the annual financial statements and the election of trustees.

The charitable company owns a subsidiary company SBS Publishing (nt:sport) Limited. This company, which was incorporated in Scotland, is dormant.

### *Governance*

The management of the charitable company is the responsibility of the Board of Directors, appointed by the members under the terms of the Companies Act and the Company's Articles of Association. The Directors are therefore the "Charity Trustees" as defined in Scottish charities legislation. Trustees hold office from year to year and can remain in office for a maximum period of ten years. The minimum number of trustees is five and the maximum twelve. The names of the trustees at the date of approval are contained in this report.

Potential new trustees are identified by the Board in consultation with senior staff and members. A balance of skills and experience is sought alongside a requirement for wholehearted commitment to the Christian faith and to the ethos, mission and aims of the charity.

Each new trustee is given an induction tailored to his or her needs and provided with access to material relevant to the work of the charity and the responsibilities of trustees. A budget is available for trustee training and relevant courses are circulated to Board members. The charitable company subscribes to the bi-monthly magazine *Governance* – which deals



solely with charity governance issues - providing a copy for each Board member.

The Board meets at least quarterly to receive reports on strategic developments, progress on projects, financial matters, staffing and other operational issues. While senior staff are expected to brief the Board on all strategic and operational matters, formal Board approval is required for significant changes in strategy and major commitments of time and resources.

The Board has appointed two committees to review matters on its behalf and report back to it. The Finance Committee meets at least three times a year to consider the annual financial budget, the annual risk review and the annual financial statements. It also acts as an audit committee in providing a forum in which the auditors may meet with Board representatives. The Staffing Committee meets at least once a year to consider the annual salary review, and at other times as necessary to deal with any special staff issues.

### **Management**

The Board has delegated to the Chief Executive the task of managing the affairs of the charitable company on a day-to-day basis, within the policy and budgetary constraints set by the Board, so as to achieve the charitable company's objectives in the most efficient and effective manner.

The work of the charitable company is broadly divided into three departments. The Director of National Ministries provides support and Bible resources for Scottish churches and other Christian organisations, and is responsible for all our Bible engagement and advocacy programmes in Scotland, including Bible-world Books. The Director of Communications is responsible for engaging supporters, customers, the general public and the media in the charitable company's vision and mission, including its work overseas, and encouraging them to partner with us. The Director of Finance and Administration is responsible for all aspects of technical, financial and administrative support and for optimising the commercial possibilities of the charitable company's assets and other resources.

The Board meet the Chief Executive and 3 Directors (key management personnel) quarterly to monitor

the charitable company's performance. Performance is measured in a variety of ways including finance and engagement through digital platforms and speaker visits.

Salary levels for key management personnel are set by the Staffing Committee.

### **UBS Global Mission Team**

The charitable company is a founding member of the United Bible Societies (UBS). The UBS comprises over 140 Bible Societies or Offices at work in over 200 countries worldwide, translating, publishing and distributing the Bible. Support for overseas Scripture Projects is channeled via UBS, whose staff help to ensure that the projects are carried out. Any enquiries relating to the work of the UBS should be addressed to the Secretary General, United Bible Societies, Stonehill Green, Westlea, Swindon, SN5 7DG.

### **Reference and administrative details**

Details of the charitable company's current trustees, officers and advisers, together with contact details, company and charity numbers are detailed at the front of this report and financial statements.

During the year, the following changes in directors and officers occurred;

#### **Trustee**

Rev Dr Alistair Donald	retired 1 June 2017
Mrs Alison Walker	retired 1 June 2017
Mr Mark Adderly	resigned 15 March 2018
Rev Diana Hall	appointed 21 February 2017
Mr Gregor Innes	appointed 21 February 2017
Mrs Kirsty Mitchell	appointed 20 January 2017
Mr Robin Downie	died 10 April 2018

### **Trustees' Responsibilities in respect of the Financial Statements**

The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare finan-

cial statements for each financial year which 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 income and expenditure for that period.

In preparing those 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;
- make judgments and 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; and
- 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 (as amended), the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 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.

### **Statement of disclosure of information to the auditor**

In so far as the trustees are aware:

- there is no relevant information of which the charitable company's auditor is unaware, and
- the trustees have taken all the steps they ought to have taken to make themselves aware of any

relevant audit information, and to establish that the auditor is aware of the information.

### **Auditors**

Messrs Scott-Moncrieff, Chartered Accountants, is the auditor of the charitable company and is deemed to be reappointed under section 487(2) of the Companies Act 2006.

The above report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

### **Conclusion**

The charitable company continues to flourish through the generous support of individuals, churches and organisations. This has enabled us to continue with our support of other Bible Societies and to respond to Bible needs both at home and abroad. The 'Bibleworld Books' project continues to illustrate that the charitable company is able to offer imaginative ways to assist churches here in Scotland engage with their local community and we look with anticipation to how this project will develop in 2018.

We express our thanks to the Chief Executive and her staff team for the way in which they undertake the fulfilling of our mission.

BY ORDER OF THE BOARD

**Ian Boxall**  
Chairman

*27 April 2018*





## Independent Auditor's Report to the Members and Trustees

*For the year ended 31 December 2017*

### Opinion

We have audited the financial statements of The Scottish Bible Society for the year ended 31 December 2017 which comprise the Statement of Financial Activities (incorporating the Income and Expenditure Account), the Balance Sheet, the Statement of Cash Flows and the 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 to 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 December 2017 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

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 and to the charitable company's trustees, as a body, in accordance with regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Our audit work has been undertaken so that we might state to the charitable company's members, as a body, and the charitable company's trustees, as a body, 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, the charitable company's members, as a body, and the charitable company's trustees, as a body, for our audit work, for this report, or for opinions we have formed.

### 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 United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Conclusion relating to going concern

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

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

### Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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.

### **Opinion on other matter 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 for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

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

In the light of the 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 Trustees' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept, or returns adequate for our audit

have not been received from branches not visited by us; or

- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- The trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption in preparing the Trustees' Report and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report.

### **Responsibilities of the trustees**

As explained more fully in the trustees' responsibilities statement set out on page 10, the trustees (who are the directors for the purposes of company law and trustees for the purposes of charity 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 charity or to cease operations, or have no realistic alternative but to do so.

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

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.



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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

*Scott-Moncrieff*

**Gillian Donald**

**Senior Statutory Auditor**

For and on behalf of Scott-Moncrieff,  
Statutory Auditor

Eligible to act as an auditor in terms of Section  
1212 of the Companies Act 2006

Chartered Accountants

Exchange Place 3  
Semple Street  
Edinburgh  
EH3 8BL

*Date: 27 April 2018*



	Notes	Unrestricted Funds £	Restricted Funds £	TOTAL 2017 £	Unrestricted Funds £	Restricted Funds £	TOTAL 2016 £
<b>Income from:</b>							
Donations and legacies	4	1,223,549	170,203	1,393,752	1,063,697	239,339	1,303,036
Charitable activities	4	9,567	-	9,567	15,331	-	15,331
Other income	4	27,424	-	27,424	28,339	-	28,339
Investments		102,044	-	102,044	94,843	-	94,843
<b>Total income</b>		<b>1,362,584</b>	<b>170,203</b>	<b>1,532,787</b>	<b>1,202,210</b>	<b>239,339</b>	<b>1,441,549</b>
<b>Expenditure on:</b>							
Fundraising	5	218,174	40,114	258,288	218,223	38,287	256,510
Charitable activities	6	957,870	159,226	1,117,096	901,303	164,230	1,065,533
<b>Total expenditure</b>		<b>1,176,044</b>	<b>199,340</b>	<b>1,375,384</b>	<b>1,119,526</b>	<b>202,517</b>	<b>1,322,043</b>
<b>Net income/(expenditure) before investment gain</b>		<b>186,540</b>	<b>(29,137)</b>	<b>157,403</b>	<b>82,684</b>	<b>36,822</b>	<b>119,506</b>
Net gains on investments		187,980	-	187,980	319,598	-	319,598
<b>Net income/(expenditure) after investment gain</b>		<b>374,520</b>	<b>(29,137)</b>	<b>345,383</b>	<b>402,282</b>	<b>36,822</b>	<b>439,104</b>
Transfers between funds	22 & 23	28,108	(28,108)	-	(45,732)	45,732	-
<b>Net movement in funds</b>		<b>402,628</b>	<b>(57,245)</b>	<b>345,383</b>	<b>356,550</b>	<b>82,554</b>	<b>439,104</b>
<b>Reconciliation of funds:</b>							
Total funds brought forward 1 January 2017		3,829,448	114,755	3,944,203	3,472,898	32,201	3,505,099
<b>Total funds carried forward</b>		<b>4,232,076</b>	<b>57,510</b>	<b>4,289,586</b>	<b>3,829,448</b>	<b>114,755</b>	<b>3,944,203</b>

*There are no other gains and losses other than those included in the Statement of Financial Activities. All activities of the charity relate to continuing operations.*

*The notes on pages 16 to 30 form part of these financial statements.*



## The Scottish Bible Society – Balance Sheet

as at 31 December 2017

	Notes	2017 £	2016 £
<b>FIXED ASSETS</b>			
Tangible assets	12	659,480	673,355
Investments	13	3,204,438	3,016,344
<b>TOTAL FIXED ASSETS</b>		<b>3,863,918</b>	<b>3,689,699</b>
<b>CURRENT ASSETS</b>			
Stock	14	36,502	30,524
Debtors	15	84,129	156,417
Cash at bank and in hand		694,941	478,308
<b>TOTAL CURRENT ASSETS</b>		<b>815,572</b>	<b>665,249</b>
<b>LIABILITIES</b>			
Creditors: Amounts falling due within one year	17	(64,904)	(90,745)
<b>NET CURRENT ASSETS</b>		<b>750,668</b>	<b>574,504</b>
Provisions for liabilities	18	(325,000)	(320,000)
<b>TOTAL NET ASSETS</b>		<b>4,289,586</b>	<b>3,944,203</b>
The funds of the charity:			
Unrestricted funds	22	4,232,076	3,829,448
Restricted funds	23	57,510	114,755
<b>TOTAL CHARITY FUNDS</b>		<b>4,289,586</b>	<b>3,944,203</b>

The financial statements have been prepared in accordance with the provisions applicable to companies' subject to the small companies' regime. The financial statements were approved and authorised for issue by the Trustees on 27 April 2018 and signed on their behalf by:

**Ian Boxall**  
Chairman

Registered company number SC238687

*The notes on pages 16 to 28 form part of these financial statements.*

# The Scottish Bible Society

## Statement of Cash Flows

For the year ended 31 December 2017

	Note	2017 £	2016 £
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>	24	<b>129,097</b>	<b>179,991</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Investment income		102,044	94,843
Purchase of tangible fixed assets		(14,397)	(4,164)
Proceeds from sale of investments		53,985	200,573
(Increase) in cash reserves in investments		(54,096)	(7,858)
Purchase of investments		-	(192,713)
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>		<b>87,536</b>	<b>90,681</b>
<b>CHANGE IN CASH AND CASH EQUIVALENTS IN THE REPORTING PERIOD</b>		<b>216,633</b>	<b>270,672</b>
<b>CASH AT THE BEGINNING OF THE REPORTING PERIOD</b>		<b>478,308</b>	<b>207,636</b>
<b>CASH AT THE END OF THE REPORTING PERIOD</b>		<b>694,941</b>	<b>478,308</b>

*The notes on pages 16 to 28 form part of these financial statements.*





## The Scottish Bible Society Notes to the Financial Statements

*For the year ended 31 December 2017*

### 1 GENERAL INFORMATION

These financial statements are presented in pounds sterling (GBP) as that is the currency in which the charitable company's transactions are denominated. They comprise the financial statements of The Scottish Bible Society.

The principal activity of The Scottish Bible Society is to improve the worldwide availability and accessibility of the Bible and to promote and facilitate its use. All its activities are intended to result in greater awareness, readership and understanding of the Bible.

The Scottish Bible Society is a charitable company limited by guarantee incorporated in the United Kingdom and registered in Scotland. It is recognised as a charity for tax purposes by HMRC and is registered with the Office of the Scottish Charity Regulator (OSCR) under charity number SC010767. In the event of the winding up of the charity, a member is liable to contribute a sum not exceeding £1. Details of the registered office and company registration number can be found on page 2 of these financial statements.

### 2 ACCOUNTING POLICIES

#### *a) Basis of preparation*

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ("FRS 102") (United Kingdom Generally Accepted Accounting Practice), the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)', Update Bulletin 1 to the SORP published in February 2016, the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

The Scottish Bible Society meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost unless otherwise stated in the relevant accounting policy.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires trustees to exercise their judgement in the process of applying the accounting policies. Use of available information and application of judgement are inherent in the formation of estimates. Actual outcomes in the future could differ from such estimates. Areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

The principal accounting policies applied in the preparation of these financial statements are noted below. These policies have been applied consistently to all the years presented in dealing with items which are considered material in relation to the charitable company's financial statements unless otherwise stated.

#### *b) Going concern*

The trustees are of the opinion that the charitable company can continue to meet its obligations as they fall due for the foreseeable future. The charitable company has a healthy cash and investment position to support any continuing expenditure. As a consequence, the trustees have prepared the financial statements on the going concern basis.

#### *c) Recognition and allocation of income*

Income is recognised when the charitable company has legal entitlement to the funds, the receipt is prob-

able and the amount can be measured reliably.

Where there are performance conditions attached to any grants and donations, income is recognised when the conditions have been met or when meeting the conditions are within the charity's control and there is sufficient evidence that they have been met or will be met.

Where a grant condition allows for the recovery of any unexpended grant, a liability is recognised when repayment becomes probable. Where there are terms placed on income that limit the charity's discretion over how that income can be used, that income is shown as restricted income in the accounts.

Gift aid is treated as part of the related gift unless the donor or terms of appeal have specified otherwise and is credited when receivable.

Entitlement to legacy income exists when the charitable company has sufficient evidence that a gift has been left, the executor is satisfied that the gift will not be required to satisfy claims on the estate and any conditions are within the control of the charity or have been met. Where legacies have been notified to the charity and the criteria for income recognition haven't been met, the legacy is treated as a contingent asset and disclosed if material. Legacy income is measured at fair value, generally the cash amount receivable.

Interest receivable is recognised using the effective interest rate applicable to the asset and dividend income is recognised when the right to receipt is established and is measured at fair value, generally the transaction value.

#### *d) Recognition and allocation of expenditure*

Expenditure is recognised when the charitable company has entered into a legal or constructive obligation. Where possible, expenditure is attributed directly to the function to which it relates. The allocation of support costs is shown in Note 8.

Costs of generating funds comprises those costs which are associated with the generation of income from sources other than from undertaking charitable activities, and includes fundraising, trading and investment management costs.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its charitable activities and services. Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include costs linked to the strategic management of the charity.

#### *e) Funds*

Restricted funds are those which have been given to the charitable company for use in accordance with the wishes of the donor, commonly where donations are received for the purchase of a specific fixed asset or when funds have been raised for a particular restricted purpose.

Unrestricted funds are available for use at the discretion of the trustees. In order to ensure that funds are available for specific projects, certain funds are set aside and designated by the trustees into separate funds.

#### *f) Fixed assets*

Tangible fixed assets are stated at cost less accumulated depreciation and impairment losses.

Depreciation is provided on all tangible fixed assets at a rate calculated to write off the cost/valuation on a straight-line basis, less estimated residual value of each asset over its expected useful life as follows:

Buildings	50 years	Bibleworld trailer and exhibition	9 years
Fixtures, fittings and equipment	4 to 10 years	Computer equipment	3 to 5 years
Motor vehicles	3 to 4 years		

The charitable company reviewed the remaining useful lives of fixed assets at 31 December 2013 and con-



cluded that the Bibleworld trailer and exhibition would remain in use for an additional 3 years. Their book values were being depreciated to an estimated residual value over three years to the end of 2016.

**g) Investments**

Quoted investments are stated at fair value at the reporting date. Gains and losses arising on revaluation are recognised in the Statement of Financial Activities (incorporating the Income and Expenditure Account) in the period in which they arise.

**h) Stock**

Stock is shown at the lower of cost and net realisable value.

**i) Pensions**

Contributions are charged to the Statement of Financial Activities (incorporating the Income & Expenditure Account) as they become payable and are all on a defined contribution basis and paid to a pension fund of each employee's choice. The pension scheme operator changed during 2016 to become compliant with new Auto-enrolment Regulations.

**j) Taxation**

No taxation is provided for as all the income of the charitable company's activities falls within the exemptions of sections 466 to 493 of the Corporation Tax Act 2010 (CTA 2010).

**k) VAT**

The charitable company is registered for VAT. As the charitable company has partial exemption status, any irrecoverable VAT is charged to the expense code to which it relates.

**l) Financial assets and financial liabilities**

The charitable company has financial assets and liabilities of basic forms and these are included initially in the accounts at transactional value (i.e. cost). At the end of the reporting period, basic financial instruments are measured at amortised cost using the effective interest rate. Investments in shares which can be publicly traded have been measured at fair value using market value.

Financial instruments are classified as either 'basic' or 'other' in accordance with Chapter 11 of FRS102.

**m) Cash and cash equivalents**

Cash and cash equivalents consist of cash on hand and balances with banks and are measured at fair value.

**n) Debtors**

Trade debtors are amounts due from customers for sales of books and resources or occasionally services performed. Trade debtors are recognised at the undiscounted amount of cash receivable, which is normally invoice price, less any allowances for doubtful debts.

**o) Creditors**

Trade creditors are obligations to pay for goods or services that have been acquired. They are recognised at the undiscounted amount owed to the supplier, which is normally the invoice price.

### **3 CRITICAL JUDGEMENTS AND ESTIMATES**

The estimates and assumptions with a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are:

Legacy income is measured at fair value, but where part of a legacy left to the charity includes property or shares to be sold, judgement is used to estimate the amount receivable.



## 4 INCOME

### (a) Donations and legacies

	Unrestricted Funds		Restricted Funds	TOTAL 2017	TOTAL 2016
	General	Designated			
	£	£	£	£	£
Donations	600,914	-	170,203	771,117	759,411
Legacies	622,635	-	-	622,635	543,625
	<u>1,223,549</u>	<u>-</u>	<u>170,203</u>	<u>1,393,752</u>	<u>1,303,036</u>

### (b) Charitable activities

	Unrestricted Funds		Restricted Funds	TOTAL 2017	TOTAL 2016
	General	Designated			
	£	£	£	£	£
Sale of Bible resources	7,981	-	-	7,981	10,972
Bibleworld fees	-	-	-	-	3,900
Other fees	1,586	-	-	1,586	459
	<u>9,567</u>	<u>-</u>	<u>-</u>	<u>9,567</u>	<u>15,331</u>

### (c) Other income

	Unrestricted Funds		Restricted Funds	TOTAL 2017	TOTAL 2016
	General	Designated			
	£	£	£	£	£
Rental income of surplus property	27,424	-	-	27,424	28,339
	<u>27,424</u>	<u>-</u>	<u>-</u>	<u>27,424</u>	<u>28,339</u>

## 5 RAISING FUNDS

	Unrestricted Funds		Restricted Funds	TOTAL 2017	TOTAL 2016
	General	Designated			
	£	£	£	£	£
Staff costs	106,948	-	15,375	122,323	120,594
Costs of appeals	43,362	-	24,739	68,101	71,500
Investment management	16,613	-	-	16,613	18,435
Support costs (note 8)	51,251	-	-	51,251	45,981
	<u>218,174</u>	<u>-</u>	<u>40,114</u>	<u>258,288</u>	<u>256,510</u>



## 6 CHARITABLE ACTIVITIES

	Unrestricted Funds		Restricted Funds	TOTAL 2017	TOTAL 2016
	General	Designated			
	£	£	£	£	£
National Ministries (note (a))	433,855	-	21,785	455,640	397,353
International Projects (note (b))	254,361	-	137,441	391,802	404,307
Information (note (c))	269,654	-	-	269,654	263,873
	<b>957,870</b>	<b>-</b>	<b>159,226</b>	<b>1,117,096</b>	<b>1,065,533</b>

### (a) *National Ministries*

The cost of promoting the distribution and use of the Scriptures in Scotland.

	General	Designated	Restricted	TOTAL 2017	TOTAL 2016
	£	£	£	£	£
Cost of providing Bible & resources	74,479	-	-	74,479	85,630
Bibleworld	83,566	-	-	83,566	96,976
Other Ministries	211,459	-	21,785	233,244	157,624
Support costs (note 8)	64,351	-	-	64,351	57,123
<b>TOTAL</b>	<b>433,855</b>	<b>-</b>	<b>21,785</b>	<b>455,640</b>	<b>397,353</b>

### (b) *International Projects*

The amounts spent on overseas translation, production and distribution projects, and other costs associated with the charitable company's support of the work of the United Bible Societies (UBS) were as follows:

	General	Designated	Restricted	TOTAL 2017	TOTAL 2016
	£	£	£	£	£
Project grants (note 7)	193,259	-	137,441	330,700	343,316
Direct costs	37,771	-	-	37,771	38,533
Support costs (note 8)	23,331	-	-	23,331	22,458
<b>TOTAL</b>	<b>254,361</b>	<b>-</b>	<b>137,441</b>	<b>391,802</b>	<b>404,307</b>

(c) *Information*

Information represents the cost of informing the Christian public of our activities, primarily so that we might harness the power of their prayers for all the work we do. It also includes the cost of generally educating the Scottish public about the Bible; its nature, its contents, its place in our culture, its history, its contemporary relevance, its reliability and power.

	General	Designated	Restricted	TOTAL 2017	TOTAL 2016
	£	£	£	£	£
Staff costs	146,445	-	-	146,445	146,046
Direct costs	60,879	-	-	60,879	61,737
Support costs (note 8)	62,330	-	-	62,330	56,090
<b>TOTAL</b>	<b>269,654</b>	<b>-</b>	<b>-</b>	<b>269,654</b>	<b>263,870</b>

## 7 GRANTS PAYABLE

The charitable company's overseas work is largely carried out through the United Bible Societies fellowship (UBS). Each year UBS seeks to match funding from those Societies that can raise funds with the financial needs of those Societies that cannot raise enough.

In 2017, the charitable company raised funds through appeals for the Cambodia, Haiti, Jordan, Malawi and Peru. In addition funds were raised for ongoing translation work in many countries.

The charity's intention for 2018 is to raise funding which will be used to support projects in China, Cuba, Iraq, Malawi and Uganda as well as continuing to provide valuable funding for ongoing translation work in many other countries.

	Unrestricted Funds	Restricted Funds	TOTAL 2017	TOTAL 2016
	£	£	£	£
<b>World grants paid in year:</b>				
BS Iraq	-	15,000	15,000	26,668
BS Brazil	-	-	-	26,668
China	-	-	-	56,670
BS Malawi	-	26,600	26,600	28,335
BS Nepal	-	-	-	12,334
BS Uganda	-	-	-	12,300
BS Ukraine	-	-	-	26,668
BS Azerbaijan	40,000	-	40,000	-
BS Cambodia	13,491	13,109	26,600	-
BS Haiti	9,527	17,073	26,600	-
BS Jordan	4,788	21,812	26,600	-
BS Kenya	-	9,000	9,000	-
BS Peru	7,953	18,647	26,600	-
WDP	-	11,200	11,200	12,334
Smaller grants	52,500	5,000	57,500	36,669
UBS stewardship	60,000	-	60,000	64,670
	<b>188,259</b>	<b>137,441</b>	<b>325,700</b>	<b>303,316</b>
<b>Add: increase in provision</b>	<b>5,000</b>	<b>-</b>	<b>5,000</b>	<b>40,000</b>
	<b>193,259</b>	<b>137,441</b>	<b>330,700</b>	<b>343,316</b>



## 8 SUPPORT COSTS

Support costs are indirect expenses which are allocated across the different activities of the charitable company, fundraising, national ministries, international projects and information by reference to appropriate 'drivers' such as salary allocation, office space utilised, analysis of postage etc.

A further adjustment is made between fundraising and information support costs in recognition of the cross-over between these activities. Therefore fundraising support costs consists of 50% of calculated fundraising support costs and 40% information support costs. Information support consists of 50% fundraising costs and 60% information support costs.

	<b>Fundraising</b>	<b>National Ministries</b>	<b>Intl Projects</b>	<b>Info</b>	<b>TOTAL 2017</b>	<b>TOTAL 2016</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Property	10,019	-	-	12,442	22,461	16,824
Postage & stationery	3,090	-	-	3,505	6,595	8,334
Administration	25,743	50,574	9,554	31,229	117,100	101,730
Governance (note 8)	12,399	13,777	13,777	15,154	55,107	54,764
	<b>51,251</b>	<b>64,351</b>	<b>23,331</b>	<b>62,330</b>	<b>201,263</b>	<b>181,652</b>

## 9 GOVERNANCE COSTS

	<b>TOTAL 2017</b>	<b>TOTAL 2016</b>
	<b>£</b>	<b>£</b>
Auditor's remuneration		
- Audit fees	9,117	8,674
Legal & professional fees	2,100	3,160
Staff costs attributed to governance	37,760	36,361
Office costs attributable to governance	6,130	6,569
	<b>55,107</b>	<b>54,764</b>

Governance costs have been split across Fundraising and the Charitable Activities (national ministries, international projects and information). A similar split was used in 2016. This is because Governance costs apply to all areas of activity in similar measure.

Governance costs also include the charitable company's involvement within the UBS fellowship and its global operations.

## 10 TRANSACTIONS WITH RELATED PARTIES & TRUSTEES

Trustees all give of their time and expertise without any form of remuneration or other benefit in cash or kind (2016: £nil). Expenses paid to the trustees during the year amounted to £nil (2016: £nil).

During the year 3 trustees donated £854 to the charitable company's general fund (2016: 3 trustees donated £573)

Mr Richard Atkinson, a trustee, is also a director of Maxi Group Limited and has an interest in its shares. During the previous year, the charitable company used Maxi Group subsidiary companies to transport its Bibleworld trailer and for storage of certain books. The charitable company paid Maxi group £9,001 for these services in 2016; £nil in 2017. At 31 December 2017 the Society owed Maxi Group £nil (2016; £1,274).



## 11 STAFF COSTS

	2017 £	2016 £
Wages and salaries	506,653	513,348
Social Security costs	46,999	39,843
Employer's contribution to defined contribution pension scheme	42,886	39,949
	<b>596,538</b>	<b>593,140</b>
The average number of employees was 17 (corresponding full time equivalent 17):		
Charitable activities	5	6
Communications and fundraising	7	8
Finance and administration	5	5
	<b>17</b>	<b>19</b>

During 2016, the charitable company changed its pension payment policy; increasing employer contributions in order to encourage more employee participation. The charitable company is fully compliant with auto-enrolment regulations and all staff are enrolled and participating in a personal pension scheme.

No employee received remuneration amounting to more than £60,000 in either year.

The key management personnel of the Society comprises of the Chief Executive and the members of the Management Team: Director of National Ministries, Director of Communications and Director of Finance & Administration. The employee remuneration, employer's national insurance and pensions for key management totalled £242,189 (2016: £231,148).

## 12 FIXED ASSETS – Tangible assets

	Property £	Mobile Bibleworld £	Equipment £	Motor vehicles £	TOTAL 2017 £
Cost: At 1 January 2017	921,420	190,856	153,507	9,995	1,275,778
Additions	-	-	14,397	-	14,397
Disposals	-	-	(32,799)	-	(32,799)
At 31 December 2017	<b>921,420</b>	<b>190,856</b>	<b>135,105</b>	<b>9,995</b>	<b>1,257,376</b>
Aggregate depreciation:					
At 1 January 2017	282,359	173,088	136,981	9,995	602,423
Charge for year	18,429	-	9,840	-	28,269
Elimination on disposal	-	-	(32,796)	-	(32,796)
At 31 December 2017	<b>300,788</b>	<b>173,088</b>	<b>114,025</b>	<b>9,995</b>	<b>597,896</b>
Net book value at 31 December 2017	<b>620,632</b>	<b>17,768</b>	<b>21,080</b>	<b>-</b>	<b>659,480</b>
Net book value at 31 December 2016	<b>639,061</b>	<b>17,768</b>	<b>16,526</b>	<b>-</b>	<b>673,355</b>



## 13 INVESTMENTS

	2017 £	2016 £
Quoted investments	3,096,182	2,962,184
Cash	108,156	54,060
Subsidiary undertakings	100	100
	<u>3,204,438</u>	<u>3,016,344</u>

The subsidiary company, SBS Publishing (nt:sport) Limited was incorporated on 20 August 2004 with an issued share capital of 100 shares of £1 each. It was dormant during the year and the previous year. The charitable company has not prepared consolidated financial statements because the amounts involved are not material.

The subsidiary is registered at Bible House, 7 Hampton Terrace, Edinburgh, EH12 5XU.

	2017 £	2016 £
Fair value at 1 January 2017	2,962,184	2,650,446
Additions at cost	-	192,713
Disposals at opening fair value	(53,969)	(157,287)
Unrealised (losses)/gains on investments	187,967	276,312
<b>Fair value at 31 December 2017</b>	<b><u>3,096,182</u></b>	<b><u>2,962,184</u></b>
Historical cost at 31 December 2017	<u>1,861,622</u>	<u>1,890,902</u>

## 14 STOCKS

	2017 £	2016 £
Bible resources held for resale	<u>36,502</u>	<u>30,524</u>

£7,529 of stock was recognised as an expense in the year. (2016: £25,874).

## 15 DEBTORS AND PREPAYMENTS

	2017 £	2016 £
Trade debtors	4,183	3,551
Legacies receivable	32,363	101,141
Tax recoverable; gift aid & VAT	14,419	10,909
Other debtors	12,525	19,362
Prepayments & accrued income	20,639	21,454
	<u>84,129</u>	<u>156,417</u>

## 16 FINANCIAL ASSETS AND LIABILITIES

	2017 £	2016 £
Financial assets at fair value	3,096,182	2,962,184
Financial assets at amortised cost	852,168	567,490
Financial liabilities at amortised cost	(46,721)	(73,513)
	<b>3,901,629</b>	<b>3,456,161</b>

Financial assets at fair value comprise of listed investments which are measured at market value.

Financial assets at amortised cost comprise of trade debtors, other debtors, accrued income and cash, all due within one year.

Financial liabilities comprise of trade creditors, other creditors and accrued expenses, all due within one year.

## 17 CREDITORS: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	33,600	18,312
Other creditors	50	50
Taxes and social security costs	18,183	17,232
Amount due to subsidiary company	134	134
Accruals & deferred income	12,937	55,017
	<b>64,904</b>	<b>90,745</b>

## 18 PROVISIONS

	2017 £	2016 £
Provision for future UBS pledge	325,000	320,000
	<b>325,000</b>	<b>320,000</b>

A provision is recognised for the anticipated pledge that will be paid to UBS in the following year. (Appeals will be launched in the following year to raise income to meet the pledge).

## 19 ANALYSIS OF NET ASSETS AMONG FUNDS

The fund balances at 31 December 2017 are represented by:

	General funds £	Designated funds £	Restricted funds £	Total £
Fixed assets	-	659,480	-	659,480
Investments	-	3,204,438	-	3,204,438
Net current assets	693,158	-	57,510	750,668
Provisions	-	(325,000)	-	(325,000)
As at 31 December 2017	<b>693,158</b>	<b>3,538,918</b>	<b>57,510</b>	<b>4,289,586</b>



## 20 CONTINGENT ASSETS

At 31 December 2017 there were no contingent assets. In 2016, a potential legacy entitlement of around £370,000 was noted. The actual amount received was £390,483.

## 21 ULTIMATE CONTROLLING PARTY

In the opinion of the trustees there is no ultimate controlling party.

## 22 UNRESTRICTED FUNDS

	Opening balance at 1 Jan 2017 £	Incoming resources £	Outgoing resources £	Transfers £	Closing balance at 31 Dec 2017 £
<b>GENERAL;</b>					
General Fund	459,750	1,362,584	(1,147,775)	18,599	693,158
<b>DESIGNATED;</b>					
Capital Fund	3,689,698	187,980	(28,269)	14,509	3,863,918
UBS Provision	(320,000)	-	-	(5,000)	(325,000)
<b>TOTAL</b>	<b>3,829,448</b>	<b>1,550,564</b>	<b>(1,176,044)</b>	<b>28,108</b>	<b>4,232,076</b>

### Description of Funds

#### *Capital Fund*

The Capital Fund represents (a) amounts retained to fund the depreciation of certain long-term tangible fixed assets and (b) exceptional income or gains of prior years which the trustees at that time determined should be held as fixed asset investments either for the generation of future investment income or for other special purposes. The Board considered that the value of this fund should equal the net book value of fixed assets and market value of investments at the Balance Sheet date.

#### *UBS Provision*

See note 18 for details. Should this provision become payable, the cost would be met from the Capital Fund, predominately through the sale of investments.



## 23 RESTRICTED FUNDS

FUND	Opening balance at 1 Jan 2017 £	Incoming resources £	Outgoing resources £	Transfers £	Closing balance at 31 Dec 2017 £
Iraq	8,255	-	-	-	8,255
Malawi	-	40,396	(34,680)	-	5,716
Legacies	65,354	-	(21,815)	-	43,539
Others	41,146	129,807	(142,845)	(28,108)	-
<b>TOTAL</b>	<b>114,755</b>	<b>170,203</b>	<b>(199,340)</b>	<b>(1,320)</b>	<b>57,510</b>

### Description of Funds

Major funds for projects by overseas Bible Societies are shown individually if the amount brought forward at the start of the year together with fund income raised during the year exceeds £5,000.

Amounts carried forward at the end of the year represent donations received, net of relevant costs, and major project costs being incurred by the relevant Bible Society. (In many cases these are multi-year projects). Since the year end all carried forward funds for overseas Bible Societies have been remitted to UBS to be held for the credit of those Bible Societies.

A restricted legacy totalling £65,354 was received during 2016. This legacy is for children's work in Scotland and will be expensed over the course of 2017, 2018 and 2019.



## 24 RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2017 £	2016 £
Net income/(expenditure) for the year	345,383	439,104
Adjustments for:		
Depreciation charges	28,269	32,310
Gains on investments	(187,980)	(319,598)
Investment income	(102,044)	(94,843)
(Increase)/decrease in stock	(5,978)	23,738
Decrease in debtors	72,288	16,168
(Decrease)/increase in creditors	(25,841)	43,112
Increase/(decrease) in provisions	5,000	40,000
<b>Net cash provided by/(used in) operating activities</b>	<b>129,097</b>	<b>179,991</b>

## 25 INCOME AND EXPENDITURE IN RELATION TO THE MACLELLAN FOUNDATION

During the year £nil (2016: £199,648) was received from The Maclellan Foundation to be paid out to charities as selected by The Maclellan Foundation. These amounts were excluded from the 2016 income and expenditure of the Society in accordance with the requirements of the Statement of Recommended Practice 2015.

At the year-end £nil (2016: £39,649) was included in the bank balance. (In 2016, the balance of £39,649 was held in the Restricted Reserve Fund).





**2 out of 3 children in Peru live in poverty, with as many as 25% of all children suffering from malnutrition.**

The Peruvian Bible Society is helping thousands of children each year, providing them food and spiritual guidance. Children attend a “Bread of Life” group either before or after going to school. They receive a good quality, filling meal. For some children, it may be the only meal of the day. Each child also receives a colourful Bible storybook telling them about the life of Jesus, and explaining to them that He loves each and every one of them.

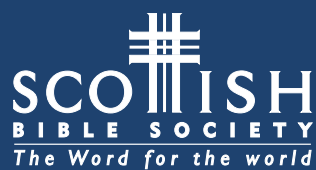
This project is changing children’s lives. Children such as Karina Cabeza (aged 10) who said, “Every day before breakfast we pray and thank God. The Bible teaching every day helps us to know God and his Word better. I go to church every Sunday, taking the Bible I was given by the project. I also like to colour in the Bible portions, to pray and recite Bible verses. I thank God, the Peruvian Bible Society and all the believers who make it possible for the children in my community to have this tasty breakfast, which is all we have to eat before we go to school”.

“I am the bread of life. Whoever comes to me will never go hungry, and whoever believes in me will never be thirsty.”

JOHN 6:35 (NIV)

*The front cover photograph and images shown here were captured during a visit to the Peruvian Bible Society by Elaine Duncan, Chief Executive of the Scottish Bible Society. We appealed for funds for the Bread of Life in April 2017.*





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