

# **Scripture Gift Mission (Incorporated)**

## **Financial Statements 2015**

**Company number**      145932

**Charity number**      219055

# Contents

	<b>Page</b>
Report of the Trustees for the year ended 31 December 2015 .....	3
Objectives and activities.....	3
Achievements and performance .....	3
Structure, governance, and management.....	7
Reference and administrative details .....	9
Trustees' responsibilities in relation to the financial statements.....	10
Disclosure.....	10
Independent auditor's report to the members of Scripture Gift Mission (Incorporated).....	11
Statement of financial activities .....	13
Balance sheet.....	14
Statement of cash flows.....	15
Notes to the financial statements.....	16

## **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2015**

The trustees are pleased to present their annual report together with the financial statements of the charity for the year ended 31 December 2015 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 Memorandum and Articles of Association; and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

### **OBJECTIVES AND ACTIVITIES**

The Charity is an inter-denominational Christian organisation, formed to take the Christian Gospel worldwide by the creation and predominantly free distribution of Scripture products and programmes. This is achieved through an International and UK Office in London, which also has close links with legally separate organisations in Australia, Brazil, Canada, India, Indonesia, Kenya, Poland, and USA.

The primary activities of the Charity are outlined below:

- Creation and distribution of Bible literature, with a particular emphasis on free provision of material for Christian workers in poorer communities, worldwide. Resources are created in a wide range of languages, and include many resources focusing on pastoral needs and responding to people in situations of trauma, crisis, or distress.
- Provision of digital resources to give daily access to the Christian Scriptures, in a range of languages; including short films, and social media channels.
- Partnerships with a wide range of other organisations to provide specialist Bible-based programmes, training, and materials for communities-at-risk. Specifically, (a) counselling tools, for use with children who have experienced trauma; (b) life-skills training and curriculum for teenagers; (c) story-telling training for workers in non-literate contexts.
- Ongoing research and development of new resources and programmes, working with local communities to engage with the Christian Scriptures for positive change. Our strategy includes a particular emphasis on engaging young people and 'millennials' (young adults) with issues of social justice, community, economics, and the environment – through the Bible.
- Engagement with individuals, churches, Trusts and other organisations, providing ways for people to support the work of the Charity around the world.

The Trustees confirm that they have complied with their duty per the Charities Act 2011 to have due regard to the Charity Commission's general guidance on Public Benefit.

### **ACHIEVEMENTS AND PERFORMANCE**

Free provision of Bible literature and digital resources remains core to our mission of sharing the Bible's life words around the world. In 2015, we distributed 1.1 million items of Bible literature (booklets and leaflets), in 47 languages, to people in 81 different countries. Just under 35,000 people received daily Scripture resources through our Life Changing Words (LCW) email service, in 12 languages, and 212 countries; that's a total of more than 12 million emails in the year!

## Scripture Gift Mission (Incorporated)

Downloads of our LCW apps reached 26,000 by the end of the year. We also had 17,000 people taking part in the VerseFirst community, through Instagram and Facebook ([www.versefirst.com](http://www.versefirst.com)).

Literature distribution was lower than 2014 (when the WW1 Gospel project provided exceptional opportunities), but showed an increase on 2013. Three new resources were published during the year: *One of Us* (a booklet specifically for people experiencing homelessness); *One Friday*, in partnership with CPO, and [www.onefriday.info](http://www.onefriday.info) (a UK partnership, encouraging churches to tell the Easter story publically and creatively in their communities); and *Rites of Passage* – a series of pew cards and animations, for use at weddings, christenings, and funerals (times when non-church-goers are most likely to encounter church services, and Christian faith).

In addition to these new English language resources, we published 10 new translations during 2015, as well as reprinting 31 titles.

The impact of this distribution is hard to measure precisely – but we gather a great deal of feedback and stories of change, as evangelists, pastors, chaplains, social workers, community activists, teachers – in fact individuals from all walks of life – find ways to share the Bible with others. Many of those we serve are sharing the gospel in contexts of great need: “We are including your booklets in food parcels, as we work in Ukraine. We have limited time to speak with people, so we want to leave them with a way to reflect on God’s Word. Local Christians are continuing to meet with people, to establish churches in war-affected areas”; “We are sharing God’s Word as we visit people in Miami-Dade County Jail, and with homeless people in the neighbourhood area”; “We’re meeting thousands of Afghan people who are coming to New Delhi as hospital patients and students. Here, they are free to hear the Gospel.”; “We are visiting people on the streets, in prisons and hospitals – working with seven different churches here in Chile.” “Five days a week, we bring food and your literature to children and young people living on the streets. One day recently we gave the booklet ‘You Matter’ to a teenager who is an addict, and is living on the street. We left him reading the booklet, lying on the sidewalk – while we went to distribute snacks. In a few minutes, we found him again – he was concentrating hard on reading the booklet. We were able to sit down and talk, and our conversation grew from there. Thank you for the opportunity to say ‘You Matter’ to hearts that have suffered here in Colombia!” We share stories of impact regularly through the year in our termly magazine (Interact) and in monthly emails, available at [www.sgmlifewords.com](http://www.sgmlifewords.com).

Our Bible-based programme work continued around the world, as teams delivered training and resources for Pavement Project (counselling children and young people at-risk), Choose Life (teaching life skills and decision-making with teenagers), and The Visible Story (equipping Indonesian pastors to share the gospel in rural, slum, and non-literate communities). We also continued to run and grow RISE Bible Clubs in High Schools across Kenya. Highlights of 2015 included the extension of Pavement Project to new locations in Ecuador, Guatemala, and Tanzania. We also conducted 10 ‘mobile missions’ in Indonesia, taking training and programmes to rural locations – in addition to work based in Jakarta.

During 2015 we raised funds for new Pavement Project green bags – both recycling old bags that had not been used (and needed new language contents), and making our first complete new bags since 2000. 120 new bags were created for workers in Brazil; 20 for East Africa; 105 for Spanish-speaking Latin America; and 60 for India.

## **Financial review**

Incoming resources were £1,422,954, a decrease of £271,846 (16%) on the previous year. This reflects lower donations and grants (a decrease of £107,264 on 2014) and lower legacy income (a decrease of £152,624 on 2014). The financial statements show that 64% of income came from donations and grants [2014: 60%], 33% from legacies [2014: 37%], and 3% from literature sales and investment income [2014: 3%]. The Charity spent 90% of total expenditure on developing, producing, and delivering products and programmes in the UK and overseas [2014: 90%]. 10% was spent on raising funds [2014: 10%].

During the past financial year there was a deficit on ordinary activities of £75,601 [2014: deficit of £2,211]. The net movement in funds, which includes other recognised gains and losses, produced a surplus on the total funds of £168,740 [2014: deficit of £444,619]. This was mainly due to FRS102 actuarial gains on the defined benefit pension scheme of £229,000 [2014: actuarial losses of £500,000].

## **Reserves policy**

The Board has a formal reserves policy which is to hold in reserve sums to cover six to nine months' planned expenditure (currently calculated at £875k-£1,300k) in order to respond to any (unforeseen) change in circumstances and levels of income. Through the approval and management of appropriate budgets the Charity also ensures it is in a position to maximise investment opportunities. Free reserves at 31 December 2015 (calculated as net assets, excluding restricted funds, the pension reserve and property & fixed assets) were £1,693,592 [2014: £1,753,045]. This is slightly above the reserves policy level (taking into account legacies recently notified) and is considered adequate to meet the needs of the Charity.

## **Investment policy**

The Trustees wish to pursue on behalf of the Charity an investment policy which provides a balance between income and capital growth with a medium level of risk over the longer term, thereby enabling the Trustees to meet their objectives in respect of the requirements of the charity. Designated funds have been invested in the Newton Growth & Income Fund for Charities in line with the above policy. At the end of the year these investments showed cumulative unrealised gains of £300,014 [2014: unrealised gains of £297,765]. The Trustees are satisfied with the current return on capital.

## **Pension fund**

The Charity has two pension schemes. One is a defined contribution scheme with Aegon which is currently open to new members. The second is a defined benefit scheme with Legal & General, which has been closed to new members since 25 March 2003 and closed to new accrual since 23 May 2012; and which, for the purposes of FRS102, showed a funding deficit of £914,600 [2014: deficit of £1,195,400]. The corresponding asset / liability does not result in an immediate cash flow impact on the Charity. In September 2014 the Trustees put in place a contingent asset security agreement with the trustees of the defined benefit pension scheme (on a property currently valued at £835,084) to strengthen the employer covenant and to give the pension trustees greater financial security over the assets of the employer. A full triennial actuarial valuation of the pension fund as of 6 April 2016 is currently under way. If necessary, the Recovery Plan will be adjusted to take account of the result of this valuation. Contributions to the pension plan are met through additional contributions from the Charity. The pension liability is therefore excluded

from the free reserves calculation. Details of the retirement benefit schemes are disclosed in Note 19 to the financial statements.

### **Plans for future periods**

With the steady growth of VerseFirst numbers (following a UK launch of the programme in summer 2015), we plan to complete work on a new website, for launch in the first half of 2016. This will allow us to continue to build the community of young people engaging with the Bible through art and visual images; to invite more young people to contribute; and to launch 'deeper' reading initiatives (after some research and experimentation in 2015, with this youth audience). We also plan to work with young people to identify ways in which the Bible may be used to speak to issues of self-harm, depression, and anxiety – beginning with a new Little Book resource in 2016. We are working with youth agency partners for this project.

Having raised funds in 2015, we plan to open a Training Base in Jakarta in 2016, to extend our work in Indonesia. This centre will be a rented unit, providing accommodation for short training courses in mission, evangelism, and the use of the Bible in poor and rural communities. Training opportunities will include use of literature, Pavement Project counselling, and The Visible Story resources.

We also plan to pilot a Pavement Project app in 2016 (having done the necessary research and development in 2015) – something we think could significantly grow the reach and potential of Pavement Project, making it much easier to resource workers, and conduct monitoring and evaluation. If the pilot is successful, we aim to raise funds during 2016 for a full roll-out of the (tablet-based) app in 2017. We are also planning a sizeable expansion of Pavement Project work in India in 2016, through partnership with Compassion India. If this plan goes ahead, we will be able to resource workers in 313 Compassion centres, with a potential to reach 75,000 children a year through Pavement Project trauma counselling.

In terms of literature ministry, we plan to extend our range of language resources in 2016, plugging some 'gaps' in order to provide a consistent range of material in the major languages we feature. We are particularly focusing on Indian languages, and on language resources to support work and ministry with refugee communities arriving in Europe.

Finally, our last major point of focus for the year will be the ongoing development of NINE BEATS, a US-UK project focusing on connecting 'millennials' with Jesus and faith, through the lens of the Beatitudes. This project will draw together musicians, for a Beatitudes-inspired album, as well as providing many ways for young adults to engage in exploration of Jesus' teaching, in online and offline events. We expect the project to go 'live' in 2017, though 'teaser' material will appear at the end of 2016. We are grateful to the Deo Gloria Trust for development funding, towards this initiative; NINE BEATS won first prize in the Trust's Jubilee competition, in the 'evangelism – children and youth' category.

## **STRUCTURE, GOVERNANCE, AND MANAGEMENT**

### **Governing document**

Scripture Gift Mission (Incorporated) is a company limited by guarantee and a registered charity governed by its Memorandum and Articles of Association dated 30 December 1916, and altered by subsequent special resolutions, the most recent being dated 23 June 2011. Anyone over the age of 18 can become a member of the Company and there are currently 73 members [2014: 74], each of whom agrees to contribute £1.05p in the event of the winding up of the Company.

### **Organisation**

The Board administers the Charity and meets at least four times a year. To facilitate effective operations, the Board has appointed an Executive Director who has authority, within terms of delegation from the Board, for operational matters including finance, employment, and programme-related activity.

The Charity is a member of the **SGM Lifeworlds** global family of organisations. The other members are separately incorporated companies in their respective countries. In 2015, there were agency agreements with member organisations in Australia, Brazil, Canada, Kenya, India, Indonesia, Poland and USA.

### **Appointment of trustees**

Trustees are appointed by the Board or by Ordinary Resolution of members for a three-year term and are eligible for re-election on two successive occasions only. A trustee cannot serve for a period of more than nine years, save with approval by unanimous vote from the Board.

### **Trustee induction and training**

An introductory pack for potential trustees is in use. A programme of preliminary meetings with the Executive Director and Board members (including the Chair) precedes an invitation to attend a Board meeting, prior to an invitation to join the Board. Trustees are offered the opportunity to attend trustee training courses such as those provided by the National Charity Voluntary Organisation (NCVO).

### **Related parties**

The Charity has a number of wholly owned dormant subsidiary companies in which the share capital is unpaid. Only **SGM Lifeworlds Ltd** is likely to be used for the purpose of servicing future commercial needs. This company remained dormant during 2015.

The Finance Director and Company Secretary acts as trustee for the charity Radstock (Eccleston Hall) Trust, which gave a grant of £220,000 to the Charity during the year [2014: £240,000]. He is also a trustee of Childs Charitable Trust which gave a grant of £12,000 to the Charity during the year [2014: £14,000]. Jadan Reeves-Bassett, son of the Creative Director, was paid £2,950 for design services [2014: £375].

One Board member, Keith Bintley, acts as trustee for the charity Stewards Company Ltd, which gave a grant of £75,000 to the Charity during the year [2014: £107,500]. One Board member, Tadeusz Tolwinski, is a member of the Executive Board of the **SGM Lifeworlds Foundation** in Poland, which received grants from the Charity totalling £74,862 [2014: £104,949].

The aggregated total amount of donations received without conditions from key management personnel during the year was £4,119 [2014: £3,113].

### **Pay policy for senior staff**

The Trustees consider the Board of Trustees (who are the Company Directors) and the senior staff with International Office responsibilities, comprise the key management personnel of the charity in charge of directing, controlling, running, and operating the charity on a day to day basis. All Trustees give of their time freely, and no Trustee received remuneration in the year. Details of Trustees' expenses are disclosed in Note 9 of the financial statements.

The pay of all staff, including senior staff, is reviewed annually and normally increased in line with (CPI) inflation, if funds allow. If funding is under pressure, preference is given to lower-paid staff when making any pay awards. Senior staff pay is benchmarked against pay levels in similar organisations (religious/Christian charities of a similar turnover and size) using information from Third Sector pay surveys (published by ACEVO and Global Connections). The remuneration benchmark is the mid-point of the range paid for similar roles. Salaries were last benchmarked in April 2015.

### **Risk management**

The Trustees acknowledge that they have overall responsibility for ensuring that the Charity has an appropriate system of controls, financial and otherwise. Board members are also cognisant of the requirement and responsibility for safeguarding the assets of the Charity and have taken steps towards the implementation of an ongoing process of risk assessment.

The risk management strategy includes:

- An annual review of the risks the Charity may face
- The establishment of systems and procedures to mitigate identified risks
- The implementation of procedures designed to minimise any potential impact on the Charity should these risks materialise

The key risks facing the charity are identified as (a) reliance on legacy income; (b) deficit position of the charity's Defined Benefit Pension Scheme; (c) loss of key management personnel; and (d) loss or damage to reputation (and subsequent loss of support). The Trustees and senior staff have sought to address these risks in 2015 through the development of long-term financial strategy; ongoing management of the Pension Scheme; ongoing development of local Boards and personnel in the associated organisations outside the UK (increasing capacity and reducing the risk of losing key personnel in the UK), as well as establishment of a management team in the UK; and ongoing oversight of creative development, particularly in new areas, with a view to safeguarding reputation.



## REFERENCE AND ADMINISTRATIVE DETAILS

Charity Number:	219055
Company Number:	145932
Registered Office:	1A The Chandlery 50 Westminster Bridge Road London SE1 7QY
Independent Auditor:	Mazars LLP Times House Throwley Way Sutton, Surrey SM1 4JQ
Principal Banker:	Royal Bank of Scotland plc 24 Grosvenor Place London SW1X 7HP
Investment Manager	BNY Mellon Fund Managers Ltd PO Box 12041 Brentwood CM14 9LS

### Key management personnel: Trustees and Directors

The Trustees of the charity are the Directors for the purposes of company law and throughout this report are referred to as “the Board” or “the Trustees”. Board members serving during the year were as follows:

Directors and Trustees	David Morgan	(Chair)
	Keith Bintley	
	Lynn Caudwell	
	Elisabeth Heyburn	
	Gordon Scoble	(retired 31 December 2015)
	Fred Slack	
	Tadeusz Tolwinski	

Company Secretary Eduardo Juan Harris

### Key management personnel: Senior staff

Executive Director	Danielle Welch
Creative Director	Steve Bassett
Finance Director	Eduardo Juan Harris

## **TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS**

The Charity Trustees (who are also the Directors for the purposes of company law) are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Charity Trustees to prepare financial statements for each 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 the income and expenditure, of the Charity for that period. In preparing the 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 2015 (FRS102);
- make judgements 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

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

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.

## **DISCLOSURE**

The Trustees confirm that, so far as they are aware, there is no relevant audit information of which the Charity's auditors are unaware, and that they have taken all reasonable steps as charity trustees to make themselves aware of any relevant audit information and to establish that the Charity's auditors are aware of that information.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

Approved by the Board and signed on its behalf by:

David Morgan  
Chair of the Board  
Date: 25 May 2016

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SCRIPTURE GIFT MISSION (INCORPORATED)**

We have audited the financial statements of Scripture Gift Mission (Incorporated) for the year ended 31 December 2015 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

### **Respective responsibilities of trustees and auditors**

As explained more fully in the Trustees' Responsibilities Statement set out on page 10 the Trustees (who are also the Directors of the charity for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors. This report is made solely to the charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body for our audit work, for this report, or for the opinions we have formed.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web-site at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **Opinion on the financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2015 and of the charity's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on the other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; 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.

**Nicola Wakefield (Senior Statutory Auditor)**  
**for and on behalf of Mazars LLP**  
Chartered Accountants and Statutory Auditor

Times House, Throwley Way, Sutton, Surrey, SM1 4JQ

Date: 17 June 2016

**STATEMENT OF FINANCIAL ACTIVITIES**  
for the year ended 31 December 2015

	Notes	Unrestricted Funds		Restricted Funds	Total 2015	Total 2014 (restated) Note 21
		General Fund and Revaluation Reserve	Designated Funds			
<b>Income</b>		£		£	£	£
Donations and grants		511,696	-	401,461	913,157	1,020,421
Legacies		471,667	-	2,000	473,667	626,291
		983,363	-	403,461	1,386,824	1,646,712
Investment income	3	36,092	-	-	36,092	46,130
Other income	4	38	-	-	38	1,958
<b>Total income</b>		<b>1,019,493</b>	<b>-</b>	<b>403,461</b>	<b>1,422,954</b>	<b>1,694,800</b>
<b>Expenditure</b>	5					
Costs of raising funds		158,007	-	-	158,007	163,593
<b>Expenditure on charitable activities</b>						
Providing Bible resources		513,377	30,500	342,223	886,100	1,094,008
Enabling programmes for communities-in-need		304,813	19,500	69,557	393,870	382,230
Strengthening capacity of branches & partners		60,578	-	-	60,578	57,180
		878,768	50,000	411,780	1,340,548	1,533,418
<b>Total expenditure</b>		<b>1,036,775</b>	<b>50,000</b>	<b>411,780</b>	<b>1,498,555</b>	<b>1,697,011</b>
<b>Net expenditure before gains and losses</b>		<b>(17,282)</b>	<b>(50,000)</b>	<b>(8,319)</b>	<b>(75,601)</b>	<b>(2,211)</b>
Realised & unrealised gains on property assets	11	-	-	-	-	3,000
Realised & unrealised gains on investment assets	12	15,341	-	-	15,341	54,592
<b>Net (expenditure)/income</b>		<b>(1,941)</b>	<b>(50,000)</b>	<b>(8,319)</b>	<b>(60,260)</b>	<b>55,381</b>
<b>Other recognised gains/(losses)</b>						
Actuarial gain/(loss) on defined benefit pension scheme	19	229,000	-	-	229,000	(500,000)
<b>Net movement in funds</b>		<b>227,059</b>	<b>(50,000)</b>	<b>(8,319)</b>	<b>168,740</b>	<b>(444,619)</b>
<b>Reconciliation of funds</b>						
Funds brought forward 1 January 2015 as previously stated		955,663	753,944	16,194	1,725,801	2,173,456
Prior year adjustment	2b	(5,340)	-	-	(5,340)	(8,376)
Funds brought forward 1 January 2015 as restated		950,323	753,944	16,194	1,720,461	2,165,080
<b>Funds carried forward 31 December 2015</b>		<b>1,177,382</b>	<b>703,944</b>	<b>7,875</b>	<b>1,889,201</b>	<b>1,720,461</b>

All income and expenditure in each of the above two years are derived from continuing activities. There are no other recognised gains or losses relating to either year.

**BALANCE SHEET**  
at 31 December 2015

		2015	2014 (restated) Note 2b
<b>Fixed assets</b>	<b>Notes</b>	<b>£</b>	<b>£</b>
Tangible assets	10	1,058,834	1,103,122
Investment property	11	43,500	43,500
Investments	12	982,195	1,016,854
<b>Total fixed assets</b>		<b>2,084,529</b>	<b>2,163,476</b>
<b>Current assets</b>			
Debtors	14	332,341	387,595
Short-term deposits		146,565	268,081
Cash at bank and in hand		322,689	241,992
<b>Total current assets</b>		<b>801,595</b>	<b>897,668</b>
<b>Liabilities</b>			
Creditors: amounts falling due within one year	15	(82,323)	(145,283)
<b>Net current assets</b>		<b>719,272</b>	<b>752,385</b>
<b>Net assets excluding pension liability</b>		<b>2,803,801</b>	<b>2,915,861</b>
Defined benefit pension scheme liability	19	(914,600)	(1,195,400)
<b>Total net assets</b>		<b>1,889,201</b>	<b>1,720,461</b>
<b>Represented by:</b>			
<b>Restricted funds</b>	16	<b>7,875</b>	<b>16,194</b>
Unrestricted funds	16		
General fund		1,149,275	1,203,016
Designated funds		1,609,444	1,659,444
Revaluation reserve (property investment)		37,207	37,207
Pension scheme reserve deficit	19	(914,600)	(1,195,400)
<b>Total unrestricted funds</b>		<b>1,881,326</b>	<b>1,704,267</b>
<b>Total charity funds</b>		<b>1,889,201</b>	<b>1,720,461</b>

These financial statements have been prepared in accordance with the special provisions of the Companies Act 2006 relating to small companies.

The notes on pages 16 to 27 form part of these financial statements.

Approved by the Trustees on 19 May 2016 and signed on their behalf by:

David Morgan  
Chair of the Board  
Date: 25 May 2016

**STATEMENT OF CASH FLOWS**  
**at 31 December 2015**

	Notes	2015 £	2014 £
<b>Cash flows from operating activities</b>			
Net income/(expenditure) as per SOFA		168,740	(444,619)
Adjustments for:			
Depreciation		45,537	44,176
Gain on investments		(15,341)	(57,592)
Interest income		(36,092)	(46,130)
Decrease/(increase) in debtors		55,254	(172,126)
(Decrease)/increase in creditors		(62,960)	56,748
<b>Net cash provided by/(used in) operating activities</b>		<b>155,138</b>	<b>(619,543)</b>
<b>Cashflows from investing activities</b>			
Purchase of property plant and equipment		(1,249)	(1,120,514)
Proceeds on disposal of investments		50,000	1,127,482
Dividends and interest from investments		36,092	46,130
<b>Net cash provided by investing activities</b>		<b>84,843</b>	<b>53,098</b>
<b>Cashflows from financing activities</b>			
Movement in defined benefit pension scheme		(280,800)	405,400
<b>Net cash (used in)/provided by financing activities</b>		<b>(280,800)</b>	<b>405,400</b>
Change in cash and cash equivalents in the reporting period		(40,819)	(161,045)
Cash and cash equivalents at the beginning of the reporting period		510,073	671,118
<b>Cash and cash equivalents at the end of the reporting period</b>	20	<b>469,254</b>	<b>510,073</b>

**NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 December 2015**

**1 LEGAL STATUS OF THE CHARITY**

The Charity is a company limited by guarantee having no share capital. At the accounting date there were 73 members. Each member undertakes to contribute such amount as may be required in the event of the winding up of the Charity up to a maximum of £1.05 (one guinea) each.

**2 ACCOUNTING POLICIES**

**a) Basis of preparation**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. The Trustees consider that it is appropriate for the financial statements to be prepared on the going concern basis.

The Charity meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

**b) Reconciliation with previous Generally Accepted Accounting Practice**

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 the restatement of comparative items was required.

At the date of transition in applying the requirement to recognise liabilities arising from employee benefits, a liability was recognised for short-term compensated absence arising from employee entitlement to paid annual leave. The initial liability recognised at the date of transition was for the holiday entitlement carried forward and for the entitlement arising in the year which was due but not taken. The initial liability was for £8,376. No other restatements were required other than the reallocation of governance cost to other expenditure categories. In accordance with the requirements of FRS 102 a reconciliation of opening balances is provided.

Reconciliation of funds and balances	1 January 2014 £	31 December 2014 £
Fund balances as previously stated	2,173,456	1,725,801
Short-term compensated absences	(8,376)	(5,340)
	<hr/>	<hr/>
Fund balances as restated	2,165,080	1,720,461
	<hr/>	<hr/>

**c) Fund accounting**

Unrestricted Funds are funds which are available to use at the discretion of the Board in furtherance of the Charity's charitable objects. There are two designated funds, the first of which is a fund of £905,500 with a corresponding long term liability of the same amount designated as security against the deficit of the defined benefit pension scheme, giving a balance at year end of £nil [2014: £nil]. The second fund of £703,944 is a capital fund for new ministry development [2014: £753,944]. These designated funds were established following the surrender of the lease of the Charity's former offices in 2010. Restricted Funds



## Scripture Gift Mission (Incorporated)

are funds which are used in accordance with restrictions expressed by donors or which have been raised for specific purposes. The details of the appropriate funds in the accounting year are shown at Note 16.

### **d) Income**

All incoming resources are reflected in the financial statements when the Charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. For legacies, entitlement is the earliest date of the Charity being notified of an impending distribution or the legacy being received. No value is included where the legacy is subject to a life interest held by another party. No amounts are included in the financial statements for services donated by volunteers.

### **e) Expenditure**

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the Charity's charitable activities. Where possible, all direct costs have been allocated to the appropriate activity. All other costs have been assigned as support costs.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

### **f) Allocation of support costs**

Support costs are those functions that assist the work of the Charity but do not directly undertake charitable activities. Support costs include general management, finance and IT, premises and facilities, governance costs, and administration costs for the defined benefit pension scheme. These costs have been allocated between cost of raising funds and expenditure on charitable activities. The bases on which support costs have been allocated are set out in note 6.

### **g) Depreciation**

The basis for charging depreciation is that assets are depreciated on a straight line basis to write off the cost of those assets over their estimated useful lives in the Charity's activities.

- Office long-term lease – over 50 years
- Office purchase costs and irrecoverable VAT – over 50 years
- Leasehold improvements and refurbishment – over 10 years
- Equipment, fixtures and fittings – over 5 years
- Computers – over 4 years

### **h) Investment property**

The investment property, which comprises a half share in four freehold blocks of flats is shown at the valuation date of June 2014 (Note 11). The properties are being held jointly with another charity pending vacant possession. At 31 December 2015 the investment property consists of one remaining apartment [2014: one apartment] on which rental income is being received; along with the right to receive ground rent in respect of 15 properties already sold. No depreciation is provided in respect of this property. The rental income from the investment is shown net after expenses, in view of the immaterial amounts involved.

### **i) Fixed asset investments**

Fixed asset investments are stated at market value at the accounting date. All unrealised gains and losses representing the change in value from the previous accounting date are charged against the appropriate fund.

### **j) Stocks**

Printing costs are charged to production costs at the date of purchase, but no account is taken of the stocks of completed or incomplete publications at the end of the accounting period, as these will be given away free of charge (Note 13).

**k) Operating leases**

Rentals applicable to operating leases where substantially all the benefits and risks of ownership remain the lessor's, are charged against income as incurred.

**l) Taxation**

As a registered charity, the Charity has no liability to United Kingdom taxation on its charitable activities.

**m) Pension**

The Charity operates a funded defined benefit pension scheme with Legal & General based on final pensionable salary, which is now closed to new employees and to further accrual. This has been replaced by a defined contribution scheme with Aegon based on individual personal pension funds for new employees. The assets of both schemes are held separately from those of the Charity, being invested with the above insurance companies. Contributions to both schemes are charged to the Statement of Financial Activities so as to spread the cost of pensions over employees' working lives with the Charity. The contributions to the defined benefit scheme are determined on the recommendation of a qualified actuary and to the defined contribution scheme by agreement between the Charity and its employees.

In accordance with FRS102, the SOFA includes: the cost of benefits accruing during the year in respect of current service (charged against net incoming/(outgoing) resources); the expected return on the scheme's assets and the increase in the present value of the scheme's liabilities arising from the passage of time (charged against net incoming/(outgoing) resources); and actuarial losses recognised in the pension scheme (shown within net movement of funds). In accordance with FRS102, the balance sheet includes the deficit in the scheme, taking assets at their year-end market values and liabilities at their actuarially calculated values discounted at year-end AA corporate bonds yield curve. Further details regarding the scheme are disclosed in Note 19.

**n) Foreign currencies**

Foreign currencies have been converted to £ sterling at rates of exchange approximating to those ruling at the Balance Sheet date.

**3 INVESTMENT INCOME**

The Charity's investment income of £36,092 [2014: £46,130] arises from dividends from fixed asset investments (£31,889 [2014: £35,368]), interest bearing deposit accounts (£4,203 [2014: £7,762]) and defined benefit pension scheme net return (£nil [2014: £3,000]).

**4 OTHER INCOME**

The Charity's other income of £38 [2014: £1,958] arises from literature sales and some church display rack sales.

## 5 ANALYSIS OF TOTAL EXPENDITURE

EXPENDITURE	Direct Costs £	Support Costs £	Total 2015 £	Total 2014 (restated) £
Costs of raising funds	81,592	76,415	158,007	163,593
<b>Total cost of generating funds</b>	<b>81,592</b>	<b>76,415</b>	<b>158,007</b>	<b>163,593</b>
<b>Expenditure on charitable activities</b>				
Providing Bible resources	631,388	254,712	886,100	1,094,008
Enabling programmes for communities-in-need	321,701	72,169	393,870	382,230
Strengthening capacity of branches & partners	39,352	21,226	60,578	57,180
<b>Total expenditure on charitable activities</b>	<b>992,441</b>	<b>348,107</b>	<b>1,340,548</b>	<b>1,533,418</b>
<b>TOTAL EXPENDITURE</b>	<b>1,074,033</b>	<b>424,522</b>	<b>1,498,555</b>	<b>1,697,011</b>

## 6 ANALYSIS OF SUPPORT COSTS

	General management £	Premises, Finance & IT £	DB pension admin, legal & finance £	Depreciation £	Governance costs £	Total 2015 £	Total 2014 (restated) £
Cost of generating voluntary income	25,506	20,492	16,755	8,197	5,465	76,415	78,085
Providing Bible resources	85,018	68,306	55,849	27,322	18,217	254,712	263,841
Enabling programmes for communities-in-need	24,089	19,353	15,824	7,741	5,162	72,169	73,924
Strengthening capacity of branches & partners	7,085	5,692	4,654	2,277	1,518	21,226	18,463
<b>Total support costs</b>	<b>141,698</b>	<b>113,843</b>	<b>93,082</b>	<b>45,537</b>	<b>30,362</b>	<b>424,522</b>	<b>434,313</b>

Cost allocation includes an element of judgement and the Charity has had to consider the cost benefit of detailed calculations and record-keeping. To ensure full cost recovery on projects, the Charity adopts a policy of allocating costs to the respective cost headings through the year. This allocation includes support costs where they are directly attributable. Therefore, the support costs shown are a best estimate of the costs that have been so allocated. The defined benefit pension administration and finance costs include elements from both the General Fund and the Defined Benefit Pension (FRS102) Fund.

## 7 ANALYSIS OF GOVERNANCE COSTS

GOVERNANCE COSTS	Total 2015 £	Total 2014 £
Auditors' fees	6,446	6,282
Professional and legal fees	1,247	30,200
Strategic management	21,595	16,471
Trustees' expenses	1,074	1,178
<b>Total governance costs</b>	<b>30,362</b>	<b>54,131</b>

Governance costs in 2014 included employer related legal costs of £26,090 in respect of setting up the contingent asset agreement with the trustees of the defined benefit pension scheme. Auditors' fees include £6,446 for Audit fee and irrecoverable VAT on fee [2014: £6,282 for Audit fee and irrecoverable VAT on fee].

## 8 STAFF COSTS

Staff costs	Total 2015 £	Total 2014 £
Salaries	380,211	360,825
Social security	34,213	33,011
Pension	43,374	40,747
<b>Total staff costs</b>	<b>457,798</b>	<b>434,583</b>

No employees had employee benefits in excess of £60,000 during the year or previous year. Pension costs are allocated to activities in proportion to the related staffing costs incurred and are wholly charged to unrestricted funds.

The key management personnel of the Charity, comprise the Trustees, Executive Director, Creative Director and Finance Director. The total employee benefits of the key management personnel of the Charity were £141,798 [2014: £139,535].

The average monthly head count was 14 staff (2014: 13 staff). During the year the charity had 7 full-time staff (2014: 7 full-time staff) and 7 part-time staff (2014: 6 part-time staff). The average monthly number of full-time equivalent employees during the year was 11 (2014: 11).

In the way that our global family of organisations operates, senior staff (key management personnel) in the UK are also responsible for facilitating and supporting work in the other seven SGM Lifewords centres in Brazil, India, Indonesia, Australia, Poland, Kenya and USA. Currently all other national or functional directors report to the UK & International Executive Director, as part of a global leadership team. Together as a global family we employ a further 20-25 staff outside of the UK, and have about the same number again of volunteers making a significant contribution to training and coordinating our Bible programmes. A further 50+ volunteers serve as facilitators (peer mentors) for Pavement Project initiatives.

During the year the Charity transferred £100,800 to the defined pension scheme as part of the Recovery Plan [2014: £99,600 (£72,600 from general funds and £27,000 from designated funds)] and £nil in respect of accrual of benefits [2014: £nil] in accordance with the Schedule of Contributions.

## 9 TRUSTEES

The Board members were not paid and did not receive any other benefits from employment with the Charity during the year or previous year. The aggregated amount of expenses reimbursed to three Board members during the year was £1,074 [2014: four members, £1,178]. No Board member received payment for professional or other services supplied to the charity during the year or previous year.

## 10 TANGIBLE FIXED ASSETS

Cost	Equipment, fixtures and fittings £	Office purchase, refurbishment & VAT costs £	Office leasehold £	Total £
At 1 January 2015	114,352	215,635	869,880	1,199,867
Additions	6,677	(5,428)	-	1,249
Disposals and written off	(9,129)	-	-	(9,129)
<b>Cost at 31 December 2015</b>	<b>111,900</b>	<b>210,207</b>	<b>869,880</b>	<b>1,191,987</b>
<b>Depreciation</b>				
At 1 January 2015	70,504	8,843	17,398	96,745
Charge for the year	18,613	9,526	17,398	45,537
Disposals and written off	(9,129)	-	-	(9,129)
<b>Depreciation at 31 December 2015</b>	<b>79,988</b>	<b>18,369</b>	<b>34,796</b>	<b>133,153</b>
<b>Net book value</b>				
At 31 December 2015	31,912	191,838	835,084	1,058,834
At 31 December 2014	43,848	206,792	852,482	1,103,122

All the above assets were used in direct furtherance of the Charity's charitable objects.

The Trustees have granted a first legal charge over the office leasehold to the trustees of the defined benefit pension scheme to strengthen the employer covenant and to give the pension trustees greater financial security over the assets of the employer.

## 11 INVESTMENT PROPERTY

	2015 £	2014 £
<b>UK property</b>		
Value at 1 January	43,500	95,787
Revaluation	-	3,000
Disposals during year	-	(55,287)
<b>Value at 31 December</b>	<b>43,500</b>	<b>43,500</b>

The investment property at 31 December 2015 consists of one remaining apartment [2014: one apartment] on which rental income is being received; along with the right to receive ground rent in respect of 15 properties already sold. The investment amount of the properties was valued in June 2014 by C C Johnson Chartered Surveyor. The investment represents a half-share in the four freehold blocks of flats.

	2015 £	2014 £
<b>Revaluation Reserve balance</b>		
At original valuation at 1 January	6,293	12,793
Disposals during year	-	(6,500)
<b>At original valuation at 31 December</b>	<b>6,293</b>	<b>6,293</b>
<b>Revaluation reserve balance (Note 16)</b>	<b>37,207</b>	<b>37,207</b>

The original valuation was the market valuation at the date of death, as the property was acquired as a legacy.

## 12 FIXED ASSET INVESTMENTS

	2015	2014
	£	£
Market value at 1 January	1,016,854	1,062,262
Disposals	(50,000)	(100,000)
Change in value in the year	15,341	54,592
<b>Market value at 31 December</b>	<b>982,195</b>	<b>1,016,854</b>

Historical cost:

At 31 December	682,181	719,089
----------------	---------	---------

Listed investments are represented by 903,666 units in Newton Growth & Income Fund for Charities at a book value of £682,181. The cumulative unrealised gains on these investments are £300,014 [2014: £297,765].

## 13 STOCK OF SCRIPTURES

Stocks of Scripture publications held for future distribution, which have not been included in the assets on the Balance Sheet as these will be given away free of charge, have been valued by the Charity at 31 December 2015 at the sum of £178,000 [2014: £221,000]. This valuation has not been subject to audit.

## 14 DEBTORS

	2015	2014
	£	£
Legacy debtors	293,741	373,471
Taxation recoverable	11,610	7,924
VAT recoverable	16,696	-
Staff loans	4,960	2,201
Pre-payments and other	5,334	3,999
<b>Total debtors</b>	<b>332,341</b>	<b>387,595</b>

The Charity has been notified of legacies amounting to £53,400 [2014: £53,400] which have not been admitted as income as they are residual legacies and there is no indication of when they will be realised. These will be included in future periods when information on their realisation has been notified to the Charity.

## 15 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015	2014
	£	£
Taxation and social security	9,321	8,985
Trade creditors	20,499	61,667
VAT liability	-	32,716
Other creditors	52,503	41,915
<b>Total creditors due within one year</b>	<b>82,323</b>	<b>145,283</b>

## 16 MOVEMENTS IN FUNDS

	Balance at 1 January £	Income £	Expenditure £	Investment Gains	Actuarial Gains	Balance at 31 December £
<b>Restricted funds</b>						
Providing Bible resources	16,194	296,204	(312,398)	-	-	-
Choose Life	-	5,521	(5,521)	-	-	-
Pavement Project	-	64,636	(64,036)	-	-	600
Indonesia	-	37,100	(29,825)	-	-	7,275
	<b>16,194</b>	<b>403,461</b>	<b>(411,780)</b>	<b>-</b>	<b>-</b>	<b>7,875</b>
<b>Unrestricted funds</b>						
<b>Designated</b>						
Security against the deficit of the defined benefit pension scheme	-	-	-	-	-	-
Ministry development	753,944	-	(50,000)	-	-	703,944
<b>Revaluation Reserve</b>	37,207	-	-	-	-	37,207
<b>General</b>	913,116	1,019,493	(1,036,775)	15,341	229,000	1,140,175
	<b>1,704,267</b>	<b>1,019,493</b>	<b>(1,086,775)</b>	<b>15,341</b>	<b>229,000</b>	<b>1,881,326</b>
<b>Total funds</b>	<b>1,720,461</b>	<b>1,422,954</b>	<b>(1,498,555)</b>	<b>15,341</b>	<b>229,000</b>	<b>1,889,201</b>

The fund for providing Bible resources covers publications in a wide range of countries.

The funds for Choose Life and Pavement Project cover the current operation and ongoing development of these programmes (a values-based life-skills curriculum for teenagers, and the training & resourcing of workers in a Bible-based counselling process for children-at-risk, respectively). The fund for Indonesia covers costs for training and resourcing pastors and evangelists, particularly those serving poor and remote communities.

There are two designated funds, the first of which is a fund of £905,500 with a corresponding long term liability of the same amount designated as security against the deficit of the defined benefit pension scheme giving a balance at year end of £nil [2014: £nil]. The second fund of £703,944 is a capital fund for new ministry development [2014: £753,944].

## 17 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	General Fund £	Revaluation Reserve £	Designated Funds £	Restricted Funds £	Total £
Fund balances at 31 December are represented by:					
Fixed assets	437,878	37,207	1,609,444	-	2,084,529
Current assets	793,720	-	-	7,875	801,595
Current liabilities	(82,323)	-	-	-	(82,323)
<b>Total net assets before pension liability</b>	<b>1,149,275</b>	<b>37,207</b>	<b>1,609,444</b>	<b>7,875</b>	<b>2,803,801</b>
<b>Long term pension liability</b>	<b>(9,100)</b>	<b>-</b>	<b>(905,500)</b>	<b>-</b>	<b>(914,600)</b>
<b>Total net assets</b>	<b>1,140,175</b>	<b>37,207</b>	<b>703,944</b>	<b>7,875</b>	<b>1,889,201</b>

## 18 RELATED PARTY TRANSACTIONS

The Charity has a number of wholly owned dormant subsidiary companies in which the share capital is unpaid. Only SGM Lifeworlds Ltd is likely to be used for the purpose of servicing future commercial needs. This company remained dormant during 2015.

The Finance Director and Company Secretary acts as trustee for the charity Radstock (Eccleston Hall) Trust, which gave a grant of £220,000 to the Charity during the year [2014: £240,000]. He is also a trustee of Childs Charitable Trust which gave a grant of £12,000 to the Charity during the year [2014: £14,000]. Jadan Reeves-Bassett, son of the Creative Director, was paid £2,950 for design services [2014: £375].

One Board member, Keith Bintley, acts as trustee for the charity Stewards Company Ltd, which gave a grant of £75,000 to the Charity during the year [2014: £107,500]. One Board member, Tadeusz Tolwinski, is a member of the Executive Board of the SGM Lifeworlds Foundation in Poland, which received grants from the Charity totalling £74,862 [2014: £104,949].

The aggregated total amount of donations received without conditions from key management personnel during the year was £4,119 [2014: £3,113].

## 19 PENSION

The Charity operates two pension schemes in the UK. The assets of both schemes are held separately from those of the Charity, being invested with separate insurance companies. One is a funded defined benefit scheme with Legal & General, and the other a defined contribution scheme with Aegon, the former having closed to new employees on 25 March 2003 and closed to further accrual on 23 May 2013, with the latter being open to all new employees. Contributions to the defined benefit scheme are assessed on the basis of the advice of qualified actuaries using the projected unit credit method.

<b>Pension costs charged were:</b>	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
Defined benefit scheme (Recovery Plan)	100	100
Defined contribution scheme	43	41
<b>Total</b>	<b>143</b>	<b>141</b>

No amounts were owing at the year end [2014: £nil].

### Additional FRS102 disclosures

The valuation used for FRS102 disclosures has been based upon the latest full actuarial valuation at 6 April 2013 and updated by a qualified independent actuary. The major assumptions used by the actuary were:

<b>%</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
Rate of increase in salaries	n/a	n/a	3.3	2.8	2.7
Rate of increase for pensions in payment and deferred pension	2.9	2.9	3.3	2.8	2.7
Discount rate	3.8	3.5	4.5	4.5	4.7
Inflation assumption - retail price index increase	3.0	2.9	3.3	2.8	2.7



Scripture Gift Mission (Incorporated)

19 PENSION (continued)

The assets in the scheme and the expected rate of return were:

	Long-term rate of expected return at 31/12/15		Long-term rate of expected return at 31/12/14		Long-term rate of expected return at 31/12/13	
	%	2015 fair value £'000	%	2014 fair value £'000	%	2013 fair value £'000
Legal & General funds						
Managed Funds	5.6	2,937	5.6	2,839	6.0	2,581
Annuities	4.5	1,849	4.5	1,985	4.5	1,827
<b>Total market value of assets</b>		<u>4,786</u>		<u>4,824</u>		<u>4,408</u>
<b>Present value of scheme liabilities</b>		<u>5,700</u>		<u>6,019</u>		<u>5,198</u>
<b>Deficit in scheme being the net pension liability</b>		<b>(914)</b>		<b>(1,195)</b>		<b>(790)</b>

Analysis of the amount charged against operating income

	2015 £'000	2014 £'000
Current service cost	-	-
Past service cost	-	-
<b>Total operating charge</b>	<u>-</u>	<u>-</u>

Analysis of the amount credited to other finance income  
or debited to other finance costs

	2015 £'000	2014 £'000
Expected return on pension scheme assets	167	232
Interest on pension scheme liabilities	(207)	(229)
<b>Net return</b>	<u>(40)</u>	<u>3</u>

Analysis of amount recognised in Statement of Financial Activities (SOFA)

	2015 £'000	2014 £'000
Actual return less expected return on pension scheme assets	(32)	119
Experience losses arising on the scheme liabilities	64	(17)
Changes in assumptions underlying the present value of the scheme liabilities	197	(602)
<b>Actuarial gain/(loss) recognised in SOFA</b>	<u>229</u>	<u>(500)</u>

The movements on the scheme deficit during the period for FRS102 purposes are:

	2015 £'000	2014 £'000
Deficit in the scheme at beginning of year	(1,195)	(790)
Movement in year		
Contributions	100	100
Investment income	(40)	-
Other finance costs	-	3
Expenses paid by scheme	(8)	(8)
Actuarial gain/(loss)	229	(500)
<b>Deficit in the scheme carried forward</b>	<u>(914)</u>	<u>(1,195)</u>

# Scripture Gift Mission (Incorporated)

## 19 PENSION (continued)

### History of experienced gains and losses

	2015	2014	2013	2012	2011
Difference between actual and expected return on scheme assets (£'000)	(32)	119	145	45	(115)
Percentage of scheme assets at end of year	(0.7)	2.5	3.3	1.1	(2.9)
Experience gains/(losses) on scheme liabilities (£'000)	64	(17)	(48)	59	(111)
Percentage of the present value of the scheme liabilities	1.1	(0.3)	(0.9)	1.2	(2.3)
Total amount recognised in SOFA (£'000)	229	(500)	(119)	(43)	(502)
Percentage of the present value of the scheme liabilities	4.0	(8.3)	(2.3)	(0.9)	(10.5)

### Volatility of FRS102

It should be noted that the methodology and assumptions prescribed for the purposes of FRS102 mean that these disclosures are inherently volatile, varying greatly according to investment market conditions at each accounting date.

## 20 NOTE TO THE CASH FLOW

	At 1 January 2015	Cash flows	At 31 December 2015
Cash at bank	241,992	80,697	322,689
Cash on deposit	268,081	(121,516)	146,565
	510,073	(40,819)	469,254
<b>Net cash</b>	<b>510,073</b>	<b>(40,819)</b>	<b>469,254</b>

21 STATEMENT OF FINANCIAL ACTIVITIES (prior year restated)

	Notes	Unrestricted Funds		Restricted Funds (restated)	Total 2014 (restated)
		General Fund and Revaluation Reserve (restated)	Designated Funds (restated)		
		£		£	£
<b>Income</b>					
Donations and grants		590,457	-	429,964	1,020,421
Legacies		326,291	300,000	-	626,291
		916,748	300,000	429,964	1,646,712
Investment income		46,130	-	-	46,130
Other income		1,958	-	-	1,958
<b>Total income</b>		<b>964,836</b>	<b>300,000</b>	<b>429,964</b>	<b>1,694,800</b>
<b>Expenditure</b>					
Costs of raising funds		163,593	-	-	163,593
<b>Expenditure on charitable activities</b>					
Providing Bible resources		604,358	100,000	389,650	1,094,008
Enabling programmes for communities-in-need		297,821	-	84,409	382,230
Strengthening capacity of branches & partners		57,180	-	-	57,180
		959,359	100,000	474,059	1,533,418
<b>Total expenditure</b>		<b>1,122,952</b>	<b>100,000</b>	<b>474,059</b>	<b>1,697,011</b>
<b>Net income/(expenditure) before gains and losses</b>		<b>774,384</b>	<b>(732,500)</b>	<b>(44,095)</b>	<b>(2,211)</b>
Realised & unrealised gains on property assets		3,000	-	-	3,000
Realised & unrealised gains on investment assets		54,592	-	-	54,592
<b>Net income/(expenditure)</b>		<b>831,976</b>	<b>(732,500)</b>	<b>(44,095)</b>	<b>55,381</b>
<b>Other recognised gains/(losses)</b>					
Actuarial loss on defined benefit pension scheme		(500,000)	-	-	(500,000)
<b>Net movement in funds</b>		<b>331,976</b>	<b>(732,500)</b>	<b>(44,095)</b>	<b>(444,619)</b>
<b>Reconciliation of funds</b>					
Funds brought forward 1 January 2014 as previously stated		626,723	1,486,444	60,289	2,173,456
Prior year adjustment	2b	(8,376)	-	-	(8,376)
Funds brought forward 1 January 2014 as restated		618,347	1,486,444	60,289	2,165,080
<b>Funds carried forward 31 December 2014</b>		<b>950,323</b>	<b>753,944</b>	<b>16,194</b>	<b>1,720,461</b>

Comparatives have been re-stated for implementation of FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and Charities SORP (FRS 102). This has resulted in the cost of generating funds decreasing by £2,391 and charitable activities expenditure increasing by £66,512, giving a reduction in outgoing resources of £3,036 (governance costs of £67,157 are no longer shown separately but included as support costs, and a deduction of £3,036 from netted off short-term compensated absences).

Total funds carried forward have been re-stated and include a reduction of £5,340 from short-term compensated absences which are now included in the financial statements.