

Scottish Charity No. SC041393
Scottish Company Registration No. SC375655



Scottish Network Churches
(A company limited by guarantee)

Directors' report and financial statements
Year ended 31 March 2018

Scottish Network Churches

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Scottish Network Churches

Report of the Directors for the year ended 31 March 2018

The Directors (who are also Trustees for the purposes of charity law) are pleased to present their report together with the financial statements of the charity for the year ended 31 March 2018.

Registered office

183 High Street
Linlithgow
EH49 7EN

Bank

The Co-operative Bank
PO Box 101
1 Balloon Street
Manchester
M60 4EP

Structure, governance and management

Scottish Network Churches (SNC) was incorporated as a company limited by guarantee on 26 March 2010 and was registered as a charity on 13 April 2010. The Company was established under a Memorandum of Association which established its objects and powers as a charitable company and is governed under its Articles of Association. It is both a registered Company (No. SC375655) and a Scottish Charity (No. SC041393).

Directors

The Directors who served during the year were:

Philip Arbon
William Nisbet
Keith Short
Rupert Ward
Wesley White

Recruitment, appointment and training of Directors

Under the requirements of the Memorandum and Articles of Association, the members of the Board are recruited and appointed by the existing directors which must be re-elected at each Annual General Meeting. Directors are appointed on the basis of their wisdom and experience and awareness of the responsibility and obligations of a Board Director.

Day-to-day management

Day to day management of the Charity is undertaken by the Network Administrators.

Objectives and activities

The SNC is an organisation comprising churches and church leaders who have formed a relationship and work together to strengthen and encourage the Church in Scotland and its missionary endeavours internationally.

The purposes of the organisation are delivered by:

- The activity of the Board and volunteers of the Charity itself; and
- The activity of its member churches.

There is a reciprocal relationship between the Charity and its member churches as all of the Directors are involved with the leadership teams of member churches.

Scottish Network Churches

Report of the Directors for the year ended 31 March 2018

The objectives are delivered through:

- One on one mentoring of church leaders;
- Church leaders' meetings;
- An annual conference; and
- Smaller local conferences in individual churches.

At each of these meetings, the purposes of the SNC and of member churches are discussed and reviewed. Member churches are also encouraged to give feedback on how they are providing a public benefit to their local communities as well as on the spiritual enhancement of their members. The annual retreat and Fellowship Day are held to encourage and strengthen leaders and include some teaching. Communication with member churches also takes place via email, Facebook, newsletters and the website.

Achievements and performance

For the year ending 31st March 2018 the Network held monthly hub meetings in both Glasgow and Edinburgh. Three of the monthly meetings were "National Hubs" at Carronvale House. These meetings incorporated input from visiting speakers.

The two-day Annual Gathering was held in March 2018 with Church leaders attending from all over Scotland. The guest speaker this year was Abi Willetts from Ichthus Christian Fellowship and brought input to the Gathering theme of "Flourish."

The Network Core Team met 10 times from April 2017 to March 2018 and Directors undertook several teaching and preaching commitments in member churches throughout the year.

The training initiative "Ignite" took place in three venues (Edinburgh, Linlithgow and Glasgow) and the response from through attending transformational and very positive.

Future plans

The Network will continue to hold monthly "Hubs" in Glasgow and Edinburgh; National Hubs and an Annual Gathering for the support of local church pastors; encourage churches in their outreach/community projects; endorse the objectives of Comfort International; look for church planting or ministry development opportunities. In their continuing effort to reach churches and church leaders they are now looking to establish new Hubs (possibly in the North and West of Scotland). They intend to expand the Ignite training project as well as partnering with other training organisations such as DNA, Forge and SCCM.

Financial review

Principal funding sources

The principal funding sources for the charity are church donations, personal donations and income from conferences and events.

Results for the year

The financial statements for the year are set out on pages 5 to 9. The Statement of Financial Activities on page 5 reflects net income of £1,011 (2017: £896).

Reserves

The Company held unrestricted funds amounting to £7,574 (2017: £6,463) and restricted funds of £899 (2017: £999) at the year end. The Trustees aim to have reserves to cover three months expenditure. The current level of reserves meets this target.

Scottish Network Churches

Report of the Directors for the year ended 31 March 2018

Statement on Risk

The Board will review the major risks to which the charity is exposed. Where appropriate, systems or procedures will be established to mitigate the risks the charity faces.

Statement of Directors' responsibilities

The Directors (who are also Trustees for the purposes of charity law) are responsible for preparing the Annual 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 Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the income and expenditure of the charitable company for that period.

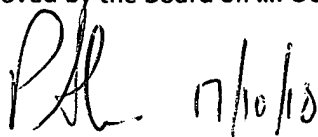
In preparing these financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- 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; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Directors are responsible for keeping adequate accounting records that 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, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Director's Report has been prepared having taken advantage of the small companies' exemption in the Companies Act 2006.

Approved by the Board on 17 October 2018 and signed on its behalf by:



Philip Arbon
Director

Scottish Network Churches

Notes to the Financial Statements for the year ended 31 March 2018

I report on the accounts of the company for the year ended 31 March 2018 which are set out on pages 5 to 9.

Respective responsibilities of Trustees and examiner

The Charity's Trustees (who are also the Directors for the purposes of company law) are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). The Charity's Trustees consider that the audit requirement of Regulation 10(1) (a) to (c) of the 2006 Accounts Regulations does not apply. It is my responsibility to examine the accounts as required under section 44(1) (c) of the Act and to state whether particular matters have come to my attention.

Basis of independent examiner's statement

My examination is carried out in accordance with Regulation 11 of the 2006 Accounts Regulations (as amended). An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts and seeks explanations from the Trustees concerning such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.

Independent examiner's statement

In the course of my examination, no matter has come to my attention:

1. Which gives me reasonable cause to believe that in any material respect the requirements:
 - To keep accounting records in accordance with Section 44(1) (a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations (as amended), and
 - To prepare accounts which accord with the accounting records and comply with Regulation 8 of the 2006 Accounts Regulations (as amended)

Have not been met, or

2. To which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Helen M. White

Helen White CA
Director

Cornerstone Accounting Limited
Chartered Accountants

Date: 22 October 2018

53 Burghmuir Court
Linlithgow
EH49 7LL

Scottish Network Churches

Statement of Financial Activities (incorporating Income and Expenditure Account)

For the year ended 31 March 2018

	Notes	General fund £	Restricted funds £	2018 Total £	2017 Total £
Income					
Donations and legacies	2	10,087	-	10,087	8,321
Charitable activities	3	4,077	400	4,477	2,490
Total income		14,164	400	14,564	10,811
Expenditure					
Charitable activities	4	12,309	500	12,809	9,707
Support costs	5	744	-	744	208
Total expenditure		13,053	500	13,553	9,915
Net income/(expenditure) before transfers		1,111	(100)	1,011	896
Transfers	11,12	-	-	-	-
Net movement in funds after transfers		1,111	(100)	1,011	896
Total funds brought forward		6,463	999	7,462	6,566
Total funds carried forward	11,12	7,574	899	8,473	7,462
Represented by:					
Unrestricted fund	11				
General		7,574	-	7,574	6,463
Restricted funds	12				
Seed fund		-	720	720	820
Gathering collection fund		-	179	179	179
Total funds		7,574	899	8,473	7,462

The notes on pages 7 to 9 form part of these financial statements.

Scottish Network Churches

(Registered No: SC375655)

Balance sheet

As at 31 March 2018

	Notes	General fund £	Restricted funds £	2018 Total £	2017 Total £
Current assets					
Debtors	9	550	-	550	1,944
Cash at bank and in hand		8,489	899	9,388	6,203
Total current assets		9,039	899	9,938	8,147
Liabilities					
Creditors: falling due within one year	10	(1,465)	-	(1,465)	(685)
Net current assets		7,574	899	8,473	7,462
Total assets less current liabilities		7,574	899	8,473	7,462
Total net assets		7,574	899	8,473	7,462
Funds of the Charity					
General fund	11	7,574	-	7,574	6,463
Restricted funds	12	-	899	899	999
Total charity funds		7,574	899	8,473	7,462

The financial statements have been prepared in accordance with the Financial Reporting Standard FRS 102 and with the provisions applicable to companies subject to the small companies' regime.

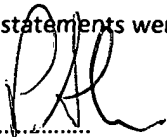
Directors' responsibilities

For the year ending 31 March 2018 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and preparation of the accounts.

The financial statements were approved by the Board on 17 October 2018 and signed on their behalf by:

 17/10/18

 Philip Arbon
 Director

The notes on pages 7 to 9 form part of these financial statements.

Scottish Network Churches

Notes to the financial statements

For the year ended 31 March 2018

1. Accounting policies

Accounting compliance

The financial statements are prepared in accordance with FRS 102, the Statement of Recommended Practice - Accounting & Reporting by Charities SORP 2015 (FRS 102), the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Companies Act 2006. The principal accounting policies adopted in the preparation of the financial statements are set out below.

The Charity is a public benefit entity.

Accounting basis

The financial statements have been prepared on an accruals basis using historical costs.

They are also prepared on a going concern basis as the Trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern.

Income

All income including grants and donations are recognised once the charity has entitlement to the resources, it is certain that the resources will be received and the monetary value of income can be measured with sufficient reliability.

Debtors are valued at cost at the year-end and adjusted for any amounts considered to be irrecoverable.

Expenditure

All expenses are recognised as soon as there is a legal or constructive obligation committing the charity to the expenditure. They are accounted for on an accruals basis and include any irrecoverable VAT. They are allocated to a particular activity where the cost relates directly to that activity.

Creditors are valued at cost at the year-end and split between amounts due in less than one year and amounts due in more than one year.

Statement of Financial Activities

For the purpose of the Statement of Financial Activities as shown on page 5, funds are defined as follows:

Unrestricted funds comprise income received for the objects of the charity without further specified purpose and are available as general funds which can be used for purposes in agreement with its charitable objectives.

Restricted funds comprise income which has been received for the objects of the charity and specified for a restricted purpose within these objects by the donor.

2. Donations and legacies

	General fund	Restricted funds	2018 Total	2017 Total
	£	£	£	£
Donations	9,952	-	9,952	8,141
Gift aid thereon	135	-	135	180
	10,087	-	10,087	8,321

Income from donations and legacies in 2017 of £8,321 represented £7,962 of general funds and £359 of restricted funds.

Scottish Network Churches

Notes to the financial statements

For the year ended 31 March 2018

3. Income - charitable activities	General fund	Restricted funds	2018 Total	2017 Total
	£	£	£	£
Conferences and events	4,077	400	4,477	1,900
Retreat	-	-	-	590
	4,077	400	4,477	2,490

Income from charitable activities in 2017 of £2,490 was all unrestricted.

4. Expenditure - charitable activities	General fund	Restricted funds	2018 Total	2017 Total
	£	£	£	£
Conferences and events	5,689	-	5,689	1,810
Retreat	-	-	-	1,246
Consultancy fees	4,800	-	4,800	4,800
Church plant donation	-	500	500	-
Meetings and travel	-	-	-	892
Gifts	450	-	450	959
Expenses	814	-	814	-
Administration	556	-	556	-
	12,309	500	12,809	9,707

Expenditure on charitable activities in 2017 of £9,707 was all unrestricted.

5. Expenditure - support costs	General fund	Restricted funds	2018 Total	2017 Total
	£	£	£	£
Trustees indemnity insurance	231	-	231	182
Companies House fees	13	-	13	26
Accounting support	150	-	150	-
Independent examination	350	-	350	-
	744	-	744	208

Expenditure on support costs in 2017 of £208 was all unrestricted.

6. Transactions with staff, directors and related parties

The charity had no employees during the year.

No directors received remuneration in their capacity as Directors. Philip Arbon, a director, received consultancy fees of £4,800 (2017: £4,200) and expenses of £112 (2017: £600) during the year.

There were no transactions with related parties in the year (2017: nil).

Unrestricted donations of £180 were received from the Directors (2017: £180)

7. Taxation

No liability to UK Corporation Tax arises in the light of the company's charitable status.

Scottish Network Churches

Notes to the financial statements For the year ended 31 March 2018

8. Gifts		2018 Total £	2017 Total £
Event speakers		450	359
Individuals		-	600
		450	959

9. Debtors: amounts falling due within one year	General fund £	Restricted funds £	2018 Total £	2017 Total £
Conference income	235	-	235	1,764
Gift aid reclaimable	315	-	315	180
	550	-	550	1,944

10. Creditors: amounts falling due within one year	General fund £	Restricted funds £	2018 Total £	2017 Total £
Other creditors	1,465	-	1,465	685
	1,465	-	1,465	685

11. Unrestricted funds	Balance at 01.04.2017 £	Income £	Expenditure £	Transfers £	Balance at 31.03.2018 £
General fund	6,463	14,164	(13,053)	-	7,574
Total unrestricted funds	6,463	14,164	(13,053)	-	7,574

Explanation of funds

The *General fund* represents all income and expenditure relating to the primary focus activities of the charitable company, other than those for which funding is restricted.

12. Restricted funds	Balance at 01.04.2017 £	Income £	Expenditure £	Transfers £	Balance at 31.03.2018 £
Seed fund	820	400	(500)	-	720
Gathering collection fund	179	-	-	-	179
Total restricted funds	999	400	(500)	-	899

Explanation of funds

The *Seed fund* represents all income and expenditure relating to the setting up and supporting of new church plants.

The *Gathering collection fund* represents the offering taken at the Annual Gathering which is to be divided between the Seed Fund and the Upper Room Church.

13. Liability of Members

The company is limited by guarantee, with the liability of each member limited to £1. There were 5 (2017: 5) members at 31 March 2018.