

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 2023*



# Scottish Network Churches

## Contents of the Financial Statements *for the year ended 31 March 2023*

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# Scottish Network Churches

## Report of the Directors for the year ended 31 March 2023

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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 2023.

### Reference and administrative details

#### Principal Registered office

183 High Street  
Linlithgow  
EH49 7EN

#### Bank

The Co-operative Bank  
1 Balloon Street  
Manchester, M60 4EP

### Structure, governance and management

Scottish Network Churches (SNC) was incorporated as a company limited by guarantee (registered in Scotland) 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 & Secretary

The Directors who served during the year were:

Philip Arbon

Keith Short

Rupert Ward

Stuart Aitken (appointed 5 May 2022)

Rebecca Raynes (appointed 5 May 2022)

The Secretary who served during the year was:

Soné Spottiswoode

### 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 Administrator.

### 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 2023

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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**

During the financial year ending 31 March 2023 the Scottish Network held monthly regional hub meetings in Edinburgh and Glasgow with the addition of an online hub hosted in Inverness. These have been well attended, averaging 12 leaders at each hub. The two-day Annual Gathering in March 2023 was a fantastic in-person event held at Kings Church in Inverness, where we explored the theme of 'Adventuring Together.' We also ran a Network Day in September 2022, exploring relevant church leadership issues. The Scottish Network team continued meeting on Zoom once a week and between us, continued online support for church leaders and their teams, and their outreach and church planting projects. We have also started a 'Network Roadshow,' where we visit local churches to share the vision of the Network. The leadership team members have increased by two and were able to meet twice in person, in addition to our weekly Zoom meetings. Ignite, a one-year discipleship course was run as a hybrid course for the first time and folks met on Zoom once a week and three times in person. We also have a growing partnership with Communitas, an international missions organisation. Plans to train and equip pioneer ministers and church planters are now in an advanced stage, and we have received grant funding, a pilot course will commence in January 2024 for Scottish students only, but will be open to international students from September 2024. We have partnered with Westminster theological centre and promote the training available to anyone at any stage of their ministry development. We have appointed an operations and development director, this is a part time post (16 hours per week), in addition we have increased our administrators' hours from 10 to 15 hours a week, to handle the increasing work load.

### **Volunteers**

The trustees are extremely grateful to all those who volunteer with the charity and give of their time freely to fulfil the charities aims.

### **Future plans**

We plan to offer the following resources in the coming year:

- Church Health Checks, to help churches to assess how they are meeting their charitable aims, ensuring that they are compliant with all current legislation.
- Advice on restructuring local church leadership to ensure that there are appropriate levels of accountability, enabling leaders and churches to flourish.
- Missional laboratories, to further equip churches in their mission and outreach.
- The forgotten ways - a guided conversation over 8 monthly Zoom meetings to enable leaders to explore mission and church planting, commencing in September 2023.
- We continue to look for opportunities to use the Seed Fund for outreach and church planting projects.
- In addition, we will be looking to raise funding and appoint a course director for Launch, the training programme for pioneer ministries, seeking to equip young leaders in a rapidly changing culture and world.

# Scottish Network Churches

## Report of the Directors for the year ended 31 March 2023

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### 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 10. The Statement of Financial Activities on page 5 reflects a net surplus of £7,257 (2022: net deficit of £1,506).

#### *Reserves*

The Company held unrestricted funds amounting to £10,146 (2022: £7,558) and restricted funds of £6,792 (2022: £2,123) at the year end. The Trustees aim to have reserves to cover three months expenditure. The current level of reserves meets this target.

#### *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 15 December 2023 and signed on its behalf by:

  
Rev Keith Short  
Director

# Scottish Network Churches

## **Report of the Independent Examiner to the Trustees for the year ended 31 March 2023**

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I report on the accounts of the company for the year ended 31 March 2023 which are set out on pages 5 to 10.

### **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

The Old Manse  
11 Erngath Road  
Bo'ness  
EH51 9DP

Date: 15 December 2023

# Scottish Network Churches

## Statement of Financial Activities (incorporating Income and Expenditure Account)

For the year ended 31 March 2023

	Notes	Unrestricted funds £	Restricted funds £	2023 Total £	Unrestricted funds £	Restricted funds £	2022 Total £
<b>Income and endowments</b>							
Donations and legacies	2	18,851	4,730	23,581	18,450	-	18,450
Income from charitable activities	3	5,822	740	6,562	3,486	-	3,486
Income from trading activities	4	-	-	-	104	-	104
<b>Total income and endowments</b>		<b>24,673</b>	<b>5,470</b>	<b>30,143</b>	<b>22,040</b>	<b>-</b>	<b>22,040</b>
<b>Expenditure</b>							
Raising funds	5	-	-	-	104	-	104
Charitable activities	6	22,085	801	22,886	19,975	3,467	23,442
<b>Total expenditure</b>		<b>22,085</b>	<b>801</b>	<b>22,886</b>	<b>20,079</b>	<b>3,467</b>	<b>23,546</b>
<b>Net income/(expenditure)</b>		<b>2,588</b>	<b>4,669</b>	<b>7,257</b>	<b>1,961</b>	<b>(3,467)</b>	<b>(1,506)</b>
Transfers between funds	9	-	-	-	-	-	-
<b>Net movement in funds</b>		<b>2,588</b>	<b>4,669</b>	<b>7,257</b>	<b>1,961</b>	<b>(3,467)</b>	<b>(1,506)</b>
Total funds brought forward		7,558	2,123	9,681	5,597	5,590	11,187
<b>Total funds carried forward</b>		<b>10,146</b>	<b>6,792</b>	<b>16,938</b>	<b>7,558</b>	<b>2,123</b>	<b>9,681</b>
<b>Represented by:</b>							
Unrestricted funds	9	10,146	-	10,146	7,558	-	7,558
Restricted funds	9	-	6,792	6,792	-	2,123	2,123
<b>Total funds</b>		<b>10,146</b>	<b>6,792</b>	<b>16,938</b>	<b>7,558</b>	<b>2,123</b>	<b>9,681</b>

The notes on pages 7 to 10 form part of these financial statements.

**Balance sheet**

**As at 31 March 2023**

	Notes	Unrestricted funds £	Restricted funds £	2023 Total £	Unrestricted funds £	Restricted funds £	2022 Total £
<b>Current assets</b>							
Debtors	7	226	-	226	-	-	-
Cash at bank and in hand		11,110	6,792	17,902	9,349	2,123	11,472
<b>Total current assets</b>		<b>11,336</b>	<b>6,792</b>	<b>18,128</b>	<b>9,349</b>	<b>2,123</b>	<b>11,472</b>
<b>Liabilities</b>							
Creditors: falling due within one year	8	(1,190)	-	(1,190)	(1,791)	-	(1,791)
<b>Net current assets</b>		<b>10,146</b>	<b>6,792</b>	<b>16,938</b>	<b>7,558</b>	<b>2,123</b>	<b>9,681</b>
<b>Total assets less current liabilities</b>		<b>10,146</b>	<b>6,792</b>	<b>16,938</b>	<b>7,558</b>	<b>2,123</b>	<b>9,681</b>
<b>Net assets</b>		<b>10,146</b>	<b>6,792</b>	<b>16,938</b>	<b>7,558</b>	<b>2,123</b>	<b>9,681</b>
<b>Funds of the charity</b>							
Unrestricted funds	9	10,146	-	10,146	7,558	-	7,558
Restricted funds	9	-	6,792	6,792	-	2,123	2,123
<b>Total charity funds</b>		<b>10,146</b>	<b>6,792</b>	<b>16,938</b>	<b>7,558</b>	<b>2,123</b>	<b>9,681</b>

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

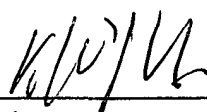
The Directors acknowledge the following:

their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and preparation of the accounts; and

that the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006.

The financial statements on pages 5 to 10 were approved by the Trustees on 15 December 2023 and signed on their behalf by:

  
 \_\_\_\_\_  
 Keith Short

The notes on pages 7 to 10 form part of these financial statements.



# Scottish Network Churches

## *Notes to the Financial Statements for the year ended 31 March 2023*

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### **1. Accounting policies**

#### ***Accounting convention***

The financial statements are prepared under the historical cost convention and in accordance with FRS 102, the Statement of Recommended Practice - Accounting & Reporting by Charities (SORP 2019) (FRS 102), the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Companies Act 2006.

In compliance with FRS 102 1A, we have not prepared a statement of cash flows. The charity is a public benefit entity.

The principal accounting policies adopted in the preparation of the financial statements are set out below. The financial statements contain no material uncertainties so have been prepared on the going concern basis.

In compliance with FRS 102 1A, we have not prepared a statement of cash flows.

Scottish Network Churches meets the definition of a public benefit entity under FRS 102.

#### ***Company status***

The company is a private company limited by guarantee and registered in Scotland. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company. The members of the company are the Directors named in the Trustees Report.

#### ***Basis of financial statements***

The financial statements have been prepared on the accruals basis.

#### ***Income and debtors***

All income is included on the Statement of Financial Activities when the Company is legally entitled to the income and the amount can be quantified with reasonable accuracy. Debtors are valued at cost at the year-end and adjusted for any amounts considered to be irrecoverable.

#### ***Expenditure and creditors***

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources. 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.

#### ***Taxation***

The Company is exempt from Corporation Tax on its charitable activities.

#### ***Cash at bank***

Cash at bank and in hand comprises immediate access bank accounts used by the Company and a small amount of petty cash.

#### ***Statement of Financial Activities***

For the purpose of the Statement of Financial Activities, funds are defined as follows:

*Unrestricted* funds comprise income received for the objects of the company without further specified purpose and are available as general funds.

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

# Scottish Network Churches

## Notes to the financial statements For the year ended 31 March 2023

### 2. Donations and legacies

	Unrestricted funds	Restricted funds	Total 2023	Unrestricted funds	Restricted funds	Total 2022
	£	£	£	£	£	£
Donations - churches	17,695	-	17,695	17,240	-	17,240
Donation - individuals	1,156	900	2,056	1,210	-	1,210
Gift aid	-	-	-	-	-	-
Grants	-	3,830	3,830	-	-	-
	<b>18,851</b>	<b>4,730</b>	<b>23,581</b>	<b>18,450</b>	<b>-</b>	<b>18,450</b>

### 3. Income from charitable activities

	Unrestricted funds	Restricted funds	Total 2023	Unrestricted funds	Restricted funds	Total 2022
	£	£	£	£	£	£
Conferences and events	5,722	740	6,462	3,486	-	3,486
Other income	100	-	100	-	-	-
	<b>5,822</b>	<b>740</b>	<b>6,562</b>	<b>3,486</b>	<b>-</b>	<b>3,486</b>

### 4. Income from trading activities

	Unrestricted funds	Restricted funds	Total 2023	Unrestricted funds	Restricted funds	Total 2022
	£	£	£	£	£	£
Book sales	-	-	-	104	-	104
	<b>-</b>	<b>-</b>	<b>-</b>	<b>104</b>	<b>-</b>	<b>104</b>

### 5. Expenditure on raising funds

	Unrestricted funds	Restricted funds	Total 2023	Unrestricted funds	Restricted funds	Total 2022
	£	£	£	£	£	£
Book costs	-	-	-	104	-	104
	<b>-</b>	<b>-</b>	<b>-</b>	<b>104</b>	<b>-</b>	<b>104</b>

### 6. Expenditure on charitable activities

	Unrestricted funds	Restricted funds	Total 2023	Unrestricted funds	Restricted funds	Total 2022
	£	£	£	£	£	£
Staff costs	11,815	-	11,815	5,535	-	5,535
Staff expenses	517	-	517	1,013	-	1,013
Training	240	-	240	-	-	-
Consultancy fees	6,267	-	6,267	7,300	-	7,300
Conferences and events	1,013	200	1,213	3,165	-	3,165
The Turning	-	-	-	-	3,367	3,367
General expenses	163	-	163	91	-	91
Insurance	490	-	490	500	-	500
Equipment	-	206	206	-	-	-
Gifts	-	-	-	1,064	100	1,164
Printing, postage and stationery	14	-	14	7	-	7
Subscriptions	665	-	665	555	-	555
Independent examiner's fees	-	-	-	-	-	-
Accounts preparation	294	-	294	-	-	-
Independent examination	500	-	500	500	-	500
Marketing costs	-	-	-	245	-	245
Bank charges	107	6	113	-	-	-
Donations	-	389	389	-	-	-
	<b>22,085</b>	<b>801</b>	<b>22,886</b>	<b>19,975</b>	<b>3,467</b>	<b>23,442</b>

# Scottish Network Churches

## Notes to the financial statements For the year ended 31 March 2023

### 6. Expenditure on charitable activities (contd.)

Support costs have not been separately identified as the trustees consider there is only one charitable activity.

The average number of staff during the year was 2 (2022: 2). No employees were paid more than £60,000.

No holiday pay was due at the year-end.

Donations of £389 were made in the year to support a Ukrainian pastor from money collected for this purpose.

### 7. Debtors

	Unrestricted funds	Restricted funds	Total 2023	Unrestricted funds	Restricted funds	Total 2022
	£	£	£	£	£	£
Gift aid recoverable	-	-	-	-	-	-
Other debtors	226	-	226	-	-	-
	<b>226</b>	<b>-</b>	<b>226</b>	<b>-</b>	<b>-</b>	<b>-</b>

### 8. Creditors: falling due within one year

	Unrestricted funds	Restricted funds	Total 2023	Unrestricted funds	Restricted funds	Total 2022
	£	£	£	£	£	£
Accruals and deferred income	500	-	500	1,791	-	1,791
Taxation and social security	690	-	690	-	-	-
	<b>1,190</b>	<b>-</b>	<b>1,190</b>	<b>1,791</b>	<b>-</b>	<b>1,791</b>

### 9. Funds movements

#### Funds movements - current year

	Balance at 1 Apr 2022	Income	Expenditure	Transfers	Balance at 31 Mar 2023
	£	£	£	£	£
<b>Unrestricted funds</b>					
General fund	7,558	24,673	(22,085)	-	10,146
Total unrestricted funds	<b>7,558</b>	<b>24,673</b>	<b>(22,085)</b>	<b>-</b>	<b>10,146</b>
<b>Restricted funds</b>					
Seed Fund	1,885	-	-	-	1,885
The Turning	149	260	-	-	409
Gathering Fund	89	-	-	-	89
Third Party Collections	-	410	(389)	-	21
Launch Scotland	-	4,060	(212)	-	3,848
Ignite Programme	-	740	(200)	-	540
Total restricted funds	<b>2,123</b>	<b>5,470</b>	<b>(801)</b>	<b>-</b>	<b>6,792</b>

#### Funds movements - prior year

	Balance at 1 Apr 2021	Income	Expenditure	Transfers	Balance at 31 Mar 2022
	£	£	£	£	£
<b>Unrestricted funds</b>					
General fund	5,597	22,040	(20,079)	-	7,558
Total unrestricted funds	<b>5,597</b>	<b>22,040</b>	<b>(20,079)</b>	<b>-</b>	<b>7,558</b>

# Scottish Network Churches

## Notes to the financial statements For the year ended 31 March 2023

### 9. Fund movements (contd.)

	Balance at 1 Apr 2021	Income	Expenditure	Transfers	Balance at 31 Mar 2022
	£	£	£	£	£
<b>Restricted funds</b>					
<i>Seed Fund</i>	1,885	-	-	-	1,885
<i>The Turning</i>	3,516	-	(3,367)	-	149
<i>Gift for member churches</i>	100	-	(100)	-	-
<i>Gathering Fund</i>	89	-	-	-	89
<i>Third Party Collections</i>	-	-	-	-	-
<i>Launch Scotland</i>	-	-	-	-	-
<i>Ignite Programme</i>	-	-	-	-	-
<b>Total restricted funds</b>	<b>5,590</b>	<b>-</b>	<b>(3,467)</b>	<b>-</b>	<b>2,123</b>

### Explanation of funds

#### Unrestricted funds:

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

#### Restricted funds:

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

The *Turning fund* represents money donated and collected to be spent on the Turning events.

The *Gift for Member Churches fund* represents money donated to be given to member churches.

The *Gathering fund* represents the offering taken at the Annual Gathering to be passed on to the intended recipients.

The *Third Party Collection fund* represents charitable fundraising initiatives that the network collects on behalf of others.

The *Launch Scotland fund* represents money collected for a one year church planting and leadership training programme offered to the Scottish Network churches and friends.

The *Ignite Programme fund* represents money collected and used for a one year discipleship programme offered to the Scottish Network churches and friends.

### 10. Trustee and related party transactions

No Trustees received any remuneration in their capacity as directors. Philip Arbon, a director, received consultancy fees of £1,250 (2022: £1,800). Travel and subsistence expenses reimbursed to directors totalled £448 (2022: £264).

Unrestricted donations by Trustees to the Charity amounted to £nil (2022: £180).

There were no transactions with other related parties during the year (2022: nil).

### 11. Pension commitments

The Charity operates a pension for staff members with NEST. All contributions made on behalf of staff are charged to the SOFA in the year they are incurred.

### 12. Liability of Members

The company is limited by guarantee, with the liability of each member limited to £1. There were 5 (2022: 4) members at 31 March 2023.