



COUNCIL REPORT AND FINANCIAL STATEMENTS

for the year ended

31 DECEMBER 2016



SCARGILL MOVEMENT
(A company limited by guarantee)

Registered Charity Number: 1127838
Company Number: 06778628

Scargill Movement
(A company limited by guarantee)

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Scargill Movement
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Report of the council (incorporating the directors' report)
for the year ended 31 December 2016

Charity number	1127838		
Company registration number	06778628		
Registered office and Business address	Scargill House Kettlewell Skipton North Yorkshire BD23 5HU		
Council	Rt Revd Chris Edmondson Tony Hesselwood Sister Jocelyn Carter John Fell Revd Caroline Hewlett Revd Canon Felicity Lawson Susie Mapledoram Venerable Beverley Mason Stephen Weatherley John Wilson Revd Hilary Young	- appointed 03/02/16	
Director	Revd Phil Stone		
Statutory auditor	Stubbs Parkin Limited Chartered Accountants 55 Hoghton Street Southport Merseyside PR9 0PG		
Bankers	Barclays bank plc 49 High Street Skipton BD23 1DH	The Co-operative Bank P.O. Box 250 Delf House Skelmersdale WN8 6WT	CCLA 80 Cheapside London EC2V 6DZ
Solicitors	Napthens 7 Winkley Square Preston PR1 3DJ		

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Report of the council (incorporating the directors' report)
for the year ended 31 December 2016

The council present their report and the financial statements for the year ended 31 December 2016. The council, who are also directors for the purposes of company law and who served during the year up to the date of this report are as follows:

Rt Revd Chris Edmondson	Chairman
Tony Hesselwood	Vice Chairman
Sister Jocelyn Carter	
John Fell	
Revd Caroline Hewlett	
Revd Canon Felicity Lawson	
Susie Mapledoram	
Venerable Beverley Mason	- appointed 03/02/16
Stephen Weatherley	
John Wilson	
Revd Hilary Young	

Structure, governance and management

Scargill Movement is a company limited by guarantee. It was incorporated on 22 December 2008 and it became a registered charity on 3 February 2009. Its governing document is its memorandum and articles of association.

Organisational structure

The council, who are also directors and trustees of the charity, meets on a bi-monthly basis to review progress. The members are set out above. The Bishop of Leeds and the Chair of the council of the Lee Abbey Movement are each entitled to nominate two council members. All members of the council are fully involved in the decisions of the charity. The council shall (unless otherwise determined by ordinary resolution) number not less than six. A new member may be appointed by ordinary resolution. All council members receive appropriate induction and training in respect of their role.

Risk

The council maintains a register and regularly reviews the risks which face the charity as well as carrying out a full risk review annually. The council has a finance committee that prepares a budget and meets monthly to report and monitor the ongoing financial position and to review the measures in place to mitigate other risks.

Objectives and activities

The Scargill Movement is a UK registered charity whose charitable objects (purposes) are:

To advance the Christian faith worldwide through the ministry of a community or communities of Christians whose shared lives in the fellowship of the Holy Spirit communicate the love of God revealed in Jesus Christ.

To advance the Christian faith and to advance education through the provision of a community or communities of people to live out a relevant and authentic expression of the Christian faith in today's world through their life together.

And whose activities are defined as:

A Christian community at Scargill House offering a holiday and conference facility, with a high standard of welcome and run on an ecologically efficient basis, for the benefit of individuals, churches and the communities in which they are set. Supporters are invited to accept a rule of life (Pathway) and become Companions of the Residential Community.

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Report of the council (incorporating the directors' report)
for the year ended 31 December 2016 (cont.)

Objectives and activities (cont.)

Charitable objects (cont.)

Under the strap line "lives shared, lives transformed" the agreed aim is:-

- to show the hospitality of God to all and to share lives changed by faith;
- to send our guests home with new vision and purpose;
- to model and promote responsible stewardship of creation;
- to hold on to Quality, Simplicity and Beauty in the further developments of our buildings as well as our life together; and
- to help guests and community alike to gain and be enriched by a vision for community in an individualistic society.

This will be implemented by offering at Scargill House:-

- a resident, caring group of people with prayer at their heart;
- hospitality to individuals and groups;
- challenging programmes and outdoor activities especially for young people;
- resources and training for Christian mission and service;
- opportunities for creativity and personal development; and
- a community practising both ecological and sustainable stewardship of God's creation.

Achievements and performance

The Accounts for 2016 show that the ministry at Scargill continues to grow and develop. For the first time our total income is in excess of £1m and for the fourth consecutive year we have met 'break-even' point on our operating accounts returning a healthy operating surplus. Our donations this year have exceeded £400k. As in previous years, we very much thank God for his generous provision but we must never be complacent. So with our financial provision our two key words remain the same as last year: 'thankful' and 'watchful'.

This year we welcomed more guests through our doors than we anticipated and their feedback affirms and confirms the vision we hold of 'lives shared - lives transformed' with Jesus Christ and His love is at the heart. We are continuing to welcome churches for their weekends away and weekends are now being booked as far ahead as 2019.

This last year we have conducted a research project looking at what God had been doing at Scargill in the last seven years and whether there are lessons that can be learned for the Church. Some of the feedback from people who have been speakers in our programme have offered helpful insights about Scargill and what is experienced as the guests come through our doors.

'We all limp along and Scargill is a rare place, accepting and encouraging so many of us who sometimes feel we don't fit in.'

Another wrote, *'I love its homeliness, humility and gentle trust.'*

The Community then, with its wonderful band of working friends, are looking forward to welcoming people on our programmed events, as well as continuing to welcome inner-city churches and working in partnership with marginalised groups. This is enabled by our bursary fund, through which we are able to welcome those who would benefit from a stay at Scargill. We must never underestimate that the ministry of Scargill is so richly enhanced by the many working friends that come and serve alongside us. We are very grateful and thank God for each one of them.

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Report of the council (incorporating the directors' report)
for the year ended 31 December 2016 (cont.)

Financial review

The total incoming resources were £1,050,868 and resources expended amounted to £830,150, leaving net resources of £220,718 to carry forward to add to last years funds of £1,767,644 making a total of £1,988,362. The detailed figures are shown on pages 9 to 20. Unrestricted donations and legacies amounted to £229,631 compared to £188,553 in 2015. On top of that we received another £219,700 in restricted donations towards the Bursary Fund and Special Projects as shown in note 16 on page 17. £558,972 was received in conference fees and sales from guests compared to £524,632 in 2015. Costs of £825,093 were expended in providing the conference facilities that again included over £200,000 incurred on upkeep and upgrading of the property. The original loans given to assist in the original purchase of the house now stand at £95,000 and are on structured repayment terms repayable over the next 7 years. The Trustees of the Dewhirst Trust have again released us from interest payments until 20 December 2017 on their generous loan of £500,000 which enabled us to undertake substantial initial refurbishment of the property over the first 5 years of ownership and we are most grateful for their continuing support. The Biomass Boiler installed in 2013 enables us to achieve substantial reductions in our heating costs as well as reduce our carbon footprint. The loan that contributed to purchasing the boiler is repayable from revenue under the Renewable Heat Incentive (RHI) payment scheme. Our budgets for the next three years show continuing breakeven position on our conference programme and we are encouraged by a steady stream of gifts and regular donations and grants to fund our ongoing building refurbishment and development.

Reserves

The Charity continues to make significant investments in its buildings and plant which stand, after depreciation, at £2.17m. We are still negotiating with architects and planning authorities on a further substantial refurbishment of the property and a programme to raise what is likely to be in excess of £7m to finance the development will be launched over the next few years with a view to commence work in 2019. In the meantime the ongoing ministry of Scargill is continuing and the Council believes that at least three months' expenditure should be kept in reserve to provide working capital. At the end of 2016, the estimated requirement for working capital was £80,000. The Council believes that the current funds are sufficient to finance the next three months but regular donations are still encouraged to support the ongoing community ministry and development at Scargill. Uncommitted cash reserves amount to £54,080 and the Finance and Business Committee reviews the reserves in the light of the operational results and ongoing refurbishment on a quarterly basis to ensure adequate reserves are maintained.

The Council is grateful to the many supporters who have given financial and prayer support during the year and to 204 working friends who have helped with practical support.

Indemnity insurance

The charity paid insurance premiums to indemnify the council from any loss arising from neglect or defaults of council or staff and any consequent loss.

Safeguarding

The charity is committed to the safeguarding of children and vulnerable adults whilst at Scargill House. To this end, a comprehensive safeguarding policy is in place which is reviewed annually. This policy is centred on national good practice and regular training.

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Report of the council (incorporating the directors' report)
for the year ended 31 December 2016 (cont.)

Looking forward - Plans for future periods

In 2017 we will be seeing some significant changes to the core membership of the community with our estate and kitchen team leaders moving on, as well as one of the chaplains and our music/worship co-ordinator. We are very grateful for all they have given to the flourishing of Scargill and we look forward with a mixture of fragility and expectation to who will come to join Scargill.

In regard to the buildings, we are in the process of significantly refurbishing Three Peaks, and the work on the large community garage has been completed allowing us to grow the community by three extra, as well as providing facilities for our campers for Summerfest and other events. We are also very pleased that the paths in the walled garden, including fitting a new gate, have been laid allowing the walled garden to be accessible for those with disabilities and in wheelchairs. As well as the above, the replacement of mattresses and bedding throughout the whole house will happen during 2017.

We realise that many of our buildings are not 'fit for purpose' for the ministry we are wanting to give so the Trustees have submitted a revised set of plans to the Yorkshire Dales National Park for a phased long term project. We are in continued negotiations with the National Park over the plans and our hope is that they will be approved later in 2017.

We are very grateful to our Trustees and the members of community who have served, who continue to serve and those who will be called to serve in the ongoing Scargill adventure, and most importantly we are grateful to our gracious God who continues to show His faithfulness and generosity. 'Who is able to do immeasurably more than all we ask or imagine' Ephesians 3:20.

Public benefit

The Council confirmed they have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers and duties. As outlined earlier in this respect, our Christian faith is lived out in today's world by our care of people as well as the creation with which we are entrusted. We provide bursary funds for all those unable to afford our regular fees and hold specific events for people on the margins of society as well as welcoming them at any time. We believe our Biomass Boiler demonstrates our commitment to reduce our carbon footprint and our determination to work to conserve the earth's resources. Our chapel lift project, completed in 2016, confirms our continuing commitment to enable step-free access to the whole of the Scargill site.

Statement as to disclosure of information to auditors

In so far as the council is aware:

- there is no relevant audit information of which the charity's auditors are unaware; and
- the council have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

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Report of the council (incorporating the directors' report)
for the year ended 31 December 2016 (cont.)

Statement of council responsibilities

The council are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the council to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the surplus or deficit of the charity for that period. In preparing these financial statements, the council are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The council is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which enables it to ensure that the financial statements comply with the Companies Act 2006. It is also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

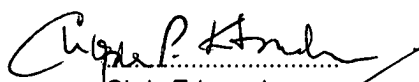
Auditors

A resolution proposing that Stubbs Parkin Limited be reappointed as auditors/independent examiners of the charity will be put to the annual general meeting.

Small company provisions

This report has been prepared in accordance with the special provisions for small companies within Part 15 of the Companies Act 2006.

On behalf of the board:


Chris Edmondson
Chairman/Director

Dated: 14 June 2017

Scargill Movement
(A company limited by guarantee)

Independent auditor's report to the council of Scargill Movement

We have audited the financial statements of Scargill Movement for the year ended 31 December 2016 which comprise the Statement of Financial Activities incorporating the Income and Expenditure Account, the Balance Sheet and 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) and the Statement of Recommended Practice 'Accounting and Reporting by Charities' effective 1 January 2015 (SORP FRS 102).

This report is made solely to the charitable company's council, as a body, in accordance with regulations made under section 154 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charitable company's council those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's council as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of council and auditor

As explained more fully in the Statement of council responsibilities set out on page 6, the council (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

The council have elected for the financial statements to be audited in accordance with the Charities Act 2011 rather than the Companies Act 2006. Accordingly we have been appointed as auditor under section 144(82) of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the council; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Council to identify material inconsistencies with the audited financial statements and any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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Independent auditor's report to the council of Scargill Movement (continued)

Opinion on financial statements

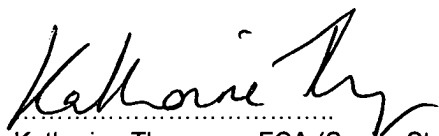
In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Report of the Council is inconsistent in any material respect with the financial statements; or
- the charitable company has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.



Katharine Thompson FCA (Senior Statutory Auditor)
For and on behalf of Stubbs Parkin Limited
Statutory Auditor
55 Hoghton Street
Southport
Merseyside
PR9 0PG

Dated: 19/6/17

Stubbs Parkin Limited is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

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Statement of financial activities - incorporating the income and expenditure account

For the year ended 31 December 2016

	Notes	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Incoming resources					
Incoming resources from generating funds:					
Voluntary income	2	229,631	219,700	449,331	374,247
Investment income	3	1,359	-	1,359	1,632
Incoming resources from charitable activities	4	600,178	-	600,178	535,308
Total incoming resources		831,168	219,700	1,050,868	911,187
Resources expended					
Costs of generating voluntary income	5	1,101	-	1,101	858
Charitable activities	6	650,024	138,926	788,950	652,798
Governance costs	7	3,956	-	3,956	3,895
Support costs	8	36,143	-	36,143	25,133
Total resources expended		691,224	138,926	830,150	682,684
Net incoming resources		139,944	80,774	220,718	228,503
Transfers between funds	16	22,257	(22,257)	-	-
Total funds brought forward		1,746,617	21,027	1,767,644	1,539,141
Total funds carried forward		1,908,818	79,544	1,988,362	1,767,644

The company has no recognised gains or losses other than the results for the year as set out above.

All the activities of the company are classed as continuing.

The notes on pages 12 to 20 form an integral part of these financial statements.

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Balance sheet
As at 31 December 2016
Company registration number: 06778628

	Notes	£	2016 £	2015 £
Fixed assets				
Tangible fixed assets	12		2,170,727	2,266,434
Current assets				
Stocks		11,494		11,110
Debtors	13	31,961		41,239
Cash at bank and in hand		658,069		387,747
			701,524	440,096
Creditors: amounts falling due within one year	14		(207,693)	(174,198)
Net current assets			493,831	265,898
Total assets less current liabilities			2,664,558	2,532,332
Creditors: amounts falling due after more than one year	15		(676,196)	(764,688)
Net assets			1,988,362	1,767,644
Funds				
Represented by:				
Unrestricted funds	16		1,908,818	1,746,617
Restricted funds			79,544	21,027
Total funds			1,988,362	1,767,644

The council acknowledges its responsibilities for ensuring that the company keeps accounting records which comply with section 386 of the Companies Act 2006 and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial period and of its profit or loss for the financial period in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to accounts, so far as applicable to the

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small company regime within Part 15 of the Companies Act 2006 and with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The financial statements were approved by the council on 14 June 2017 and signed on its behalf by:



Tony Hesselwood
Director

The notes on pages 12 to 20 form an integral part of these financial statements.

Scargill Movement
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Statement of Cash Flows

For the year ended 31 December 2016

	Notes	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Cash flows from operating activities:					
Net cash provided by operating activities*		340,200	58,517	398,717	358,215
Cash flows from investing activities:					
Interest received		1,359	-	1,359	1,632
Purchase of property plant and equipment		(40,262)	-	(40,262)	(236,409)
		(38,903)	-	(38,903)	(234,777)
Cash flows from financing operations:					
Repayments of borrowing		(89,492)	-	(89,492)	(155,676)
Change in cash and cash equivalents during the year		211,805	58,517	270,322	(32,238)
Cash and cash equivalents brought forward		366,720	21,027	387,747	419,985
Cash and cash equivalents carried forward		<u>578,525</u>	<u>79,544</u>	<u>658,069</u>	<u>387,747</u>

***Reconciliation of net incoming resources to net cash flow from operating activities**

Net incoming resources (after transfers)	162,201	58,517	220,718	228,503
Adjustments for:				
Depreciation charges	135,969	-	135,969	130,206
Interest received	(1,359)	-	(1,359)	(1,632)
(Increase) in stocks	(384)	-	(384)	(642)
Decrease/(increase) in debtors	9,278	-	9,278	1,595
Increase/(decrease) in creditors (excluding loans)	34,495	-	34,495	185
Net cash provided by operating activities	<u>340,200</u>	<u>58,517</u>	<u>398,717</u>	<u>358,215</u>

The notes on pages 12 to 20 form an integral part of these financial statements.

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Notes to the financial statements
for the period ended 31 December 2016

1 Accounting policies

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the year and the preceding year.

1.1 Basis of accounting

The financial statements are prepared under the historical cost convention and in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), the Statement of Recommended Practice 'Accounting and Reporting by Charities' effective 1 January 2015 (SORP FRS 102) and the Companies Act 2006.

1.2 Fund accounting

Unrestricted funds are funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements. Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

1.3 Incoming resources

All incoming resources are included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

Voluntary income is received by way of grants, donations and gifts and is included in full in the statement of financial activities when receivable. Grants where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant. Grants, including grants for the purchase of fixed assets, are recognised in full in the statement of financial activities in the year in which they are receivable. Grants received are not government grants and do not come with any conditions. Donated services and facilities are included at the value to the charity where this can be quantified. The value of services provided by volunteers has not been included. Gifts donated for resale are included as incoming resources within activities for generating funds when they are sold. Gift aid recoverable is included within the same category of income to which the claim relates. This income is also recognised in the same period.

Income from investments is included in the year in which it is receivable.

1.4 Resources expended

Expenditure is recognised on an accrual basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates.

Costs of generating funds comprise the costs associated with attracting voluntary income. Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support costs are those costs incurred directly in support of expenditure on the objects of the charity and include project management whilst governance costs include those costs associated with meeting costs associated with the constitutional requirements of the charity and include costs of indemnity insurance.

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Notes to the financial statements
for the period ended 31 December 2016 (cont.)

1.5 Stock

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

1.6 Tangible fixed assets and depreciation

Tangible fixed assets used for operational purposes are stated at cost less accumulated depreciation. Individual assets costing below £1,000 are treated as expenditure in the year they are acquired and are not capitalised. Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Freehold operational property	-	200 years straight line
Fixtures, fittings and equipment	-	7½ - 25% straight line
Refurbishment expenditure	-	7 years straight line

Depreciation is provided from when the asset is brought into use.

Refurbishment expenditure specifically funded by the Dewhurst loan (note 15) is capitalised in anticipation of the redevelopment of the site and facilities and is depreciated over the initial term of the loan period.

2 Voluntary income

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Donations	221,521	58,191	279,712	329,397
Legacies	8,110	-	8,110	41,234
Grants	-	161,509	161,509	3,616
	<u>229,631</u>	<u>219,700</u>	<u>449,331</u>	<u>374,247</u>

3 Investment income

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Deposit interest receivable	1,359	-	1,359	1,632
	<u>1,359</u>	<u>-</u>	<u>1,359</u>	<u>1,632</u>

4 Incoming resources from charitable activities

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Fees and seminars	535,819	-	535,819	505,317
Sales	23,153	-	23,153	19,315
Insurance reclaim	-	-	-	2,674
RHI income received	41,206	-	41,206	8,002
	<u>600,178</u>	<u>-</u>	<u>600,178</u>	<u>535,308</u>

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Notes to the financial statements
for the period ended 31 December 2016 (cont.)

5 Costs of generating voluntary income

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Fundraising fees and costs	1,101	-	1,101	858
	<u>1,101</u>	<u>-</u>	<u>1,101</u>	<u>858</u>

6 Costs of charitable activities

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Food and programme expenses	168,633	1,785	170,418	168,236
Community allowances and staff costs	141,395	-	141,395	132,489
Utilities	100,956	-	100,956	107,618
Repairs and maintenance	78,114	137,141	215,255	84,778
Marketing, PR and literature	15,852	-	15,852	19,289
Finance costs	9,105	-	9,105	10,182
Depreciation and amortisation	135,969	-	135,969	130,206
	<u>650,024</u>	<u>138,926</u>	<u>788,950</u>	<u>652,798</u>

7 Governance costs

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Trustees indemnity insurance	386	-	386	393
Audit	3,570	-	3,570	3,502
	<u>3,956</u>	<u>-</u>	<u>3,956</u>	<u>3,895</u>

8 Support costs

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Motor and travelling expenses	8,823	-	8,823	7,054
Office expenses	25,329	-	25,329	14,070
Legal and professional fees	360	-	360	162
Recruitment and training costs	1,631	-	1,631	3,847
	<u>36,143</u>	<u>-</u>	<u>36,143</u>	<u>25,133</u>

9 Net incoming resources for the year

	Total 2016 £	Total 2015 £
Net incoming resources is stated after charging:		
Depreciation and other amounts written off tangible fixed assets	135,969	130,206
Auditors' remuneration	3,570	3,502
	<u>139,539</u>	<u>133,708</u>

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Notes to the financial statements
for the period ended 31 December 2016 (cont.)

10 Employees

	Total 2016 £	Total 2015 £
Employment costs		
Wages and salaries	109,540	106,631
Social security costs	496	59
Pensions	31,262	25,799
	<u>141,298</u>	<u>132,489</u>

No employee received emoluments of more than £60,000.

Number of employees

The average monthly numbers of employees during the year, calculated on the basis of full time equivalents, was as follows:

	2016	2015
Programme delivery and community	<u>31</u>	<u>33</u>
	<u>31</u>	<u>33</u>

The charity is dependent upon the support of working friends and received support from up to 204 (2015 - 194) during the year.

11 Taxation

The charity's activities fall within the exemptions afforded by the provisions of the Income and Corporation Taxes Act 1988. Accordingly, there is no taxation charge in these accounts.

12 Tangible fixed assets

	Freehold operational property	Fixtures fittings and equipment	Refurbishment expenditure	Total
Cost or valuation				
At 1 January 2016	1,642,581	680,394	488,604	2,811,579
Additions	19,164	21,098	-	40,262
Disposals	-	-	-	-
At 31 December 2016	<u>1,661,745</u>	<u>701,492</u>	<u>488,604</u>	<u>2,851,841</u>
Depreciation				
At 1 January 2016	51,612	160,877	332,656	545,145
Charge for the year	8,309	57,859	69,801	135,969
Disposals	-	-	-	-
At 31 December 2016	<u>59,921</u>	<u>218,736</u>	<u>402,457</u>	<u>681,114</u>
Net book value				
At 31 December 2016	<u>1,601,824</u>	<u>482,756</u>	<u>86,147</u>	<u>2,170,727</u>
At 1 January 2016	<u>1,590,969</u>	<u>519,517</u>	<u>155,948</u>	<u>2,266,434</u>

Some of the freehold property is charged in support of borrowings.

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Notes to the financial statements
for the period ended 31 December 2016 (cont.)

13 Debtors

	2016 £	2015 £
Income tax recoverable	10,026	11,527
Other debtors	<u>21,935</u>	<u>29,712</u>
	<u>31,961</u>	<u>41,239</u>

14 Creditors: amounts falling due within one year

	2016 £	2015 £
Trade creditors	61,892	22,312
Accruals	5,273	7,598
Deposits in advance	59,477	61,668
Other creditors	19,051	19,620
Slavanka Trust (secured)	32,000	40,000
Loans from friends of Scargill Movement	30,000	23,000
	<u>207,693</u>	<u>174,198</u>

15 Creditors: amounts falling due after more than one year

	2016 £	2015 £
Slavanka Trust (secured)	111,196	139,688
Loans from friends of Scargill Movement	65,000	125,000
Dewhurst (Guernsey) Ltd - refurbishment loan (secured)	500,000	500,000
	<u>676,196</u>	<u>764,688</u>

Loans

Repayable in less than 1 year	62,000	63,000
Repayable in two to five years	65,000	125,000
Repayable in over 5 years	611,196	639,688
	<u>738,196</u>	<u>827,688</u>

The Dewhurst (Guernsey) Ltd loan has been kindly provided interest free until 20 December 2016 and is repayable by 31 December 2022. Loans from friends of Scargill Movement consist of 4 (2015 - 7) individual interest free loans with varying repayment dates over the next 7 years.

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Notes to the financial statements
for the period ended 31 December 2016 (cont.)

16 Funds	At 1 January £	Incoming resources £	Resources expended	Transfers	At 31 December £
Unrestricted					
General fund	1,433,617	831,168	(691,224)	(24,950)	1,548,611
Designated special maintenance	313,000	-	-	(52,793)	260,207
Designated project development	-	-	-	100,000	100,000
	<u>1,746,617</u>	<u>831,168</u>	<u>(691,224)</u>	<u>22,257</u>	<u>1,808,818</u>
Restricted					
Bagaga George - roof appeal	-	1,785	(1,785)	-	-
Bedding	-	25,039	-	-	25,039
Benches	-	140	(140)	-	-
Building development	-	1,000	(1,000)	-	-
Bursary fund	18,048	36,360	-	(22,257)	32,151
Carpeting and refurb work	-	5,000	(5,000)	-	-
Chapel lift	-	7,281	(7,281)	-	-
Low ropes fund	2,979	625	-	-	3,604
Old house windows	-	6,250	-	-	6,250
Project development fund	-	12,500	-	-	12,500
Refurbishment	-	104,500	(104,500)	-	-
Walled garden	-	19,220	(19,220)	-	-
	<u>21,027</u>	<u>219,700</u>	<u>(138,926)</u>	<u>(22,257)</u>	<u>79,544</u>
Total funds	<u>1,767,644</u>	<u>1,050,868</u>	<u>(830,150)</u>	<u>-</u>	<u>1,988,362</u>

The bursary fund represents funds received to finance conference and residential fees for guests unable to contribute to the full amount of fees chargeable. The Bagaga George roof appeal, bedding, benches, building development, carpeting, chapel lift, low ropes, old house windows, project development and walled garden funds relate to specific items that have all been acquired in full throughout the year or carried forward into 2017. The Refurbishment fund represents amounts given specifically for the purpose of the redevelopment of Scargill House.

The special maintenance designated fund has been created to cover special maintenance work anticipated to be spent throughout 2017. The transfer of £12,000 (2015 - £46,000) from the general fund has been made to accommodate anticipated expenditure throughout 2017. A second designated fund has been created this year to support the project development work planned for 2017 and £100,000 was transferred for this purpose.

17 Analysis of net assets by fund	General unrestricted funds £	Designated unrestricted funds £	Restricted funds £	Total 2016 £
Tangible fixed assets	2,170,727	-	-	2,170,727
Stocks	11,494	-	-	11,494
Debtors	31,961	-	-	31,961
Cash at bank and in hand	218,318	360,207	79,544	658,069
Creditors due within one year	(207,693)	-	-	(207,693)
Creditors due over one year	(676,196)	-	-	(676,196)
	<u>1,548,611</u>	<u>360,207</u>	<u>79,544</u>	<u>1,988,362</u>

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Notes to the financial statements
for the period ended 31 December 2016 (cont.)

18 Capital commitments

The charity had committed to capital expenditure of £nil (2015 - £nil) in respect of a lift of which £nil (2015 - £128,210) had been spent during the year.

19 Transactions with council

No trustee has received any remuneration during the year (2015 - £nil) and £97 in expenses (2015 - £nil) have been paid to trustees during the year.

20 Indemnity insurance

The charity paid insurance premiums of £386 (2015 - £393) to indemnify the council from any loss arising from neglect or defaults of the council or staff and any consequent loss.

21 Company limited by guarantee

Scargill Movement is a company limited by guarantee and accordingly does not have a share capital. Every member of the company (the members being the council members for the time being) undertakes to contribute such amount as may be required not exceeding £10 to the assets of the charitable company in the event of its being wound up while he or she is a member, or within one year after he or she ceases to be a member.

22 Church of England funded pension scheme

Scargill Movement participates in the Church of England Funded Pensions Scheme for stipendiary clergy. This scheme is administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the Employer and the other participating employers.

Each participating employer in the scheme pays contributions at a common contribution rate applied to pensionable stipends.

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This means it is not possible to attribute the Scheme's assets and liabilities to specific employers and that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are contributions payable towards benefits and expenses accrued in that year, plus any impact of deficit contributions (see next page).

A valuation of the Scheme is carried out once every three years. The most recent Scheme valuation completed was carried out at as 31 December 2015. The 2015 valuation revealed a deficit of £236m, based on assets of £1,308m and a funding target of £1,544m, assessed using the following assumptions:

- An investment strategy of:
 - for investments backing liabilities for pensions in payment, an allocation to gilts of 33% from the valuation date until 31 December 2019 and thereafter increasing linearly to 70% by 31 December 2030; and
 - a 100% allocation to return-seeking assets for investments backing liabilities prior to retirement;
- Investment returns equivalent to 2.6% p.a. on gilts and 4.6% p.a. on return-seeking assets;
- RPI inflation of 3.2% p.a. (and pension increases consistent with this);
- Increase in pensionable stipends of 3.2% p.a.;
- Mortality in accordance with 80% of the S2NMA and S2NFA tables, with allowance for improvements in mortality rates in line with the CMI 2015 core projections with a long term annual rate of improvement of 1.5%.

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Notes to the financial statements
for the period ended 31 December 2016 (cont.)

22 Church of England funded pension scheme (cont.)

Following the 31 December 2015 valuation, a recovery plan was put in place until 31 December 2025 and the deficit repair contributions payable (as a percentage of pensionable stipends) are as set out in the table below. Contributions since 2015 are shown for reference.

% of pensionable stipends	January 2015 to December 2017	January 2018 to December 2025
Deficit repair contributions	14.1%	11.9%

As at December 2014 and December 2015, the deficit repair contributions payable under the recovery plan in force were 14.1% of pensionable stipends until December 2025.

For senior office holders, pensionable stipends are adjusted in the calculations by a multiple, as set out in the Scheme's rules.

Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability. The movement in the provision is set out in the table below.

	2016 £	2015 £
Balance sheet liability at 1 January	56,000	62,000
Deficit contribution paid	(7,000)	(6,000)
Interest cost (recognised in SOFA)	1,000	1,000
Remaining change to the balance sheet liability* (recognised in SOFA)	4,000	(1,000)
Balance sheet liability at 31 December	<u>54,000</u>	<u>56,000</u>

* Comprises change in agreed deficit recovery plan, and change in discount rate and assumptions between year-ends.

This liability represents the present value of the deficit contributions agreed as at the accounting date and has been valued using the following assumptions set by reference to the duration of the deficit recovery payments:

	December 2016	December 2015	December 2014
Discount rate	1.5% pa	2.5% pa	2.3% pa
Price inflation	3.1% pa	2.4% pa	2.7% pa
Increase to total pensionable payroll	1.6% pa	0.9% pa	1.2% pa

The legal structure of the scheme is such that if another employer fails, the employer could become responsible for paying a share of that employer's pension liabilities.

Whilst this potential liability has been calculated at £54,000 (2015 - £56,000) no provision has been made in the accounts on the basis that community staff usually do not stay for more than 3 years and in that period of time only a fraction of the liability will accrue.

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Notes to the financial statements
for the period ended 31 December 2016 (cont.)

23 Other pensions - Money purchase scheme

Scargill Movement also operates a money purchase pension scheme for the benefit of its employees. Contributions payable under this scheme are charged to the statement of financial activities in the year