



Report & Financial Statements

31 December 2010



THE SCOTTISH BIBLE SOCIETY
Report and Financial Statements 2010

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The Scottish Bible Society (formerly the National Bible Society of Scotland)
A company limited by guarantee

Scottish Charity Number SC010767

Company number SC238687



PATRON, PRESIDENT, VICE-PRESIDENTS AND MEMBERS

Patron

HER MAJESTY THE QUEEN

Honorary President

The Rt Hon The Lord Mackay of Clashfern

Honorary Vice-Presidents

The Rt Hon The Earl of Elgin and Kincardine

Mr D Campbell

Miss K Forsyth

Mr J D M Urquhart

Rev F S Gibson

Members

Mrs Maureen Clark

Colonel John Flett

Miss Kathleen Forsyth

Mr Derek Gordon

Mr Bill Horton

Mr David Laing

Mr Donald Macdonald

Rev Fergus Macdonald

Rev Dr Norman Maciver

Mr William Mackenzie

Mr Roderick Macleod

Rev Tommy Macneil

Mr Steve Mallon

Dr Alastair Noble

Cardinal Keith O'Brien

Rev Michael Rollo

Rev Dr Tony Sargent

Mr James Stewart

Mr Norman Stone

Rev Oliver Vellacott

Ms Ruth Walker

Mr Andrew Welsh MSP

Dr Paul Wraight

History of the Society and predecessor bodies

The Edinburgh Bible Society was formally constituted on 4 August 1809. On 22 May 1861 it united with other provincial Bible Societies to form The National Bible Society of Scotland. On 1 July 1985, The Scottish Bible Society, also founded in 1809, merged with The National Bible Society of Scotland. At a special meeting on 27 June 2000, the Society changed its name to The Scottish Bible Society. Ownership of the name, The National Bible Society of Scotland, was retained by the Society.

The assets and undertaking of the Society were transferred on 1 January 2003 to the present Company which continues to carry out the Society's activities. The Company is recognised as a Scottish charity and as the successor to the former Society.



REFERENCE AND ADMINISTRATIVE DETAILS

Directors

Mr David K Laing (Chairman)
Mr Mark Adderley (appointed 18 March 2011)
Mr Richard Atkinson
Mr Marc Bircham (appointed 18 March 2011)
Mr Ian Boxall (appointed 1 June 2010)
Mr Jeremy Burchill
Mrs Gillian Campbell
Mrs Maureen Clark
Mr John Deighan
Rev Dr Alistair Donald
Mr Norman Martin (appointed 1 June 2010)
Mrs Alison Walker

Company Secretary

Mr Ian A S Lawson

Principal Officers

Miss Elaine M Duncan (Chief Executive)
Mr Colin S Hay (Director of Programmes) - retired 13 April 2011
Ms Fiona McDonald (Director of National Ministries)
Mr Ian A S Lawson (Director of Business Administration)

Registered Office, charity number and company number

7 Hampton Terrace, Edinburgh EH12 5XU
Telephone: 0131 337 9701
Website: www.scottishbiblesociety.org
Scottish Charity No: SC010767
Registered as a Scottish company, no. SC238687

Auditors

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

Bankers

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

Solicitors

Simpson & Marwick WS, Albany House, 58 Albany Street, Edinburgh EH1 3QR

Shepherd & Wedderburn WS, Saltire Court, 20 Castle Terrace, Edinburgh EH1 2ET

Investment managers

Adam & Company Investment Management (UK) Ltd, 22 Charlotte Square, Edinburgh EH2 4DF



CHIEF EXECUTIVE'S REPORT for the year ended 31 December 2010

'... Ezra the priest brought the scroll of the law before the assembly ... and read aloud to everyone who could understand. All the people paid attention to the Book of the Law.
... the Levites ... clearly explained the meaning of what was being read, helping the people understand each passage.'
Nehemiah 8: 2-8, NLT

This has been a key motivation for Christian communicators across the centuries. In 1530, recalling his pioneering translation of the New Testament, William Tyndale wrote:
"... I had perceived by experience, how that it was impossible to stablish the lay people in any truth, except the scripture were plainly laid before their eyes in their mother tongue..."

During 2010 we made significant preparations for marking the 400th anniversary of the 1611 King James Bible that built on Tyndale's pioneering efforts and paved the way for so much to follow. SBS took a leading role in developing *Biblefresh*, an initiative from a partnership of organisations encouraging congregations and individuals to engage with the Scriptures in new ways.

biblefresh
It could change your world



In connection with the annual 'Women Walking with God' conference, we published a special edition of Proverbs, dividing the modern text into a month's daily sections.

A more unusual encouragement to Bible engagement arrived in the form of a refurbished 1967 VW camper van to enable small groups of young adults to discover the *lectio divina* method of Bible study amid the wonders of Scotland's scenery.



A glimpse of that beauty graced the cover of *Soisgeul Eòin* (John's Gospel), the first part of a new Gaelic translation. It was launched at October's National Mòd in Caithness, and evoked appreciative feedback both from cultural bodies and from people struggling with the traditional version or with no knowledge of Scripture at all. The small team continues working on the other Gospels and Acts.



It was a Gaelic-speaker who, as a missionary in north-east China, first translated the New Testament into Korean (1887). In April, Board and staff members of the Korean Bible Society, on pilgrimage in Scotland, visited Bible House and held a service at the Edinburgh grave of Rev Dr John Ross. As a result they decided to return in May 2011 to dedicate an additional tribute at the grave – a token of the deep gratitude of Korean Christians for Dr Ross's work.



May brought another party of visitors led by Elder Fu Xianwei, Chairman of China's Three-Self Patriotic Movement; one teaches theology in the area where Dr Ross is still remembered. The opportunity arose to introduce the group to a wider circle through a reception at New College, Edinburgh, highlighting Scotland's long contact

with China and strong support for Bible printing: since opening in 1987, the Amity Press at Nanjing has produced more than 54 million copies for distribution across the country.



CHIEF EXECUTIVE'S REPORT for the year ended 31 December 2010

Against this background Korea hosted the United Bible Societies' 8th World Assembly in September, attended by Board member John Deighan and myself. This gathering of the 147-strong global family addressed key challenges including the needs of youth, the opportunities of new technology and financial implications in a time of economic difficulty.

Soon afterwards I was also privileged to participate in the 3rd Lausanne Congress for World Evangelisation, Cape Town.

We in SBS, with our desire to present people with the Bible message as clearly as possible and in their living situation, continue to play a significant role within UBS, contributing to specific outreach in:

- emergency situations such as Haiti's earthquake and floods in both Peru and Pakistan;
- Vietnam, where millions of young people lack access to the Bible;
- various parts of Africa where our colleagues are working proactively to advance adult literacy;
- the Middle East (resources for students in the West Bank and migrant workers in Gulf States as well as a peace-inspiring devotional guide in Hebrew & Arabic);
- Jamaica, helping schoolchildren cope with endemic urban violence.

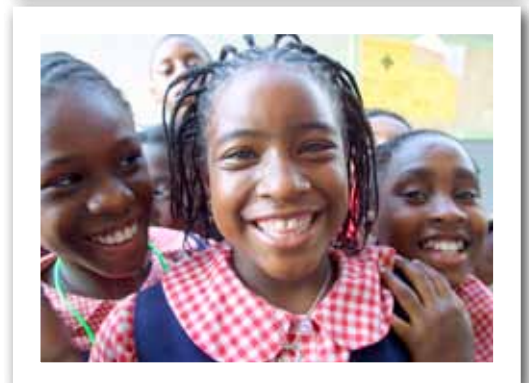
As always, we are indebted to congregations, volunteers and individual donors for their generous support.



Schoolchildren are still an important focus for us here in Scotland. Our Bibleworld Mobile unit has travelled widely, sometimes breaking new ground and on other occasions revisiting familiar locations such as East Kilbride and Helensburgh. With great sadness we were forced to close the centre at Bible House that had impacted thousands of children and their teachers since 1991 and its re-launch in 2003. It is a tribute to staff and volunteers that their success lives on, both through 'daughter' centres in Beirut, Cairo and Curaçao and also through recent online developments that enable teachers to access exciting new material linked to the Curriculum for Excellence.

Ahead of 2011 we laid the basis for a major project in conjunction with our colleagues in England & Wales. Tapping into the growing publicity surrounding the King James Version, *The People's Bible* has been conceived to offer people of all faiths and none the opportunity to handwrite two verses of Scripture and then view the result on the Internet. This is a perfect opportunity to promote the Bible to the whole community across Britain. We think William Tyndale would approve, along with King James and so many others who shaped the progress of God's Word in English and beyond.

Elaine Duncan, Chief Executive
6 May 2011



DIRECTORS' REPORT **for the year ended 31 December 2010**

The Directors have pleasure in presenting their annual report and the audited financial statements of the Company for the year ended 31 December 2010.

Reference and administrative details

Details are given on page 3 of the Society's directors, officers and advisers, together with its contact details and company and charity numbers.

Structure, governance and management

Company structure and membership

The Society is a company limited by guarantee, governed by companies legislation and its Memorandum and Articles of Association. There are 23 members of the Company who have guaranteed the debts of the Company in the event of a winding-up, to the extent of £1 each.

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

The Articles of Association provide for a Council of Church Representatives (CCR) to meet at least twice per year, to enable the Society to maintain a good working relationship with the churches in Scotland. The CCR is entitled to nominate up to five individuals for admission as new members.

Governance

The management of the Company is the responsibility of the Board of Directors, appointed by the members under the terms of the Companies Act and the Company's Articles of Association. The directors are therefore the "Charity Trustees" as defined in Scottish charities legislation. Directors hold office from year to year and can remain in office for a maximum period of seven years. The minimum number of directors is five and the maximum twelve. The names of the directors at the date of approval of this report are given on page 3, together with the date of appointment if after 1 January 2010.

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

Each new director is given an induction tailored to his or her needs and provided with access to a website containing material relevant to the work of the Society and the responsibilities of directors. A budget is available for director training and relevant courses are circulated to Board members. The Society subscribes to the bi-monthly magazine *Governance* - which deals solely with charity governance issues - providing a copy for each Board member.

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

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



DIRECTORS' REPORT

for the year ended 31 December 2010

Management

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

The work of the Society is broadly divided into three departments. The Director of National Ministries provides support and Bible resources for churches, youth groups and other Christian organisations, and is responsible for all our Bible engagement programmes in Scotland, including Bibleworld. The Director of Business Administration is responsible for all aspects of technical, financial and administrative support and for optimising the commercial possibilities of the Society's assets and other resources. Until his retirement in April 2011, Colin Hay as Director of Programmes was responsible for overseas projects and the related fundraising, together with activities in publishing and distributing Bible resources in Scotland. To succeed Colin, the Society has created the new post of Director of Communications, with responsibilities focusing on the communication of the Society's vision and mission to supporters, beneficiaries and the media.

UBS Service Organisation

The Society is a founding member of the United Bible Societies (UBS). The UBS comprises over 140 Bible Societies or Offices at work in over 200 countries worldwide, translating, publishing and distributing the Bible. Support for overseas Scripture Projects is channelled via a central UBS Service Organisation, whose staff help to ensure that the projects are carried out. The Service Organisation is led by its General Secretary, Mike Perreau - newly appointed to replace Rev Miller Milloy on his retirement. The Society commits to contribute towards UBS projects a year in advance, either in the form of grants earmarked for specific projects, or by way of undesignated grants to provide financial help wherever it is needed most. Any enquiries relating to the work of the UBS should be addressed to the General Secretary, 7th Floor, Reading Bridge House, Reading RG1 8PJ.

Objectives and activities

Objectives

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

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

In summary, therefore, the Society's mission is to improve the worldwide availability and accessibility of the Bible and to promote and facilitate its use. All its activities are intended to result in greater awareness, readership and understanding of the Bible.

Activities

During 2010, the Society's main objectives were: (a) to raise funds to enable Bible translation and distribution projects in areas where demand for Bible resources is high but the ability to pay is low; and (b) to continue actively to promote Bible awareness and engagement in Scotland.

In order to achieve these objectives, the Society mounts four seasonal appeals each year - usually for specific overseas projects (see 'Grantmaking' below). Funds are also raised through the *Bible-a-month* programme, from church collections, from fundraising events organised by volunteers, from trusts and from legacies and lifetime gifts. Overseas projects are carried out on behalf of the Society by local Bible Societies or other partner organisations operating in the relevant overseas locations.



DIRECTORS' REPORT **for the year ended 31 December 2010**

Objectives and activities (continued)

Objectives (continued)

The Society continues to provide access via its website to a vast range of Bible resources and gives free advice and assistance to purchasers. Orders for materials are promptly handled by third party distributors. The Society is also very active in Scotland, promoting awareness of and engagement with the Bible through the operation of its mobile *Bibleworld* classroom and through events in partnership with Church organisations.

Information on all the Society's projects and events is carried on its website, in fortnightly e-newsletters, and in the twice-yearly *Word at Work* magazine, distributed free throughout Scottish churches.

Grantmaking

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

Grants are also awarded to individuals or groups in Scotland where this will help the Society achieve its objectives in an efficient and effective manner. All grant applications are submitted in writing and assessed by senior management to ensure that there is likely to be an appropriate benefit for the net cost, and that arrangements are in place to monitor performance under the terms of the grant.

Volunteers

The Society is fortunate to have the dedicated support of an extensive network of local supporters, church representatives, area coordinators and speakers. Society volunteers assist in many ways with fundraising, delivery of charitable objectives, governance and administrative support. Their contribution cannot be measured.

Achievements and performance

Charitable activities

2010 marked the end of the Society's bicentenary celebrations and the start of planning in earnest for the 400th anniversary year of the King James Bible ('KJB'), first printed in 1611. A special Annual Review of the events of the bicentenary year published in June also looked forward to the special opportunity for promoting Bible engagement during 2011, when the media would be giving prominence to the historical, cultural and literary significance of the 'authorised' version. More details are given under 'Plans for Future Periods' below.

One of these opportunities got underway in 2010 with the launch of the Biblefresh initiative by a number of UK Christian agencies. The Society is an active member of this group and has recruited new staff to spearhead the provision of Biblefresh teams to churches throughout Scotland. Churches are offered the services of a team visit to help their congregations to engage with the Bible in new ways and to respond to the Biblefresh challenges in their locality.

The Society is also represented on the King James Bible Trust whose work has stimulated recognition and celebration of the significance of the KJB in the wider culture. The impact of the KJB on the English Language has led to events being planned within areas such as the visual arts, music and theatre.

Work overseas included funding projects in Vietnam, Africa, Jamaica and the Middle East. Full details of amounts raised and expended are contained in notes 7 and 16.

Bibleworld Mobile, the interactive classroom experience for older primary school children, continued to tour round Scottish schools, also venturing this year into Cumbria shortly after the terrible shooting incident there. Over 10,000 child and adult visitors across 20 different locations benefited from the experience. These visits were generously sponsored by local churches, keen to minister to the schools in their areas. Sadly, despite introducing new curriculum-related programmes to the larger Bibleworld Experience based at Bible House in Edinburgh, it



DIRECTORS' REPORT for the year ended 31 December 2010

proved impossible to persuade enough schools to overcome the financial and organisational obstacles of arranging school trips. After eight years of service, bringing the story of the "message and the messengers" vividly to life for a host of excited school children, this facility was closed on 31 December 2010. However, the investment made during 2010 in new programmes will be utilised in Bibleworld Mobile and in a new web-based resource for schools.

Meanwhile, another new mission vehicle was acquired during the year - a reconditioned 1967 VW Campervan. This iconic people carrier has already proved a draw to the crowds at youth conferences and will be available in the coming months for Bible study breaks for the young and young-at-heart, using the even more ancient technique of 'Lectio Divina'.

The year also saw the completion of the first stage of a proposed new translation of the New Testament into modern Gaelic, with the launch of John's Gospel at the Gaelic Mod in Thurso. The Society owns the copyright to the existing 1801 translation of the Gaelic Bible, but it is recognised that relatively few speakers would claim Gaelic as their 'heart language'. Accordingly, the translation work is being undertaken only with grants and funds specifically donated for the purpose. The Society is grateful for a grant of £10,000 from Bòrd na Gàidhlig received during 2010.

The Chief Executive's Report on pages 4 and 5 gives further information on the activities of the year.

Fundraising activities

The Society's funding for its day-to-day operations continues to come in the main from a dedicated core of churches, volunteer action groups and individual donors, contributing both lifetime gifts and legacies. Grants to overseas Bible Societies were mainly funded by specific mail appeals and, more generally, through the Society's Bible-a-month programme. There were four direct mail appeals during 2010. The amounts raised in appeals (shown in note 16) are on average 20% less than two years ago, before the start of the economic downturn. However, regular support from Bible-a-month partners and from general donations have remained more or less constant over the same period.

Financial review

General results

Donation income is much reduced compared to 2009, which benefited from a special appeal for our bicentenary project in Brazil. Even so, current responses to appeals are running around 20% less than in 2008. The Society was notified of 20 legacies in 2010 (2009: 29), the average legacy being just over £10,000 in both years. Investment and trading income were again affected by the recession. Total income was 16.5% less than 2009; and 13% less than 2008. In a bid to increase donated income substantially over the next 5 years, the Board authorised additional resources being allocated to fundraising. As a result, fundraising costs have increased, though they are still only 15% of total incoming resources. Charitable expenditure, post bicentenary, was closer to the level of 2008, despite including a special write down of assets on the closure of Bibleworld Experience. The overall deficit was just over £400,000. However, with a gain in investment values of £330,000, the net reduction of funds was limited to £77,981.

Reserves policy

It has been the policy of the Society to maintain unrestricted funds at a level whereby the free reserves of the Society are maintained at a figure equivalent to between three and six months of the resources expended. The Directors consider that this level of reserves is appropriate to ensure the on-going work of the Society in the event of a significant reduction in support. Designated funds include the Capital Fund which exists to maintain future income streams and fund future depreciation of long-term assets. It is not applied for the purposes of revenue expenditure without Board authorisation. Designated funds are therefore excluded from the free reserves calculation.

At 31 December 2010 the general fund balance stood at £344,933 which is less than three-twelfths of resources expended in the year. The Board has approved a transfer of £100,000 from Capital Fund in 2011 which will rectify the deficiency in free reserves at the year-end date.



DIRECTORS' REPORT

for the year ended 31 December 2010

Financial review (continued)

Investment policy

The Society had investment funds under management of £3.1m at 31 December 2010. The purpose of these funds is firstly to generate income and gains that can be spent on charitable objectives, and secondly to provide a resource for future investment in capital intensive projects, such as Bibleworld mobile, or to enable the most to be made of special opportunities for Bible work, such as the KJB anniversary in 2011.

The long term investment objective is to maximise total return from the portfolio within the constraints of a low risk investment profile. The strategy to achieve this has been determined by the Directors in consultation with the Society's external investment managers, Adam & Co. The target portfolio weighting is 65% UK equities, 15% overseas equities, 15% bonds and 5% cash. It is the Society's policy specifically to exclude investments in companies whose principal business is in the alcohol, tobacco, gambling and weapons industries, favouring companies which avoid the exploitation of resources and labour.

Investment performance

Due to the recent volatility in equity markets, the managers have kept the equity element of the portfolio underweight throughout 2010. Even so, the continued recovery of the stock market during the year resulted in a rise in value of the whole portfolio of approximately £330,000, which together with gains in 2009 fully compensated for the large losses of 2008. The total return on capital for the year was 14.8% (2009: 24.01%) compared with a benchmark return of 13.2% (2009: 22.71%). The benchmark is based on a combination of indexes for cash, equities and fixed interest, in the 'target' proportions set out above. However, unlike the portfolio, the benchmark is not constrained by ethical considerations. The directors continue to keep the investment objectives and the performance of the investment managers under review.

Plans for future periods

In response to the national celebrations in 2011 marking the 400th anniversary of the King James Bible, the Society is embarking on a major new project, The People's Bible, in which people throughout Scotland will be invited each to handwrite a few verses of the Bible. By using digital technology, the handwritten pages will be incorporated into an online educational and Bible engagement tool. This significant venture, with a total budget of approximately £300,000, is being undertaken in partnership with our sister Bible Society in England & Wales, reflecting the way in which the King James Bible itself was one of the first products of a newly united Kingdom.

Other Bible engagement projects will see the VW Campervan ("Exit:VAN") taking its first full season of summer bookings, while Biblefresh and Bibleworld teams will continue to provide education and support services to churches and schools around the country.

In its World Programme, the Society will be supporting new distribution projects in Uruguay and Cuba, as well as utilising funds from appeals in previous years to continue funding projects in Vietnam, Jamaica and the Middle East. Significant funds will also be provided to help UBS's most urgent translation projects.

Risk Management

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

Directors' Responsibilities in respect of the Financial Statements

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

The Companies Act 2006 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 Society and of its results for that period.



DIRECTORS' REPORT for the year ended 31 December 2010

The Directors are required under the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006 to prepare financial statements for each financial year. Under these laws the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Society and of its results for that period. In preparing those financial statements, the Directors are required to:

1. select suitable accounting policies and then apply them consistently;
2. make judgements and accounting estimates that are reasonable and prudent;
3. state whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departure disclosed and explained in the financial statements; and
4. prepare the financial statements on the going concern basis unless it is inappropriate to assume that the Society will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Society's transactions and disclose with reasonable accuracy at any time the financial position of the Society and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006. They are also responsible for safeguarding the assets of the Society and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In accordance with company law, as the company's Directors we certify that:

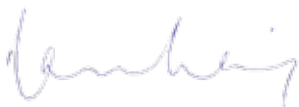
1. So far as we are aware, there is no relevant audit information of which the company's auditors are unaware; and
2. As the Directors of the company we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Conclusion

2011 will be a year of significant changes for the Society. Colin Hay, who has served the Society in a variety of roles over 30 years and latterly as Director of Programmes, retired on 11 April 2011 and John Binnington, who is currently Senior Information Coordinator, expects to retire in July 2011 after completing nearly 43 years service. Colin's extensive experience of the Society's involvement in international projects in many countries is well matched by John's encyclopaedic knowledge of the Society's 200 year history and they will be missed. In recognition of their support for, and their continuing interest in, the Society's work however, each has agreed to appointment as a member of the Society.

As Elaine Duncan has described in her Chief Executive's Report, this year is significant for the history of the Bible in Scotland both as the 400th anniversary of the publication of the King James' Version and as the year of The People's Bible project. This project marks a major milestone in the Society's programme of Bible engagement in Scotland itself – using contemporary technology to present our neighbours with an opportunity to engage physically, intellectually, emotionally and spiritually with the Word of God. We are particularly pleased that our sister society in England and Wales are collaborating with us to extend this initiative south of the Border.

I will retire as a director of the Society at the Annual General Meeting on 7 June 2011 and am delighted that the Board has appointed Ian Boxall to succeed me as chairman with Maureen Clark as his deputy. I wish Ian, Maureen, my fellow directors and everyone who is involved in the work of the Society God's rich blessing on them personally and in their service.



David K Laing, Chairman
6 May 2011



INDEPENDENT AUDITORS' REPORT to the MEMBERS and DIRECTORS For the year ended 31 December 2010

We have audited the financial statements of The Scottish Bible Society for the year ended 31 December 2010 which comprise the Statement of Financial Activities, 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).

This report is made exclusively to the members, as a body, in accordance with Sections 495 and 496 of the Companies Act 2006 and to the Society's directors, as a body, in accordance with section 44 (1) (c) of the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the members and the Society's directors 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 Society and its members and directors as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on pages 10 and 11, the directors (who are also the directors of the Society 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.

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

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (United Kingdom 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 Society's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Society's affairs as at 31 December 2010 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 Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).



**INDEPENDENT AUDITORS' REPORT to the MEMBERS and DIRECTORS
For the year ended 31 December 2010**

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' annual 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 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- the Society has not kept proper and adequate accounting records 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Gillian Donald, Senior Statutory Auditor
For and on behalf of Scott-Moncrieff, Statutory Auditor
Chartered Accountants
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
Exchange Place 3
Semple Street
Edinburgh
EH3 8BL**

6 May 2011



STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating the Income and Expenditure Account)
for the year ended 31 December 2010

	Note	Unrestricted			2010 Total £	2009 Total £
		General Fund £	Designated funds £	Restricted funds £		
Incoming resources						
<i>Incoming resources from generated funds</i>						
Voluntary income						
Donations		312,522	-	503,416	815,938	901,817
Legacies		214,589	-	-	214,589	308,295
Total voluntary income		527,111	-	503,416	1,030,527	1,210,112
Income from activities for generating funds	2	13,241	-	9,067	22,308	35,913
Investment income	3	77,609	-	-	77,609	101,561
		617,961	-	512,483	1,130,444	1,347,586
Incoming resources from charitable activities	4	50,006	-	-	50,006	64,003
Total incoming resources		667,967	-	512,483	1,180,450	1,411,589
Resources expended						
<i>Cost of generating funds</i>						
Fundraising and publicity	5	72,277	-	89,014	161,291	137,932
Costs of fundraising events	2	2,191	-	593	2,784	6,250
Investment management costs		8,429	8,429	-	16,858	15,630
		82,897	8,429	89,607	180,933	159,812
Charitable activities	6	1,022,710	-	345,390	1,368,100	1,447,620
Governance costs	8	39,860	-	-	39,860	39,442
Total resources expended		1,145,467	8,429	434,997	1,588,893	1,646,874
Net (outgoing)/incoming resources						
before transfers, and net income/						
(expenditure) for the year						
		(477,500)	(8,429)	77,486	(408,443)	(235,285)
Transfers between funds						
Transfers from designated funds	15	339,831	(339,831)	-	-	-
Transfer from restricted funds	16	181,907	-	(181,907)	-	-
Net (outgoing)/incoming resources before		44,238	(348,260)	(104,421)	(408,443)	(235,285)
other recognised gains/losses						
Other recognised gains and losses						
Net gains on investment assets	11	-	330,502	-	330,502	494,239
Net movement in funds		44,238	(17,758)	(104,421)	(77,941)	258,954
Reconciliation of funds						
Total funds brought forward		300,695	3,543,299	167,733	4,011,727	3,752,773
Total funds carried forward	17	344,933	3,525,541	63,312	3,933,786	4,011,727

Results for both years relate in their entirety to the ongoing activities of the Society.

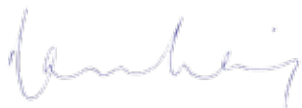
The notes on pages 16 to 24 form part of these financial statements.



BALANCE SHEET
as at 31 December 2010

		2010		2009	
	Note	£	£	£	£
Fixed Assets					
Tangible assets	10		861,116		1,003,456
Investments	11		<u>3,067,828</u>		<u>2,738,408</u>
			3,928,944		3,741,864
Current assets					
Stocks	12	79,038		89,270	
Debtors	13	132,684		143,214	
Cash at bank and in hand		<u>91,165</u>		<u>249,918</u>	
		302,887		482,402	
Liabilities					
Amounts falling due within one year	14	<u>(298,045)</u>		<u>(212,539)</u>	
Net current assets			<u>4,842</u>		<u>269,863</u>
Net assets			<u><u>3,933,786</u></u>		<u><u>4,011,727</u></u>
Funds					
Unrestricted funds					
General Fund			344,933		300,695
Designated funds	15		<u>3,525,541</u>		<u>3,543,299</u>
			3,870,474		3,843,994
Restricted funds					
	16		<u>63,312</u>		<u>167,733</u>
	17		<u><u>3,933,786</u></u>		<u><u>4,011,727</u></u>

The financial statements were approved by the Directors on 6 May 2011 and signed on their behalf by:



David K Laing, Chairman

The notes on pages 16 to 24 form part of these financial statements.



NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2010

1 ACCOUNTING POLICIES

(a) Basis of accounting

The financial statements have been prepared under the historical cost convention as modified by the revaluation of investments, and are in accordance with applicable Accounting Standards in the United Kingdom, the Companies Act 2006, and Statement of Recommended Practice, Accounting and Reporting by Charities issued 2005.

The Society has a subsidiary company, SBS Publishing (nt:sport) Limited, which was incorporated on 20 August 2004. As explained in note 11, this company has not been consolidated because the amounts involved are not material.

(b) Incoming resources

Voluntary income comprises donations received, whether as a result of appeals or otherwise, and legacies. Income from activities for generating funds includes the proceeds of fundraising events such as sponsored walks and other action group events. Income from activities in furtherance of the Society's objectives includes income from trading and fees for admission to Bibleworld facilities.

Voluntary income, including legacies, is recognised in the period in which the Society is entitled to receipt and the amount can be measured with reasonable certainty.

Income from investments and rental income are included in the period in which they become receivable.

(c) Resources expended

Expenditure is included in the period in which it is incurred. Accordingly, expenditure includes sums irrevocably pledged as payments to fund United Bible Society projects in subsequent periods.

Fundraising and publicity costs include direct expenditure on appeals and other fundraising activities, together with the salaries of the staff involved in these activities and an allocation of overheads. While these costs include expenditure on publicity for fundraising purposes, the cost of providing information as part of the Society's objective of encouraging engagement with the Bible is included within charitable expenditure, as set out in note 6(c).

Charitable expenditure comprises costs directly incurred in the furtherance of the Society's objects, including related support costs. Support costs comprise salaries, direct costs and overheads associated with support functions such as finance, IT and general administration services costs.

Governance costs represent the costs attributable to the strategic management and direction of the Society, including the cost of Board meetings, statutory and compliance requirements (such as the preparation and audit of financial statements) and related overhead costs.

(d) Stocks

Stocks of books and Bible resources for resale have been valued at the lower of cost and net realisable value.

(e) Tangible fixed assets and depreciation

Depreciation is provided on all fixed assets so as to write off the original cost of the assets, less any estimated residual value, in equal monthly instalments over their estimated useful lives. The estimated useful lives of the company's assets are as follows:

Heritable property	50 years
Bibleworld trailer and exhibition	7 years
Fixtures, fittings and equipment	4 to 10 years
Computer equipment	3 to 5 years
Motor vehicles	3 to 4 years



NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2010

1 ACCOUNTING POLICIES (continued)

(f) Foreign currencies

Monetary assets and liabilities in foreign currencies are translated at rates of exchange ruling at the balance sheet date. Transactions in foreign currencies during the financial year are recorded at the rate ruling at the date of transaction.

(g) Investments

Investment assets are included in the Balance Sheet at market value. Gains and losses are recorded in the Statement of Financial Activities in the year in which they arise.

(h) Fund accounting

“Unrestricted funds are funds which can be used in accordance with the charitable objects at the discretion of the board.

Designated funds are funds which have been retained by the directors out of unrestricted funds for specific purposes, as explained in note 15.

Restricted funds are funds which can only be used for particular restricted purposes within the objects of the Society. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes. Where donations are received for the purchase of a specific fixed asset, both the donation and the appropriate proportion of the asset’s depreciation are accounted for within restricted funds. “

(i) Pensions

Pension contributions are paid into the Society’s pension scheme for the benefit of employees. They are recognised in the Statement of Financial Activities as incurred.

(j) Operating leases

Lease payments under operating leases, where substantially all the risks and benefits of ownership remain with the lessor, are charged as expenses in the periods in which they are incurred.

(k) Cash flow

The financial statements do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirements to prepare such a statement under FRS1.

2 ACTIVITIES FOR GENERATING FUNDS

	Fundraising events £	Sponsored walks etc. £	2010 £	2009 £
Income	16,828	5,480	22,308	35,913
Costs	2,784	-	2,784	6,250
	<u>14,044</u>	<u>5,480</u>	<u>19,524</u>	<u>29,663</u>

Fundraising events are events organised by the Society, or by volunteers in the name of the Society, where income arises from admission charges, sales of goods etc.



NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2010

3 INVESTMENT INCOME

	2010	2009
	£	£
Income from investments	76,433	101,271
Bank and other interest	802	647
Exchange (losses)/gains	374	(357)

4 INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	General	Restricted	2010	2009
	£	£	£	£
Sales of Bible resources				
Sales of own stocks	36,028	-	36,028	47,292
Commission received	823	-	823	906
	<u>36,851</u>	<u>-</u>	<u>36,851</u>	<u>48,198</u>
Bibleworld fees	8,235	-	8,235	7,840
Income from other projects	4,920	-	4,920	7,965
	<u>50,006</u>	<u>-</u>	<u>50,006</u>	<u>64,003</u>

5 FUNDRAISING AND PUBLICITY

	Unrestricted	Designated	Restricted	2010	2009
	funds	funds	funds	Total	Total
	£	£	£	£	£
Staff costs	55,512	-	49,080	104,592	52,536
Direct costs of appeals	13,815	-	37,326	51,141	55,621
Other costs	2,950	-	2,608	5,558	29,775
	<u>72,277</u>	<u>-</u>	<u>89,014</u>	<u>161,291</u>	<u>137,932</u>

6 CHARITABLE EXPENDITURE - PROGRAMME COSTS

In the tables below, charitable expenditure has been allocated to Restricted Funds where it relates to the spending of income donated for specific purposes (see note 1(h)). All other charitable expenditure is categorised as 'General'. Where it is appropriate to charge expenditure against a designated fund, a transfer has been made as detailed in note 15.

	Unrestricted funds		Restricted	2010	2009
	General	Designated	Funds	Total	Total
	£	£	£	£	£
National ministries (note (a))	710,031	-	43,699	753,730	832,516
International projects (note (b))	121,035	-	301,691	422,726	410,381
Information (note (c))	191,644	-	-	191,644	204,723
	<u>1,022,710</u>	<u>-</u>	<u>345,390</u>	<u>1,368,100</u>	<u>1,447,620</u>



NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2010

6 CHARITABLE EXPENDITURE - PROGRAMME COSTS (continued)

(a) National ministries

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

	Unrestricted funds		Restricted	2010	2009
	General	Designated	funds	Total	Total
	£	£	£	£	£
Costs of providing Bibles and Bible resources	65,004	-	-	65,004	94,268
Bibleworld costs (see below)	320,230	-	20,674	340,904	290,126
Grants (note 7)	2,988	-	-	2,988	15,296
Other ministries	88,029	-	23,025	111,054	84,902
Bicentenary projects	-	-	-	-	94,159
	<u>476,251</u>	<u>-</u>	<u>43,699</u>	<u>519,950</u>	<u>578,751</u>
Support costs	233,780	-	-	233,780	253,765
	<u>710,031</u>	<u>-</u>	<u>43,699</u>	<u>753,730</u>	<u>832,516</u>

Bibleworld costs comprise salaries, depreciation and other direct costs involved in running the two Bibleworld educational facilities. On 31 December 2010 the facility based in Bible House was closed and the remaining net book value of its cost of design and construction was written off, amounting to £80,464. This cost has been included in the table above, and transferred to capital reserve (see note 15).

Bibleworld costs in 2009 include £43,470 being the purchase cost of three years' supply of Wild Luke, an illustrated gospel given as a free handout to children visiting Bibleworld. The actual cost of free handouts of Wild Luke in 2010 of £7,127 (2009 £3,716) is therefore omitted from the table above.

(b) International projects

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

	Unrestricted funds		Restricted	2010	2009
	General	Designated	funds	Total	Total
	£	£	£	£	£
Project grants (note 7)	106,394	-	266,977	373,371	369,488
Direct costs	9,344	-	22,155	31,499	23,144
	<u>115,738</u>	<u>-</u>	<u>289,132</u>	<u>404,870</u>	<u>392,632</u>
Support costs	5,297	-	12,559	17,856	17,749
	<u>121,035</u>	<u>-</u>	<u>301,691</u>	<u>422,726</u>	<u>410,381</u>

(c) Information

Information represents the cost of informing the Christian public of our activities, primarily so that we might harness the power of their prayers for all the work we do. It also includes the cost of generally educating the Scottish public about the Bible: its nature, its contents, its place in our culture, its history, its contemporary relevance, its reliability and power. The Society's information programmes include 'invisible' activities such as research, archive maintenance and librarianship, as well as co-ordinating a range of publications and communications, from informative 'thank-you' letters, press releases and magazine articles to the Society's house magazine Word at Work and its daily prayer diary Read and Pray around the World. The Society also maintains a website rich in Bible resources and issues regular electronic newsletters.

Word at Work was published twice during the year and has a circulation of over 50,000 per issue. The magazine is circulated free-of-charge to various churches and Bible action groups and is also available on request.



NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2010

7 GRANTS PAYABLE

The Society's overseas work is largely carried out through the United Bible Societies organisation (UBS). Each year, UBS seeks to match pledges from those Societies that can raise surplus funds with the financial needs of those Societies that cannot raise enough. To facilitate this process, the Scottish Bible Society makes an irrevocable pledge in advance of the relevant year, setting out the amount of support it will give towards the project registry or to other work being done by national Bible Societies overseas. Because the pledge is irrevocable, the cost of settling it is included in these financial statements.

The Society's pledge for 2011 is £280,000 (2010: £280,000), which will be used to support projects in Uruguay, Cuba, Chile, the Middle East, Nepal, Peru and Jamaica, as well as providing valuable funding for ongoing translation work in many countries. Of the total amount pledged, £39,229 (2009: £98,094) has already been paid, leaving the balance of £240,771 (2009: £181,906) to be accrued, as shown below.

The amount of £181,906 pledged at 31 December 2009 was paid to UBS during 2010, funded by appeals during the year for Vietnam, Literacy projects in Africa, Jamaica and the Middle East, together with the proceeds of our Bible-a-month partnership (see note 15).

	From Unrestricted Funds	From Restricted Funds	2010 Total	2009 Total
World grants paid in year:				
UBS pledge: one grant (2009: one)	-	181,906	181,906	231,230
Brazil: one grant (2009: one)	-	77,857	77,857	108,004
China: one grant (2009: nil)	-	16,442	16,442	-
Nepal (one grant in 2009)	-	-	-	16,735
Peru (three grants in 2009)	-	-	-	23,827
Burma (one grant in 2009)	-	-	-	10,000
Emergency appeals: three grants (2009: nil)	-	13,353	13,353	-
Grants for other overseas use and smaller funds	4,136	20,812	24,948	29,016
Total world grants paid in year	<u>4,136</u>	<u>310,370</u>	<u>314,506</u>	<u>418,812</u>
Less accrued at 31 December 2009	-	(181,906)	(181,906)	(231,230)
Add accrued at 31 December 2010	102,258	138,513	240,771	181,906
World grant costs recognised in year	<u><u>106,394</u></u>	<u><u>266,977</u></u>	<u><u>373,371</u></u>	<u><u>369,488</u></u>
Scottish grants				
Unlock Glasgow - Bible study in priority area (2009: one grant)			-	12,796
Other - sundry book and small cash grants			2,988	2,500
			<u>2,988</u>	<u>15,296</u>

Support costs

All international support costs relate to grant making activities. It is estimated that support costs for Scottish grants are approximately 20% of the amount of the grant.

8 GOVERNANCE COSTS

	Unrestricted Funds £	Restricted Funds £	2010 Total £	2009 Total £
Staff costs	17,910	-	17,910	17,406
Office costs	14,103	-	14,103	14,666
Legal and professional fees	7,847	-	7,847	7,370
	<u>39,860</u>	<u>-</u>	<u>39,860</u>	<u>39,442</u>

Legal and professional fees comprise audit fees amounting to £7,847 including irrecoverable VAT (2009: £7,370). The auditors were not remunerated for any other services.



NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2010

9 STAFF AND DIRECTOR COSTS, AND TRANSACTIONS WITH RELATED PARTIES

The average number of employees during the year was 25 (2009: 26): 14 engaged in charitable activities, 3 in fundraising and 8 in support (2009: 15, 2 and 9 respectively). The full-time equivalent number of employees was 22 (2009: 23). The total employment costs were as follows:

	2010 £	2009 £
Wages and salaries	552,687	538,425
Social security costs	52,175	49,724
Pension costs	27,911	26,894
	<u>632,773</u>	<u>615,043</u>

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

The Society operates a defined contribution scheme for its employees. The cost during the year amounted to £27,911 (2009: £26,894). Contributions in respect of 2010 amounting to £4,599 (2009: £6,566) were outstanding at the year end of which £3,456 was paid over to the scheme in January 2011 (2009: £3,006 paid over in January 2010), the balance in each year being a provision for pension contributions for staff who have not yet taken up their entitlement to join the scheme.

No remuneration was paid to the Directors for their services to the Society. Expenses incurred by 2 Directors to attend Board and other meetings were reimbursed, amounting to £1,004 (2009: £620 for 3 Directors). This amount includes £933 (2009: £403) in respect of the travel costs of one director attending UBS meetings as a member of its Europe and Middle East Area Board.

Related party transactions

Mr Richard Atkinson, a director of the Society, is also a director of Maxi Group Limited and has an interest in its shares. The Society uses Maxi Group subsidiary companies to transport its Bibleworld trailer and for storage of certain books. During the year, the Society paid Maxi Group £9,698 for these services (period March to 31 December 2009: £11,821). At 31 December 2010, the Society owed Maxi Group £89 (2009: £576).

10 TANGIBLE FIXED ASSETS

	Heritable Property £	Bibleworld Exhibitions £	Fixtures Fittings Equipment £	Motor Vehicles £	Total £
Cost					
At 1 January	921,420	618,993	194,504	31,387	1,766,304
Additions	-	-	4,946	31,495	36,441
Disposals	-	(402,320)	(304)	(31,387)	(434,011)
Transfers	-	(25,817)	25,817	-	-
At 31 December	<u>921,420</u>	<u>190,856</u>	<u>224,963</u>	<u>31,495</u>	<u>1,368,734</u>
Depreciation					
At 1 January	153,357	397,667	180,437	31,387	762,848
Disposals	-	(321,856)	(304)	(31,387)	(353,547)
Charge for period	18,428	67,623	9,614	2,652	98,317
Transfers	-	(14,198)	14,198	-	-
At 31 December	<u>171,785</u>	<u>129,236</u>	<u>203,945</u>	<u>2,652</u>	<u>507,618</u>
Net Book Value					
At 31 December 2010	749,635	61,620	21,018	28,843	861,116
At 31 December 2009	<u>768,063</u>	<u>221,326</u>	<u>14,067</u>	-	<u>1,003,456</u>

At 31 December 2010, the Bibleworld educational facility in Bible House was closed and all remaining fixed assets written off. The remaining net book value of these assets totalling £80,464 has been applied against the capital reserve (notes 6a and 15).



NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2010

11 INVESTMENTS

Investments at 31 December comprised:

	UK £	Outside UK £	2010 Total £	2009 Total £
Investment in subsidiary at cost	100	-	100	100
Listed investments at market value	2,831,090	165,912	2,997,002	2,484,173
Cash in portfolio	70,726	-	70,726	254,135
	<u>2,901,916</u>	<u>165,912</u>	<u>3,067,828</u>	<u>2,738,408</u>

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

Movements in investments during the year were as follows:

	Listed investments at market value £	Cash in portfolio £	Total funds under management £
Market value at start of year	2,484,173	254,135	2,738,308
Investments donated at market value	14,787	-	14,787
Additions at cost	504,641	(504,641)	-
Additions by reinvesting income	988	-	988
Disposals at carrying value	(338,089)	338,089	-
Cash withdrawn	-	(16,857)	(16,857)
Net gain on revaluation	330,502	-	330,502
Market value at end of year	<u>2,997,002</u>	<u>70,726</u>	<u>3,067,728</u>

Cash was withdrawn from the portfolio during the year to pay investment management and custody fees.

At 31 December 2010, two individual shareholdings had market values exceeding 5% of the total portfolio value: First State Inv UK Asia Pacific (5.45%) and JP Morgan US Equity income Fund (5.14%). No single holding exceeded 5% of the total value of listed investments at 31 December 2009.

12 STOCKS

	2010 £	2009 £
Bible resources held for resale	<u>79,038</u>	<u>89,270</u>

13 DEBTORS

	2010 £	2009 £
Trade debtors	1,942	485
Legacies receivable	70,030	76,326
Tax recoverable - gift aid and VAT	26,096	31,052
Other debtors	1,882	4,052
Prepayments and accrued income	32,734	31,299
	<u>132,684</u>	<u>143,214</u>



NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2010

14 LIABILITIES - Amounts falling due within one year

	2010 £	2009 £
Trade creditors	5,796	10,178
Other creditors	22,029	840
Social security and other taxes	18,354	16,792
United Bible Societies	237,659	172,344
Amount due to subsidiary company	175	190
Accruals & deferred income	14,032	12,195
	<u>298,045</u>	<u>212,539</u>

The net liability to the United Bible Societies comprises an amount of £240,770, being the unpaid part of the amount irrevocably pledged for supporting UBS projects in 2010 (see note 7) less a trading balance due by UBS amounting to £3,111 (2009: pledge of £181,906 less trading account balance of £9,562).

15 DESIGNATED FUNDS

Designated funds are unrestricted funds which have been earmarked by the Board for special purposes, as follows:

	Projects Fund £	Capital Fund £	2010 Total £	2009 Total £
At 1 January	46,635	3,496,664	3,543,299	3,167,256
Net outgoing resources in year	-	(8,429)	(8,429)	(7,815)
Fund balances before transfers and valuations	<u>46,635</u>	<u>3,488,235</u>	<u>3,534,870</u>	<u>3,159,441</u>
Transfers to general fund				
Amount set aside to help fund Bibleworld running costs	(23,317)	-	(23,317)	(23,317)
Transfer to general fund approved by the Board		(150,000)	(150,000)	
Depreciation on property and exhibitions	-	(86,050)	(86,050)	(87,064)
Loss on write-off of Bibleworld Experience	-	(80,464)	(80,464)	-
	<u>(23,317)</u>	<u>(316,514)</u>	<u>(339,831)</u>	<u>(110,381)</u>
Gains/(losses) on investment assets	-	330,502	330,502	494,239
At 31 December	<u>23,318</u>	<u>3,502,223</u>	<u>3,525,541</u>	<u>3,543,299</u>

Further information on each designated fund is given below

Projects Fund

During 2004 a substantial legacy was received from the late Edith Kinnear. The Board designated one-half of this legacy for assistance with funding the running costs of Bibleworld Mobile. The amount is being released to General Fund in seven equal annual instalments.

Capital Fund

The Capital Fund represents (a) amounts retained to fund the depreciation of certain long-term tangible fixed assets and (b) exceptional income or gains of prior years which the directors at the time determined should be held as fixed asset investments either for the generation of future investment income or for other special purposes.

The capital fund is adjusted annually by investment costs, gains and losses, including portfolio management costs, and by depreciation on relevant long-term assets. Transfers to and from other funds are only made when authorised by the board.



NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2010

16 RESTRICTED FUNDS

Movements in restricted funds during the year are summarised below. Major funds for projects by overseas Bible Societies are shown individually if the amount brought forward at the start of the year together with fund income during the year exceeds £10,000.

Funds donated or raised for the World Programme:	Balance at 1 January £	Income in year £	Transfer to General Fund £	Expenditure in year £	Balance at 31 December £
Major funds					
Vietnam	-	53,412	15,713	10,682	27,017
Africa - literacy projects	-	39,831	37,360	2,471	-
Jamaica	-	36,472	8,918	7,295	20,259
Middle East	-	36,008	25,462	7,201	3,345
Emergency appeals	-	13,353	-	13,353	-
Brazil	75,077	13,904	-	77,858	11,123
China	5,771	12,615	-	16,442	1,944
World Day of Prayer	-	12,000	10,006	1,994	-
General overseas	78,416	200,381	84,448	99,024	95,325
Smaller funds in aggregate	2,507	16,082	-	12,140	6,449
	<u>161,771</u>	<u>434,058</u>	<u>181,907</u>	<u>248,460</u>	<u>165,462</u>
Funds pledged to the World Programme					
From existing restricted funds	-	-	-	138,513	(138,513)
Funds donated or raised for the Home Programme - in aggregate	5,962	78,425	-	48,024	36,363
	<u>167,733</u>	<u>512,483</u>	<u>181,907</u>	<u>434,024</u>	<u>63,312</u>

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

The transfer to General Fund represents amounts accrued at 31 December 2009 in relation to the pledge for UBS projects (see note 7). The transfer is required in order to match the income arising in 2010 with the expenditure accrued in 2009.

17 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	General Fund £	Designated funds £	Restricted funds £	2010 Total £
Tangible fixed assets				
Property	-	749,635	-	749,635
Bibleworld exhibitions	-	61,620	-	61,620
Other	49,861	-	-	49,861
Investments	353,542	2,714,286	-	3,067,828
Net current assets	(58,470)	-	63,312	4,842
Net assets at 31 December 2010	<u>344,933</u>	<u>3,525,541</u>	<u>63,312</u>	<u>3,933,786</u>

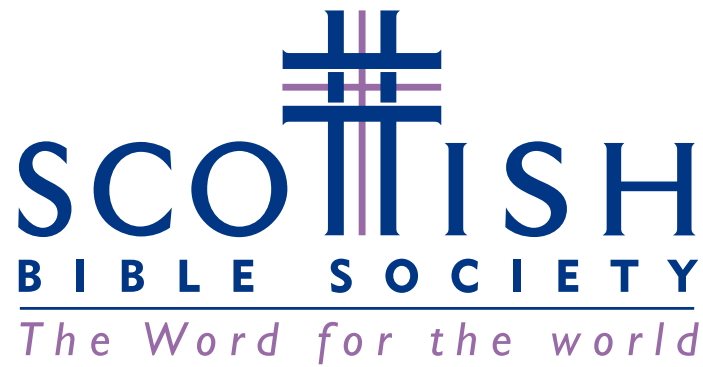
18 FINANCIAL COMMITMENTS

The Society had one operating lease during the year, with an annual rental cost of £13,614. The lease expired in April 2011. As at 31 December 2010 the full remaining rental cost of £4,538 had been prepaid. Accordingly there were no rental commitments under operating leases at that date.

On 20 December 2010, the Society signed a contract for stone repair work to be carried out during 2011 at a cost of £65,202 plus VAT.







**The Scottish Bible Society seeks, under God,
to put the Bible into people's hands and hearts.**

**We work so that all people can have the Bible
in a language they understand,
a form they can access and
at an affordable price,
to aid genuine encounters with God.**

**Our vision is to see communities and cultures transformed
as people encounter God in the Bible.**

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