

*Scottish Charity No. SC035701*  
*Scottish Company Registration No. SC269608*

**Out of the Box (Scotland) Limited**  
(a company limited by guarantee)

*Directors' Report and Financial Statements*  
Year ended 30 June 2018



# Out of the Box (Scotland) Limited

## Contents of the Financial Statements *for the year ended 30 June 2018*

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# Out of the Box (Scotland) Limited

## Report of the Directors for the year ended 30 June 2018

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The Directors (who are also Trustees for the purpose of Charity law) are pleased to present their report together with the financial statements of the company for the year ended 30 June 2018.

### Registered and principal Office

15 Castle Heather Road  
Inverness  
Scotland  
IV2 4EA

### Bankers

Royal Bank of Scotland  
29 Harbour Road  
Inverness  
IV1 1NU

### Status of Charity and Governing Document

Out of the Box (Scotland) Limited is a company limited by guarantee (Number SC269608) and is a registered Scottish charity (Number SC035701), governed by its Memorandum and Articles of Association.

In the event of the charity being wound up, each company member undertakes to contribute to the assets of the company such amounts as may be required, not exceeding £1.

### Aims and charitable objectives

The objects of the company shall be to promote the advancement of the Christian Faith and the worship of God in Scotland and elsewhere by any means whatsoever including but not by way of limitation the preaching and proclamation of the Christian Gospel using performing arts and the teaching of Christian doctrine and principles.

### Directors and Office Bearers

The Directors (who are also Trustees for the purpose of charity law) who served during the year were as follows:

#### Directors

Alasdair Morrison  
Gillian Gunn  
Alister Mackinnon  
Eileen Morrison  
Elaine K Watt  
Andrew G Wilson  
Elaine Kirkham (appointed September 2017)  
Geoffrey Todd (appointed December 2017)

#### Company Secretary

Stephen R Cranston

#### Day to day management

Chris Watt

The Directors are in regular touch in order to decide management issues. Directors are appointed under the Memorandum and Articles of Association. One third of the Directors retire each year, by length of current appointment, and are eligible for re- election.

New Directors are appointed at the discretion of the Board. New Directors familiarise themselves with the Charity's values, aims and objectives together with its day-to-day operations, in addition to clarifying their statutory responsibilities as Directors of a company limited by guarantee and Trustees of a charity.

# Out of the Box (Scotland) Limited

## Report of the Directors for the year ended 30 June 2018

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### **Achievements and performance**

The charity employs a full-time Children's Worker, Chris Watt, and a part-time Associate Children's Worker, Carol Hutchison.

Chris and Carol work with schools and churches across the North of Scotland. They have worked with a number of schools leading assemblies and performing a Christmas musical during December 2017.

We worked closely with 3 individual churches, helping them lead a week long Holiday Club for the children of their local community over the Summer and October holidays. We also provided children's work training for all the volunteers at each of these events.

We lead weekend events with two churches, working with their children and young people, providing some puppet training and creative bible teaching.

We performed our Christmas Musical in 10 church venues across Scotland during December 2017.

Outreach events and other puppet shows were performed throughout the year for churches or church groups around the Highlands, Aberdeenshire and the Central Belt of Scotland.

In November 2017 we moved into an office in Inverness. This space is being offered to us rent free. We also get 100% rates relief. We will start paying for Heat and Light from November 2018 onwards.

The Directors are extremely grateful to a growing number of individuals and churches for their financial support.

### **Financial review**

There was a surplus for the year of £5,823 (2017 deficit: £7,803). This, when added to the funds brought forward of £13,916 (2017: £21,719) gives rise to total funds carried forward of £19,739 (2017: £13,916). The amounts held in each fund are shown in notes 16 and 17 of the accounts. The directors consider that sufficient funds are available in order to meet the immediate needs of the charity.

### **Reserves**

It is the policy of the company to maintain unrestricted funds, ie, funds not committed or invested in fixed assets, at a level which equates to approximately three months unrestricted expenditure. This allows sufficient funds to enable the ongoing work of the company to be maintained. The general fund held at 30 June 2018 was £14,807 (2017: £13,149) and is more than the target level. Total reserves amounted to £19,739 (2017: £13,916).

# Out of the Box (Scotland) Limited

## Report of the Directors for the year ended 30 June 2018

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### Statement on risk

The Board regularly reviews the financial and non-financial risks that the charity faces, and action has been taken to mitigate these risks, including regular reviews of insurance and health and safety procedures.

### Future plans

The Board hopes that the charity will continue to develop its work with schools and churches in the North of Scotland and also look to develop the work further across Scotland.

### Donated services and premises

During the year, over 50 hours of volunteer time was donated to the charity. Without these volunteers, the charity would not be able to operate at the capacity it currently does. We are very grateful for the time and experience these volunteers have gifted to us.

Our premises up to November 2017 were donated by one of the company employees and his wife. We are grateful for the use of these premises. From November 2017 onwards our premises are donated to us by Rendon Catering Supplies Limited. We are grateful for the provision of these premises.

### Statement of Directors' Responsibilities

Charity law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of the charity's affairs and of its incoming resources and application of resources, including its surplus or deficit for that year, and which have been properly prepared from and are in agreement with the accounting records of the charity and comply with relevant disclosure requirements.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed subject to any departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the charity's financial position and enable the Directors to ensure that the financial statements comply with the Companies Act 2006. The Directors are also responsible for taking such steps as are reasonably open to them to safeguard the charity's assets and to prevent and detect fraud and other irregularities.

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

*On behalf of the board*



Alasdair Morrison  
Chairman

Dated: <sup>25</sup> February 2019

# Out of the Box (Scotland) Limited

## Report of the Independent Examiner to the Trustees for the year ended 30 June 2018

I report on the accounts of the company for the year ended 30 June 2018 which are set out on pages 5 to 11.

### Respective responsibilities of Trustees and examiner

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

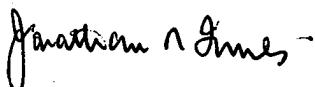
### Basis of independent examiner's statement

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

### Independent examiner's statement

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

1. which gives me reasonable cause to believe that in any material respect the requirements:
  - to keep accounting records in accordance with Section 44(1) (a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations (as amended), and
  - to prepare accounts which accord with the accounting records and comply with Regulation 8 of the 2006 Accounts Regulations (as amended)have not been met, or
2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



Jonathan N Innes FCCA  
Innes & Partners Limited  
Chartered Certified Accountants  
9 Ardross Street  
Inverness  
IV3 5NN

Date: 26 February 2019

 **Innes & Partners**  
Chartered Certified Accountants

# Out of the Box (Scotland) Limited

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

For the year ended 30 June 2018

	Notes	General fund £	Designated fund £	Restricted fund £	2018 Total £	2017 Total £
<b>Income</b>						
Donations and legacies	2	36,496	-	300	36,796	26,144
Charitable activities	3	13,724	-	-	13,724	11,541
Other trading activities	4	814	-	-	814	192
<b>Total income</b>		<b>51,034</b>	<b>-</b>	<b>300</b>	<b>51,334</b>	<b>37,877</b>
<b>Expenditure</b>						
Charitable activities	5	44,026	1,185	300	45,511	45,680
<b>Total expenditure</b>		<b>44,026</b>	<b>1,185</b>	<b>300</b>	<b>45,511</b>	<b>45,680</b>
<b>Net expenditure before transfers</b>		<b>7,008</b>	<b>(1,185)</b>	<b>-</b>	<b>5,823</b>	<b>(7,803)</b>
Transfers	16,17	(5,350)	5,350	-	-	-
<b>Net movement in funds after transfers</b>		<b>1,658</b>	<b>4,165</b>	<b>-</b>	<b>5,823</b>	<b>(7,803)</b>
Total funds brought forward		13,149	767	-	13,916	21,719
<b>Total funds carried forward</b>	<b>16,17</b>	<b>14,807</b>	<b>4,932</b>	<b>-</b>	<b>19,739</b>	<b>13,916</b>
<b>Represented by:</b>						
<b>Unrestricted fund</b>	<b>16</b>					
<i>General</i>		14,807	-	-	14,807	13,149
<b>Designated fund</b>	<b>16</b>					
<i>Designated assets</i>		-	4,932	-	4,932	767
<b>Restricted fund</b>	<b>17</b>					
<i>Associate children's worker fund</i>		-	-	-	-	-
<b>Total funds</b>		<b>14,807</b>	<b>4,932</b>	<b>-</b>	<b>19,739</b>	<b>13,916</b>

The notes on pages 7 to 11 form part of these financial statements.

# Out of the Box (Scotland) Limited

(Registered No: SC269608)

## Balance sheet

As at 30 June 2018

	Notes	General fund £	Designated fund £	Restricted fund £	2018 Total £	2017 Total £
<b>Fixed assets</b>						
Tangible assets	12	-	4,932	-	4,932	767
<b>Total fixed assets</b>		-	4,932	-	4,932	767
<b>Current assets</b>						
Debtors	14	1,801	-	-	1,801	2,142
Cash at bank and in hand		14,183	-	-	14,183	12,317
<b>Total current assets</b>		15,984	-	-	15,984	14,459
<b>Liabilities</b>						
Creditors: falling due within one year	15	(1,177)	-	-	(1,177)	(1,310)
<b>Net current assets</b>		14,807	-	-	14,807	13,149
<b>Total assets less current liabilities</b>		14,807	4,932	-	19,739	13,916
<b>Total net assets</b>		14,807	4,932	-	19,739	13,916
<b>The funds of the Charity</b>						
General fund	16	14,807	-	-	14,807	13,149
Designated fund	16	-	4,932	-	4,932	767
Restricted fund	17	-	-	-	-	-
<b>Total charity funds</b>		14,807	4,932	-	19,739	13,916

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


For the year ending 30 June 2018 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

## Directors' responsibilities

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

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

The financial statements were approved by the Board on .... February 2019 and signed on their behalf by:

  
 .....  
 Alasdair Morrison (Chairman)

The notes on pages 7 to 11 form part of these financial statements.



# Out of the Box (Scotland) Limited

## Notes to the Financial Statements for the year ended 30 June 2018

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### 1. Accounting policies

#### *Accounting convention*

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102 Section 1A – Small Entities), the Charities and Trustee Investment (Scotland) Act 2005, the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

#### *Basis of financial statements*

The financial statements have been prepared on an accruals basis.

#### *Income and debtors*

All income is included in the SOFA when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. Debtors are valued at cost at the year end and adjusted for any amounts considered to be unrecoverable.

#### *Expenditure and creditors*

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis. Creditors are valued at cost at the year end and split between amounts due in less than one year and amounts due in more than one year.

#### *Pensions*

The charity contributes to defined contribution pension schemes of the employees.

#### *Tangible fixed assets*

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Equipment	25% on cost
Motor Vehicles	20% on cost

#### *Statement of Financial Activities*

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

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

**Designated funds** comprise those funds which have been earmarked by the directors for particular purposes in agreement with the charitable objectives.

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

# Out of the Box (Scotland) Limited

## Notes to the financial statements

For the year ended 30 June 2018

2. Donations and legacies	General fund £	Designated fund £	Restricted fund £	2018 Total £	2017 Total £
Donations	24,586	-	300	24,886	21,966
Gift Aid receivable	5,910	-	-	5,910	4,178
Grant	6,000	-	-	6,000	-
	<b>36,496</b>	<b>-</b>	<b>300</b>	<b>36,796</b>	<b>26,144</b>

Income from donations and legacies was £36,796 (2017: £26,144) of which £36,496 was general (2017: £25,644), £nil was designated (2017: £nil) and £300 was restricted (2017: £500).

3. Charitable activities - income	General fund £	Designated fund £	Restricted fund £	2018 Total £	2017 Total £
Puppet shows and events	13,724	-	-	13,724	11,541
	<b>13,724</b>	<b>-</b>	<b>-</b>	<b>13,724</b>	<b>11,541</b>

Income from charitable activities was £13,724 (2017: £11,541) of which £13,724 was general (2017: £11,541), £nil was designated (2017: £nil) and £nil was restricted (2017: £nil).

4. Other trading activities	General fund £	Designated fund £	Restricted fund £	2018 Total £	2017 Total £
Bank interest	7	-	-	7	8
Other	807	-	-	807	184
<b>Total trading income</b>	<b>814</b>	<b>-</b>	<b>-</b>	<b>814</b>	<b>192</b>

Income from other resources was £814 (2017: £192) of which £814 was general (2017: £192), £nil was designated (2017: £nil) and £nil was restricted (2017: £nil).

5. Charitable activities - expenditure		Direct costs £	Support costs £	2018 Total £	2017 Total £
<i>Activity</i>					
Charitable activities	(note 6/7)	40,709	4,802	45,511	45,680
		<b>40,709</b>	<b>4,802</b>	<b>45,511</b>	<b>45,680</b>

# Out of the Box (Scotland) Limited

## Notes to the financial statements

For the year ended 30 June 2018

6. Direct costs	General fund £	Designated fund £	Restricted fund £	2018 Total £	2017 Total £
Staff costs (note 8)	33,258	-	300	33,558	33,287
Equipment and materials	1,634	-	-	1,634	140
Motor vehicle costs	1,422	-	-	1,422	3,165
Travel and accommodation	979	-	-	979	136
Publicity	656	-	-	656	106
Events expenses	2,460	-	-	2,460	1,846
	<b>40,409</b>	<b>-</b>	<b>300</b>	<b>40,709</b>	<b>38,680</b>

Expenditure from direct costs was £40,709 (2017: £38,680) of which £40,409 was general (2017: £38,180), £nil was designated (2017: £nil) and £300 was restricted (2017: £500).

7. Support costs	General fund £	Designated fund £	Restricted fund £	2018 Total £	2017 Total £
Professional fees	2,096	-	-	2,096	2,334
Office costs	-	-	-	-	63
Removal Costs	262	-	-	262	-
Independent examination	660	-	-	660	1,631
Depreciation	-	1,185	-	1,185	2,286
Sundry expenses	599	-	-	599	687
	<b>3,617</b>	<b>1,185</b>	<b>-</b>	<b>4,802</b>	<b>7,000</b>

Expenditure from support costs was £4,802 (2017: £7,000) of which £3,617 was general (2017: £4,714), £1,185 was designated (2017: £2,286) and £nil was restricted (2017: £nil).

8. Staff costs and numbers	2018 £	2017 £
Gross salaries	32,188	35,896
Pension contributions	1,370	555
	<b>33,558</b>	<b>36,451</b>

The average number of employees during the year was 2 (2017: 2). There are no employees receiving more than £60,000.

## 9. Directors' remuneration and expenses

No Director received any remuneration or expenses in the year (2017: nil).

## 10. Liability of Members

The company is limited by guarantee, with the liability of each member limited to £1. There were 11 (2017: 8) members at 30 June 2018.

## 11. Related party transactions

There was no remuneration or expenses paid to the Trustees for their roles as trustees. However a salary of £21,429 (2017: £21,929) was paid to Chris Watt during the year for his role as children's worker, Chris is the husband of trustee Elaine Watt.

During the year, the charitable company paid fees to Matthew Todd of £1,000 (2017: nil) & Phil Todd of £1,250 (2017: nil), for services rendered in connection with the christmas musical. Matthew & Phil are brothers of Geoffrey Todd, Trustee.

Donations of £3,450 were received from Trustees (2017: £2,800).

# Out of the Box (Scotland) Limited

## Notes to the financial statements

For the year ended 30 June 2018

### 12. Tangible fixed assets

	<b>Equipment</b>	<b>Motor vehicle</b>	<b>Total</b>
<i>Cost</i>	<b>£</b>	<b>£</b>	<b>£</b>
At 1 July 2017	3,813	6,687	10,500
Additions	5,350	-	5,350
At 30 June 2018	<b>9,163</b>	<b>6,687</b>	<b>15,850</b>
<i>Depreciation</i>			
At 1 July 2017	3,046	6,687	9,733
Charge for year	1,185	-	1,185
At 30 June 2018	<b>4,231</b>	<b>6,687</b>	<b>10,918</b>
<i>Net book value</i>			
At 30 June 2018	<b>4,932</b>	<b>-</b>	<b>4,932</b>
At 30 June 2017	<b>767</b>	<b>-</b>	<b>767</b>

### 13. Taxation

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

### 14. Debtors: amounts falling due within one year

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Gift Aid debtor	<b>1,801</b>	2,142
	<b>1,801</b>	<b>2,142</b>

### 15. Creditors: amounts falling due within one year

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Accrued expenses	<b>871</b>	980
Social security and other taxes	<b>306</b>	330
	<b>1,177</b>	<b>1,310</b>

# Out of the Box (Scotland) Limited

## Notes to the financial statements

For the year ended 30 June 2018

16. Unrestricted funds	Balance at 01.07.17 £	Income £	Expenditure £	Transfers £	Balance at 30.06.18 £
General fund	13,149	51,034	(44,026)	(5,350)	14,807
<b>Designated fund</b>					
Designated assets	767	-	(1,185)	5,350	4,932
Total unrestricted funds	13,916	51,034	(45,211)	-	19,739

### *Explanation of funds*

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

*The Designated assets fund* represents the net book value of the fixed assets held by the company.

17. Restricted fund	Balance at 01.07.17 £	Income £	Expenditure £	Transfers £	Balance at 30.06.18 £
Associate children's worker fund	-	300	(300)	-	-
Total restricted funds	-	300	(300)	-	-

### *Explanation of fund*

*The Associate children's worker fund* represents money received specifically to pay the salary of this worker.