

St Mary's, Aberfoyle Scottish Episcopal Church

Accounts for the year ended 30 September 2007

Administrative Information:

Principal Address St Mary's Church, Main Street, Aberfoyle, by Stirling FK8 3UJ

Internet: www.stmarychurchaberfoyle.org.uk

**Charity Trustees
(Vestry Members)**

The Revd R Grosse , Rector
Mark Seymour, Lay Chairman & Lay Representative
Nicholas Cooke, Treasurer
John Dymond, Secretary
Margie Stephen, Lay Reader
Charles Brown
Susan Forsyth
Alastair Gardner
Karen Gaskell
Keith Gibbs
Margaret Johnson
Peter Joynson
Catherine Riches
Christopher Riches
George Willis
Robin Willis

Bankers:

Bank of Scotland
Main Street
CALLANDER
Perthshire
FK17 8BD

Independent Examiner:

Iain Kyle CA
18 Forglan Crescent
Bridge of Allan
Stirling
FK9 4BQ

Annual Report of the Members of the Vestry

Introduction

The Vestry is pleased to present the annual accounts for St Mary's, Aberfoyle for the year ended 30 September 2007.

We are a friendly congregation whose objective is to advance the mission of the Christian Church through worship, service and fellowship. We aim to do this by supporting existing church members through worship and prayer groups and encouraging new members through community work such as Eco-congregation activities and providing monthly outreach services in Balfron and Killearn. We are in a Linkage with St Andrew's, Callander, with whom we share a Rector and Lay Reader.

This Annual Report and Accounts presents a summary of our financial activities during the year and gives an overview of the general activities which have taken place in the life of our Church in that period.

Activities and Achievements

During the year, the Church continued to maintain regular weekly services with sung Eucharist every Sunday, occasionally alternating with evensong. Congregational numbers have been steady. A prayer group has been started, and a new programme of Eco-Congregation activities is being developed by a working group of members. Regular joint events are organized with St Andrew's and a quarterly Linkage newsletter is published and distributed. The Church Room is actively used after Church each Sunday for refreshments, and for Vestry and other meetings

During the year, we made active preparations for launching a Renovation Project Appeal in 2008 to raise £150,000 to pay for significant structural repairs to the fabric of the Church building. This will complement the stage 1 allocation of £105,000 which has recently been awarded to St Mary's under the Repair Grants for Places of Worship grant scheme administered by the Heritage Lottery Fund. Organ restoration funds are already available from an earlier insurance claim. We plan to sustain the Appeal over the coming 2 years and will be actively seeking further grant funding from different sources, including the congregation. Full updates will be given in the Linkage newsletter.

St Mary's hosted a second successful fundraising concert given in the Church by the Kyiv Classic Accordion Duo from the Ukraine, in aid of the Hippokrat Society. From the proceeds of special collections at the Harvest and Christmas Carols services and other receipts, the Vestry also approved £800 in donations from the Church Giving Fund to three charities nominated by members of the congregation.

We record the generous voluntary contributions of time made to St Mary's by many members, including our Vestry team leaders, Church Officers and all who care for our Church building and grounds and make them a place of welcome to visitors.

Income

St Mary's relies heavily on the generosity of its congregation for all of its day to day funding, augmented by the 40% share of Linkage costs borne by St Andrew's, Callander. Periodically, small but significant amounts are generated by fundraising activities in addition to bank interest and investment income. The Church has also benefited in the past from legacies.

As a result of the very successful 2006 stewardship campaign, unrestricted income in the past year has more than covered our general expenditure, creating an operating surplus of over £6,600. However, this was reduced by an unrealized loss on the market value of investments in the year, which was disappointing. Although the Renovation Project Appeal is important, we still need to ensure that we can cover our day to day expenses without depleting our reserves.

Reserves

St Mary's reserves fall into the category of unrestricted and restricted funds. Unrestricted funds can be spent on any relevant activity; restricted funds can only be spent on a defined activity, e.g. the Church Renovation Project or grants to UK charities under Church Giving. Income from investments can be used for general activities, but it is Vestry's intention to maintain the capital value of the portfolio.

The Vestry has adopted a policy of trying to maintain a level of unrestricted reserves such that, in the event of a significant drop in income, the church would be able to maintain its current level of activities for a reasonable period until replacement funding is obtained.

Investments

Monies which are not needed to fund day to day expenditure are invested in a range of securities which have been managed by Smith & Williamson, Glasgow since November 2006. The investment policy currently in place aims to achieve a balance between longer term growth and current income through discretionary management in accordance with the ethical investment policy of the SEC, i.e. no investments will be made in companies who derive more than 15% of their revenue from tobacco, gambling, armaments or pornography. The majority of the portfolio is invested in UK equities.

Structure, Governance and management

St Mary's is an unincorporated association, governed by a constitution which was updated in 2004. As a member congregation of the Diocese of St Andrews, Dunblane & Dunkeld in the Scottish Episcopal Church, it is also governed by Canon Law of the Scottish Episcopal Church. The management team of the Church is known as the Vestry. For the purposes of Scottish charity law, the members of the Vestry are the Charity Trustees of the church. Details of the Vestry members are given on the front page.

Apart from the Rector, ordinary Vestry members are elected by the Congregation in annual meeting. Vestry members usually serve for a term of 4 years. The Rector himself is appointed by the Vestry and the Bishop of the Diocese.

We plan to give all new Vestry members an induction pack outlining their roles and responsibilities. The Vestry Secretary and Treasurer regularly update other members of the Vestry on relevant changes in legislation and best practice relating to charities.

Vestry Responsibilities

The Vestry is responsible for managing and safeguarding the assets of the Church on behalf of the Diocesan Trustees and assist the Rector in matters affecting the spiritual welfare of the congregation. They are also responsible for keeping proper accounting records and ensuring that the accounts are prepared in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. The Vestry regularly considers the risks faced by St Mary's and ensures that appropriate risk management procedures are in place to mitigate those risks.

Relationship with Diocese and Province

St Mary's is supported by the Diocese and the Province through the pastoral oversight of the Bishop and payroll and advisory support provided at Diocesan level, and access to grants from central SEC funds. The church is represented at Diocesan level by the Rector and the Lay Representative. As a member of the SEC, St Mary's has an obligation to contribute to the costs of the Diocese and the Province through payment of an annual 'quota'. This amount is based on the relative level of income of the church in comparison with that of other churches in the Diocese and Province.

Conclusion

The members of the Vestry would like to thank all those who contribute their time, talents, energy and money so generously to ensure the continuation and development of St Mary's as a centre of worship and a focus for the community in Strathendrick and the Trossachs.

Approved by the Trustees and signed on their behalf

Signed

John Dymond,
Vestry Secretary

9 December 2007

Independent Examiner's Report to the Vestry Members of St Albion's Episcopal Church

I report on the accounts of the charity for the period ended 30 September 2007 which are set out on pages 6 to 10.

Respective responsibilities of trustees and examiner

The charity's trustees 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.

The charity trustees consider that the audit requirement of Regulation 10(1) (d) 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. 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 any 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, and
- to prepare accounts which accord with the accounting records and comply with Regulation 9 of the 2006 Accounts Regulations,

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.

Iain Kyle CA
Chartered Accountant

Bridge of Allan
9 December 2007

Receipts and Payments Account for the Year Ended 30 September 2007

	Notes	Unrest- ricted £	Rest- ricted £	Total Funds £	2006 £
Receipts					
Donations	2	37,346	1,251	38,597	23,725
Net receipts from fundraising and Church Room activities	3	367	0	367	548
Proceeds from insurance claim.	4		1,242	1,242	22,815
Receipts from investments other than land & buildings	5	2,636	272	2,908	2,091
<i>Total Receipts</i>		<u>40,349</u>	<u>2,765</u>	<u>43,114</u>	<u>49,179</u>
Payments					
Payments relating to charitable activities	6	33,198	2,272	34,970	34,516
Governance costs		517	0	517	70
<i>Total Payments</i>		<u>33,715</u>	<u>2,272</u>	<u>35,987</u>	<u>34,586</u>
Surplus / (deficit) for the year		6,634	493	7,127	14,593

Statement of Balances as at 30 September 2007

	Unrest- ricted	Rest- ricted	Total Funds	2006
	£	£	£	£
<i>Cash at bank & in hand (including deposit accounts)</i>				
Balance at beginning of year	25,116	223	25,339	10,746
Surplus / (deficit) for the year	6,634	493	7,127	14,593
Transfers between funds	(24,058)	24,058	0	0
<i>Total Cash Funds at end of year</i>	<u>7,692</u>	<u>24,774</u>	<u>32,466</u>	<u>25,339</u>
<i>Investments</i>				
Market value at beginning of year	46,610	0	46,610	45,512
Additions at cost	0	0	0	0
Disposal proceeds	0	0	0	0
Unrealised gain / (loss) in year	(2,602)	0	(2,602)	1,098
<i>Market value at end of year</i>	<u>44,008</u>	<u>0</u>	<u>44,008</u>	<u>46,610</u>
<i>Assets retained for Charity's own use- Rectory</i>				
Historic Cost (Insurance value £271,285)	<u>20,654</u>	<u>0</u>	<u>20,654</u>	<u>20,654</u>
<i>Fund Balances (Cash, Investments & Assets retained)</i>				
At beginning of year	66,914	25,689	92,603	76,912
Cash Surplus /deficit for year	6,634	493	7,127	14,593
Movements in investments	(2,602)	0	(2,602)	1,098
Transfers	1,408	(1,408)	0	0
At end of year	<u>72,354</u>	<u>24,774</u>	<u>97,128</u>	<u>92,603</u>
<i>Other Assets and Liabilities – for information only</i>				
Assets				
Debtors - tax due back on Gift Aid.	2,056	0	2,056	1,949
St Andrew's, Callander – balance of shared Linkage costs due.	1,556	0	1,556	1,097
Liabilities				
None				

On behalf of the Trustees

Nicholas Cooke
Vestry Treasurer

9 December 2007

Notes to the Accounts

1. Accounting policies

Basis of Preparation

The accounts have been prepared on a receipts and payments basis. They consist of a summary of all monies received and paid via the bank and in cash by the church during the financial year, along with a statement of balances. No adjustments have been made for any income due but not received, nor for any expenses incurred but not yet paid at the year end. Except for investments and the historic value of the Rectory, fixed assets are not capitalised.

Restricted Funds

The restricted funds balance represents the Church Renovation Project and Church Giving Funds.

Joint Linkage Costs

St Mary's shares a Rector and Lay Reader with St Andrew's Episcopal Church, Callander. Under a long standing agreement, St Andrew's is responsible for meeting 40% of the costs of clergy (including expenses associated with travel and accommodation). For administrative reasons, St Mary's pays all the shared costs during the year and recoups 40% from St Andrew's with a final settlement of any outstanding balance due at the year end. As this is purely an administrative arrangement, these accounts show only the 60% of the costs that relate to St Mary's and correspondingly do not show the income received from St Andrew's to cover their share of the costs.

Church Buildings

The Church is not shown in the statement of balances. The Vestry believes that it is not possible to place a market value on the building. The valuation of the building and contents for insurance purposes is £1.2 million.

Special collections

During the year, the church made special collections for the Church Giving Fund, from which the Vestry approved donations to three UK registered charities during the year.

2. Donations

	2007	2006
<u>Unrestricted donations</u>	£	£
Congregational giving – Gift Aid	26,818	14,996
Other congregational and general giving	9,233	8,359
For weddings and funerals	1,295	370
	<u>37,346</u>	<u>23,725</u>

Restricted donations represent receipts (and the associated tax recovery) from the congregation and others specifically for (a) the Church Renovation Project or (b) Church Giving . The Church Fabric Fund was derestricted at the year end and the closing balance transferred to the General Fund.

3. Receipts from Fundraising activities

	2007	2006
	£	£
Kyiv Classic Accordion Duo Concert – net proceeds.	211	447
Church Room refreshments – net receipts.	156	91
	<u>367</u>	<u>548</u>

4. Proceeds from insurance claim.

This amount represents final settlement of a claim for damage to the organ pipes, to be applied to the Renovation Project Fund.

5. Receipts from investments other than land & buildings.

These amounts represent bank interest, and investment income from securities and cash deposits managed by Smith & Williamson, Glasgow.

6. Payments relating to charitable activities

2007

2006

Unrestricted

£

£

Share of Rector's emoluments

16,882

16,211

Quota

4,567

4,470

Organist and organ maintenance payments

1,652

1,505

Share of Rector's travel & other expenses

4,012

3,499

Share of Council Tax & other Rectory related costs

1,935

1,895

Church building running costs and insurance

2,625

3,289

Worship-related costs

714

588

Newsletter & website costs

176

176

Administrative expenses

635

401

33,198

32,034

Restricted

Renovation Project Fund : Hydrographic site survey

558

0

Church Giving Fund: Donations made to:

Chesney Trust

400

Maxie Richards Foundation

200

Pump Aid

200

600

Church Fabric Fund: Sundry maintenance of Church building and grounds.

914

1,882

(see Note 2 also).

2,272

2,482

7. Remuneration and Expenses paid to Vestry Members

None of the Vestry members received any remuneration relating to their position as Vestry members. However, the Rector received a stipend (and pension contributions) in accordance with the SEC approved stipendiary amounts. The full stipend for the year was £22,862, with pension contributions of 23%. Additionally, expenses were paid as detailed in note 6. All these costs were shared with St Andrew's, Callander. As is customary, the Rector also occupies, on a rent-free basis, the Rectory building owned by St Mary's. The Council Tax and other agreed Linkage occupancy costs for the Rectory accommodation are also paid for by St Mary's and St Andrew's.