

Meldrum and Bourtie Parish Church of Scotland

STATEMENT OF ACCOUNTS

ACCRUED (2015 SORP COMPLIANT) ACCOUNTS

**FOR THE YEAR ENDED
31ST DECEMBER 2020**

Congregation No: 331983

Scottish Charity No: SC 015960

Meldrum and Bourtie Parish Church of Scotland

Trustees' Annual Report Year ended 31 December 2020

The trustees present their annual report and financial statements of the charity for the year ended 31 December 2020

The financial statements have been prepared in accordance with the accounting policies set out in Note 1 to the accounts and comply with the General Assembly Regulations for Congregational Finance, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and 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 (FRS102) published on 16 July 2014 (effective 1st. January 2015).

Objectives and Activities

The Church of Scotland is Trinitarian in doctrine, Reformed in tradition and Presbyterian in polity. It exists to glorify God and to work for the advancement of Christ's Kingdom throughout the world.

As a national Church, it acknowledges a distinctive call and duty to bring the ordinances of religion to the people in every parish of Scotland through a territorial ministry.

It co-operates with other Churches in various ecumenical bodies in Scotland and beyond.

Due to the 2020 Coronavirus pandemic all 'in person' activities had to cease between 22 March and 16 August at which time regular services resumed in Meldrum but with severe restrictions on capacity. Our church hall remains closed to all activities, Bourtie Kirk opened for a special 'Carol service' in December.

It is our aim and objective to resume all our 'in person' activities as soon as we are allowed to do so. This will include services of worship at Meldrum and Bourtie Parish Church comprising of regular weekly worship in Meldrum Church, monthly worship at Sheltered Housing and Residential Care Home establishments. Evening prayer services held on 1st and 3rd Sundays of each month at Meldrum Church. Services on the first Sunday of each month at Bourtie Kirk. We will resume our annual bereavement service and formal communion services which are held twice per year and informal services at the end of each month.

Youth activities, which have also been greatly affected by the virus, comprising of Sunday School, monthly Primary School Chaplaincy and monthly Academy Chaplaincy will resume as and when we are allowed.

Over the year we have focussed on helping our local community, a team of volunteers from our membership offered their services to help individuals with shopping collecting prescriptions etc and groups such as the British Legion and the Aberdeenshire Foodbank.

Our Pastoral Care team and Flower committee have remained active throughout the year. Keeping within the guidelines, social distancing etc they have managed to keep in touch with people in our parish and delivered flowers to those who have been bereaved or were ill. We also undertook a huge outreach programme over Christmas where we put together a comprehensive 'Advent Bag' which had crafts, quizzes, games, Bible study material based on the Christmas story, candle and sweets. The Advent bag was gifted to all primary school children at Meldrum Primary and offered to all our members.

We increased our online presence by developing our website, Facebook page and Youtube channel to include regular posts of reflections, worship service videos, short daily Advent devotional videos and a secure group chat room. We developed prayer walks for Easter, Remembrance and Christmas in the grounds around Meldrum Church. The walks featured boards with short devotionals, prayers and QR codes linked to hymns and carols. An Advent online Bible study was held over a 5-week period via Zoom.

In early March our Nominating Committee selected Rev Alisa McDonald as the minister they wished to propose to the Kirk Session and congregation to be our new Minister. The next steps were delayed due to the lockdown measures being taken; the Induction service did eventually take place on the 13 October 2020.

During the summer our Interim Moderator, the Rev. Dr Paul McKeown had to stand down due to personal reasons, the Rev Euan Glen stepped in as our Interim Moderator.

Meldrum and Bourtie Parish Church of Scotland

Trustees' Annual Report Year ended 31 December 2020

Achievements and Performance Cont'd

Most of our activities, including worship services, had been either cancelled and/or severely disrupted due to the 2020 Coronavirus pandemic. Online worship replaced 'in person' worship for a large part of the year and the reopening of Meldrum church had severe limitations on the number allowed to attend worship, this was controlled by introducing an online booking system. As not all were able to reserve a place in church, we recorded all services, some audio only most video recorded, and posted on Facebook, on our Youtube channel and website. We have therefore split the attendances at the various 'in person' activities listed in the foregoing section to show separately average attendance for the first quarter of 2020 and then from 16 August to 31 December.

Average Attendance per Service/Meeting	<u>2020</u>	<u>2019</u>
<u>In person:</u>		
Weekly Worship - Churches (Jan - Mar)	60	65
Weekly Worship - Churches (Aug - Dec)	34	n/a
Sheltered Housing / Care Homes (Jan - Mar)	22	25
Bible Study Group (Jan - Mar)	12	4
The Guild (Jan - Mar)	38	40
Sunday School - Children/Helpers (Jan - Mar)	16/4	12/4
Average viewing figures per Service/Meeting	<u>2020</u>	<u>2019</u>
<u>Online:</u>		
Weekly Worship - (Aug - Dec)	197.4	n/a
Weekly reflection (issued via email Mar - Aug)	108	n/a
Bible Study Group	14	n/a
Advent devotionals & Carol of the day	87.2	n/a

Youtube & Facebook average viewing figures taken from the analytics available. Viewing figures were enhanced with the special services for Rev Alisa McDonald preaching as Sole nominee on the 30 August 2020 and the Induction service on the 13 October 2020.

17 Funerals were conducted during the year (2019 - 11) of which 12 were members (2019 - 6).
No baptisms were conducted during the year (2019 - 0).

Financial Review

The Covid 19 pandemic had a considerable effect on the finances during the year covered by this report due to the factors outlined previously.

The offerings for the year ended 31st December 2020 (with comparable figures for 2019) are made up as follows:

	<u>2020</u>	<u>2019</u>
	£	£
WFO Scheme (Non Gift Aided)	1,208	1,528
Gift Aid Offerings	33,976	41,207
Ordinary offerings via plate and 6-monthly envelopes	5,659	12,022
Donations	3,256	3,882
Legacies	-	-

Of the above donations, £3,016 was unrestricted (2019 - £3,511) and £240 was restricted (2019 - £371).
Tax recovered on Gift Aided contributions was £9,045 (2019 - £11,462).

Meldrum and Bourtie Parish Church of Scotland

Trustees' Annual Report Year ended 31 December 2020

Financial Review Cont'd

Of a total membership of 359 (incl. 5 adherents), 190 members now gift aid their offerings. This represents 52.9% of the membership including adherents.

The number of members and adherents who give by standing order is now 179. 41 members give through weekly freewill offering envelopes and 20 by other identifiable methods. The balance give through the open plate, or do not give. A total of 240 members donated by identifiable methods during 2020. This represents 67% of the membership.

Overall, the annual incoming resources fell from £107,060 in 2019 to £85,579 in 2020 while expenditure rose from £88,996 in 2019 to £110,492 in 2020.

Part of the reason for the increased expenditure was essential repair and maintenance work undertaken at the manse prior to occupation by our new minister. This accounted for just under £23,000 of the expenditure and there were also additional costs associated with work to allow us to reopen the church after the initial Covid closure.

We also took advantage of the Corona Virus Job Retention scheme with one employee being furloughed since the end of March but retained on full salary rate although this is kept under review as the financial compensation schemes change.

Investment Policy and Performance

The trustee's policy for investments is that all investments should be held in one or more of the following:

The Church of Scotland Investors Trust
Government Stocks (Gilts), or
Bank Fixed Term Deposits

The Church of Scotland Investors Trust has three funds for Growth, Income and Deposits.

The Growth Fund is very largely equity based and is intended for long-term investment. The fund is operated on a unitised basis and aims to provide capital growth. Units can be purchased or sold monthly. Income is distributed gross in May and November. The Growth Fund is professionally managed by Newton Investment Management Limited based in London.

In the 12 months to 31st December 2020, the Growth Fund performance was -0.61% against a benchmark of +3.06%

The Income Fund is intended for medium term investment and aims to provide immediate high income with funds invested predominately in fixed-interest securities and operated on a unitised basis.

As with the Growth Fund, units can be bought or sold monthly with income distributed gross in March and September. The Income Fund is professionally managed by Royal London Asset Management, based in London.

In the 12 months to 31st December 2020, the Income Fund performance was +6.9% against a benchmark of +7.20%.

The Deposit Fund is intended for short-term investment and aims to provide a high rate of interest. Deposits are repayable on demand, with interest calculated quarterly in arrears, paid gross in May and November. The fund is invested mainly in short-term loans to banks and building societies. The Deposit Fund is professionally managed by Thomas Miller Investment Limited, based in London and Edinburgh.

The Deposit Fund interest rates are set quarterly and are currently set at 0.25% The average rate during 2020 was 0.54% The average rate during 2019 was 0.84%.

Further details of the Church of Scotland Investors Trust can be found on the Church of Scotland website.

No bank fixed term deposits are currently held. Due to the drop in bank interest rates, the amounts held in bank accounts has been reduced as much as practicable and the money placed with the Investors Trust Deposit Fund.

Meldrum and Bourtie Parish Church of Scotland

Trustees' Annual Report Year ended 31 December 2020

Investment Policy and Performance Cont'd

The markets have been impacted by the global pandemic and remain volatile. However, the unit values of our holding in the Investors Trust have held up well. At the end of 2020, the values of the units in the various funds were as follows:

	<u>31/12/20</u>	<u>31/12/2019</u>	<u>Percentage Change</u>	<u>Projected Return</u>
COSIT – Income fund	£ 12.71	£ 12.50	+1.68	42.5 ppu
COSIT - Growth Fund	£ 5.37	£ 5.58	-3.76	12 ppu
Deposit Fund Interest Rate	0.54% average	0.84%	-35.7	

Details of the unrealised gains (losses) can be found in the Statement of Financial Activities and the Balance Sheet which form part of this report.

Risk Management

The principal risks facing the charity have been identified as follows:

The church membership has an ageing profile and there is a general decline in the numbers of younger people wishing to join the church. This is not unique to our organisation but is evident across the country. At a local level, this has a potential impact on the level of donations being received and the potential for the charity income to be adversely affected.

The trustees have adopted a policy for stewardship which runs on a 3-year rotation cycle based on time, talents and money to try and minimise the impact of the above. In addition, we are looking at new methods of attracting younger members to become involved with the church.

On a more positive note, we are confident that with the induction of our new Minister we will be able to start reversing the above trend.

2020 has proved to be a challenging year financially with income being reduced due to the lockdown measures imposed on us from the Scottish Government and Church of Scotland. Our planned Stewardship campaign aimed at raising regular contributions had to be postponed, this along with other income sources, such as funeral donations and donations for the use of our hall being denied to us has impacted our reserves and will have to be addressed when the restrictions on our activities are lifted.

The glebe lands, which are vested in the General Trustees of the Church of Scotland and are not included in these accounts, have been re-marketed and provisionally sold to another developer, again subject to planning consent. The trustees currently await the new developer to obtain planning consent before the sale can be completed. The planning application is currently live with Aberdeenshire Council.

During 2016, a new manse was purchased as the existing manse was due to be sold along with the glebe lands. This new manse was funded by a loan from the General Trustees and will be repaid from the proceeds of the sale of the glebe. A further short-term loan of £50,000, repayable from the sale of the glebe, was granted by the General Trustees to assist with professional fees associated with the new church development. The above-mentioned loans are not included in the balance sheet but are noted as a contingent liability (See Note 12).

There are financial risks associated with the investments administered by the trustees. Values of investments are subject to market forces and the value may go up or down. The trustees consider that, by adopting the policies outlined in the Investment Policy and Performance section above and the regular performance monitoring of the funds in which the monies are invested by the trustees of the Church of Scotland Investors Trust, the risks are acceptable.

Meldrum and Bourtie Parish Church of Scotland

Trustees' Annual Report (Cont'd) **Year ended 31 December 2020**

Reserves Policy

The charity trustees have considered the reserves required and have taken into account their current and future liabilities. It is the Trustees' policy to hold reserves of approximately 12 months expenditure including designated funds. At the year end the Church held unrestricted funds of £194,231 of which £516 had been designated for fabric. The remaining balance of £193,715 represents about 20 months expenditure which, while higher than the policy, is primarily intended to be used as part of the funding for a refurbished church and a community building. See Note 15 for details of the unrestricted funds.

The church also held £291,050 of restricted funds which have been provided for the purposes specified in Note 15.

The Barbara Thomson and Sylvester Thomson Legacies held under Endowment Funds may be utilised to assist financing a high-cost capital project in the foreseeable future – See Note 15.

Structure, Governance and Management

Members of the Kirk Session are the charity trustees. The Kirk Session members are the elders of the church and are chosen from those members of the church who are considered to have the appropriate gifts and skills. The minister, who is a member of the Kirk Session, is elected by the congregation and inducted by Presbytery.

The Kirk Session meets approximately eight times in the year and, in addition to its responsibility for spiritual affairs within the church, is responsible for secular matters such as approval of proposals put forward by the various "Task Force" groups which are formed and disbanded as required. These "Task Forces" can include non-trustee members and report back to Session. This has been found to be a practical method of overcoming a reduced eldership.

The congregation is a registered charity, number SC015960 and is administered in accordance with the terms of the Deed of Constitution (Unitary Form) and is subject to the Acts and Regulations of the General Assembly of the Church of Scotland.

Reference and Administrative Information

Charity Name:	Meldrum & Bourtie Parish Church of Scotland
Charity Registration Number	SC 015960
Congregational Reference Number	331983
Contact Address	William Paterson Ceardach, Whiteford Road, Pitcaple, Inverurie, AB51 5EB

Meldrum and Bourtie Parish Church of Scotland

Trustees' Annual Report (Cont'd) **Year ended 31 December 2020**

Structure, Governance and Management (Cont'd)

Trustees

The following persons acted as trustees who served during the year and up to the date of the signing of the accounts.

Kirk Session

(alphabetical by surname)

Eileen Arthur	Paul McKeown (stepped down as IM 29/07/20))
Sheila Bousefield	Anne McLean
Elizabeth Buchan	Jean Mitchell
Elaine Buck	Eileen Oliver
Rev Mary Cranfield IM (from 10/01/2021)	William Paterson
William Dalzell	Patricia Patrone
Irene Dunbar	Ian Peddie (retired 14/08/2020)
Elaine Falconer	Brian Reid
Rev Euan Glen IM (from 29/07/20 to 13/10/20)	Isobel Reid
Margaret Green	Sheila Simpson
Rosemay Lawie	Graham Smith
Andrew McCartney	Gordon Stephen (retired 12/07/2020)
Alisa McDonald (from 13/10/2020 to 10/01/2021)	Mhairi Watt

Principal Office-bearers

Minister:	Rev. Alisa McDonald (inducted on 13/10/2020 to 10/01/2021 then on maternity leave)
Interim Moderator:	Rev Mary Cranfield (from 10/01/2021)
Session Clerk:	William Dalzell
Church Treasurer:	William Paterson

Independent Examiner

Richard Christie C.A.
Partner
James Milne
Chartered Accountants
5 Bon Accord Square
ABERDEEN AB11 6XZ

Bankers

Clydesdale Bank plc
Oldmeldrum Branch
26 West High Street
INVERURIE AB51 3SL

Trustees' Responsibilities in Relation to the Financial Statements

The charity trustees are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in Scotland requires the charity trustees to prepare financial statements for each year which show a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, of the charity for that period.

Meldrum and Bourtie Parish Church of Scotland

Trustees' Annual Report (Cont'd) Year ended 31 December 2020

Structure, Governance and Management Cont'd.

In preparing the financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently.
- observe the method and principles in the applicable Charities SORP 2015 (FRS 102);
- make judgements and estimates that are reasonable and prudent.
- state whether applicable accounting standards have been followed, subject to any departures disclosed and explained in the financial statements.
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operational existence.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the charity and financial information on the congregation's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the Trustees and signed on their behalf,


W. Dalzell
Session Clerk

Date 12/ Feb 2021

Meldrum and Bourtie Parish Church of Scotland

Trustees' Annual Report (Cont'd) Year ended 31 December 2020

Independent Examiner's Report to the Trustees of Meldrum & Bourtie Parish Church Year ended 31 December 2019

I report on the accounts of the charity for the year ended 31st December 2020, which are set out on pages 10 to 25

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) (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 2006 Accounts Regulations.

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 8 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.

Signed 

Date: 19/3/21

Richard Christie CA
Partner
James Milne
Chartered Accountants
5 Bon Accord Square
ABERDEEN
AB11 6XZ

Meldrum and Bourtie Parish Church of Scotland

Statement of Financial Activities
Year ended 31 December 2020

	Note	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Endowment Funds 2020 £	Total 2020 £	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Endowment Funds 2019 £	Total 2019 £
Income and endowments from:									
Donations and legacies	1	53,241	240	-	53,481	66,490	371	-	66,861
Charitable activities	2	1,901	149	-	2,050	5,182	2,494	-	7,676
Other trading activities	3	69	-	-	69	65	-	-	65
Investments	4	9,875	16,919	1,380	28,174	10,517	18,338	1,779	30,534
Other	5	1,805	-	-	1,805	1824	-	-	1,824
Total income		66,891	17,308	1,380	85,579	84,078	21,203	1,779	107,060
Expenditure on:	6								
Raising funds		57	-	-	57	56	-	-	56
Charitable activities		95917	14,411	107	110,435	72,478	16,337	125	88,940
Other		-	-	-	-	-	-	-	-
Total expenditure		95,974	14,411	107	110,492	72,534	16,337	125	88,986
Net income/(expenditure) before gains and losses on investments		(29,083)	2,897	1,273	(24,913)	11,544	4,866	1,654	18,064
Net gains/(losses) on investments		2,180	(168)	3,894	5,906	5,608	15,529	21,990	43,127
Net income/(expenditure)		(26,903)	2729	5,167	(19,007)	17,152	20,395	23,644	61,191
Transfers between Funds		1,739	(665)	(1,074)	-	774	620	(1,394)	-
Net movement in funds		(25164)	2,064	4,093	(19,007)	17,926	21,015	22,150	61,191
Reconciliation of funds:		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total funds brought forward		379,395	288,986	421,943	1,090,324	361,469	267,971	399,693	1,029,133
Total Funds Carried Forward		354,231	291,050	426,036	1,071,317	379,395	288,986	421,943	1,090,324

Meldrum and Bourtie Parish Church of Scotland

Trustees' Annual Report (Cont'd)

Balance Sheet as at 31 December 2020

	Note	2020 £	2020 £	2019 £	2019 £
Fixed Assets					
Tangible Assets	9	160,000		160,000	
Investments	10	<u>778,413</u>		<u>772,507</u>	
Total Fixed Assets			<u>938,413</u>		<u>932,507</u>
Current Assets					
Debtors	11	2,706		3,165	
Bank and Cash		<u>130,788</u>		<u>155,572</u>	
Total Current Assets		133,494		158,737	
Liabilities					
Creditors falling due within one year	12	(590)		(920)	
Net Current Assets			<u>132,904</u>		<u>157,817</u>
Creditors falling due after one year			-		-
Net Assets			<u>1,071,317</u>		<u>1,090,324</u>
 The Funds of the Charity					
Unrestricted Funds	15				
General Funds		5,290		11,866	
Designated Funds		188,941		207,529	
Building Funds		<u>160,000</u>		<u>160,000</u>	
			354,231		379,395
Restricted Funds			291,050		288,986
Endowment Funds			<u>426,036</u>		<u>421,943</u>
Total Funds			<u>1,071,317</u>		<u>1,090,324</u>

The accounts were approved by the Kirk Session on 10 Feb 2021

For and on behalf of the Kirk Session



Session Clerk



Treasurer

Meldrum and Bourtie Parish Church of Scotland

Trustees' Annual Report (Cont'd) Year ended 31 December 2020

Accounting Policies

The principal accounting policies, which are considered material to the accounts, are set out below.

Basis of preparation

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value.

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 Standards applicable in the UK and Republic of Ireland (FRS102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), the Charities and Trustee Investment (Scotland) Act 2005 and the Charities accounts (Scotland) Regulations 2006 (as amended).

The charity constitutes a public benefit entity as defined by FRS 102.

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

The financial statements are prepared in sterling, which is the functional currency of the charity.

Reconciliation with previously Generally Accepted Accounting Practice

In preparing the accounts, the trustees have considered whether, in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102, a restatement of comparative items was needed.

As the 2019 accounts were prepared using the policies required by FRS 102 and the Charities SORP FRS 102 then the trustees consider that no further restatement is required for 2020.

Fund accounting

Funds are classified as either restricted funds or unrestricted funds, defined as follows.

Restricted funds are funds subject to specific requirements as to their use, which may be declared by the donor or with their authority or created through legal processes, but still within the wider objects of the charity.

Endowment funds are funds which have been given on the condition that the original capital sum is not reduced, but the income therefrom is used for the purpose defined in accordance with the objects of the charity.

Unrestricted funds are expendable at the discretion of the trustees in furtherance of the objects of the charity. If parts of the unrestricted funds are earmarked at the discretion of the trustees for a particular purpose, they are designated as a separate fund. This designation has an administrative purpose only and does not legally restrict the trustees' discretion to apply the fund.

Incoming resources

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received, and the amount can be measured reliably.

Donated services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102) the general volunteer time of congregation members is not recognised.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised as expenditure in the period of receipt.

Meldrum and Bourtie Parish Church of Scotland

Trustees' Annual Report (Cont'd) Year ended 31 December 2020

Accounting Policies (Cont'd)

Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Fixed Assets

The charity has the right to occupy and use for its charitable objects certain tangible fixed assets, including the Churches, and manses, vested in the Church of Scotland General Trustees. No consideration is payable for the use of these assets. Expenditure incurred on the repair and maintenance of these assets is charged as resources expended in the Statement of Financial Activities in the period in which the liability arises.

The buildings included in the balance sheet consist solely of the Church Hall in Albert Road, Oldmeldrum.

All tangible fixed assets costing in excess of £5,000 having a value to the charity greater than one year, other than those acquired for specific purposes, are capitalised at cost. Buildings have not been depreciated as the trustees are of the opinion that any depreciation would be immaterial. This judgement is based on the opinion that the value of the church hall is mainly in the value of the site rather than the building itself and hence any depreciation would be minimal.

Investments

Fixed asset investments are stated at fair value at the balance sheet date. Unrealised gains and losses represent the difference between the fair value at the beginning and end of the financial year or, if purchased in the year, the difference between cost and fair value at the end of the year.

Realised gains and losses represent the difference between the proceeds on disposal and the fair value at the start of the year or cost if purchased in the year.

In accordance with the Charities SORP (FRS 102), all investment gains and losses are reflected in the Statement of Financial Activities as part of the net income/expenditure for the year.

Resources Expended

Expenditure is recognised on an accruals basis as the liability is incurred.

Taxation

Meldrum and Bourtie Parish Church is recognised as a charity for the purposes of applicable taxation legislation and is therefore not subject to taxation on its charitable activities.

The charity is not registered for VAT and resources expended therefore include irrecoverable input VAT.

Meldrum & Bourtie Parish Church of Scotland

Trustees' Annual Report (Cont'd) Notes forming part of the financial statements

For the year ended 31 December 2020

	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Endowment Funds 2020 £	Total 2020 £	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Endowment Funds 2019 £	Total 2019 £
1. Donations and Legacies								
Offerings	40,844	-	-	40,844	51,175	-	-	51,175
Tax recovered on Gift Aid	9,045	-	-	9,045	11,462	-	-	11,462
Legacies	-	-	-	-	-	-	-	93,218
Value of donated goods	-	-	-	-	-	-	-	-
Donations	3,016	240	-	3,256	3,511	371	-	3,882
Other	336	-	-	336	342	-	-	342
	<u>53,241</u>	<u>240</u>	<u>-</u>	<u>53,481</u>	<u>66,490</u>	<u>371</u>	<u>-</u>	<u>66,861</u>
2. Income from charitable activities								
Weddings and Funerals	1,045	-	-	1,045	1,590	-	-	1,590
Use of Premises	358	-	-	358	2,549	-	-	2,549
Fund Raising Activities	500	-	-	500	1,023	-	-	1,023
Other Miscellaneous Income	(2)	-	-	(2)	20	-	-	20
Guild Income	-	82	-	82	-	1,995	-	1,995
Traidcraft	-	18	-	18	-	355	-	355
Young Peoples' Ministry	-	49	-	49	-	144	-	144
	<u>1,901</u>	<u>149</u>	<u>-</u>	<u>2,050</u>	<u>5,182</u>	<u>2,494</u>	<u>-</u>	<u>7,676</u>
3. Income from other trading activities								
Wayleave	69	-	-	69	65	-	-	62
	<u>69</u>	<u>-</u>	<u>-</u>	<u>69</u>	<u>65</u>	<u>-</u>	<u>-</u>	<u>65</u>
4. Investment Income								
Deposit interest	407	173	54	634	494	247	66	807
Dividends received	9,449	16,732	1,323	27,504	9,946	18,019	1,697	29,662
Bank Interest	19	14	3	36	77	72	16	165
	<u>9,875</u>	<u>16,919</u>	<u>1,380</u>	<u>28,174</u>	<u>10,517</u>	<u>18,338</u>	<u>1,779</u>	<u>30,634</u>
5. Other Income								
Endowment	1,805	-	-	1,805	1,824	-	-	1,824
Grant from General Trustees	-	-	-	-	-	-	-	-
	<u>1,805</u>	<u>-</u>	<u>-</u>	<u>1,805</u>	<u>1,824</u>	<u>-</u>	<u>-</u>	<u>1,824</u>
	<u>66,891</u>	<u>17,308</u>	<u>1,380</u>	<u>85,579</u>	<u>84,078</u>	<u>21,203</u>	<u>1,779</u>	<u>107,060</u>

Meldrum and Bourtie Parish Church of Scotland

Trustees' Annual Report (Cont'd) Notes forming part of the financial statements

For the year ended 31 December 2020		Unrestricted Funds 2020 £	Restricted Funds 2020 £	Endowment Funds 2020 £	Total 2020 £	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Endowment Funds 2019 £	Total 2019 £
6. Analysis of Expenditure									
<u>Cost of Generating Funds</u>		57	-	-	57	56	-	-	56
Offering Envelopes									
Stewardship Campaign Expenses		-	-	-	-	-	-	-	-
Total Cost of Generating Funds		57	-	-	57	56	-	-	56
<u>Charitable Activities</u>									
Ministries & Mission Allocation		41,288	-	-	41,288	42,271	-	-	42,271
Minister's Telephone		80	-	-	80	131	-	-	131
Minister's Expenses		-	-	-	-	734	-	-	734
Presbytery Dues		172	-	-	172	375	-	-	375
Pulpit Supply		(15)	-	-	(15)	651	-	-	651
Vacancy Costs		10,600	-	-	10,600	4,107	-	-	4,107
Other salary costs		3,935	-	-	3,935	5,879	-	-	5,879
Fabric Repairs & Maintenance		22,589	-	-	22,589	1,067	-	-	1,067
Council Tax		853	-	-	853	344	-	-	344
Insurance and Utilities		7,677	-	-	7,677	8,728	-	-	8,728
Examination of Accounts		768	-	-	768	750	-	-	750
Extraordinary Covid Expenses		1,776	-	-	1,776	-	-	-	-
Other Expenses		6,194	-	-	6,194	7,441	-	-	7,441
Charitable Donations		-	11,549	107	11,656	-	9,496	125	9,621
Guild Expenses		-	2,812	-	2,812	-	5,090	-	5,090
Young People's Ministry Expenses		-	50	-	50	-	1,379	-	3,179
Traidcraft (brought in 2013)		-	-	-	-	-	372	-	372
Total Charitable Activities		95,917	14,411	107	110,435	72,478	16,337	125	88,940
Other									
Church Development Project Fees		-	-	-	-	-	+	-	-
Total		95,917	14,411	107	110,492	72,534	16,337	125	88,996

Support costs have not been separately identified as the Trustees consider there is only one charitable activity.
Details of donations are provided at Note 16

Meldrum and Bourtie Parish Church of Scotland
Trustees' Annual Report (Cont'd)
Notes forming part of the financial statements
for the year ended 31 December 2020

	2020	2019
	£	£
7. Staff costs and numbers		
Salaries and wages	3,935	5,879
Social security costs	-	-
	<hr/>	<hr/>
Total	<u>3,935</u>	<u>5,879</u>

The average number of employees during the year, calculated on the basis of a head count, was as follows:

	2020	2019
	Number	Number
Ministerial support	2	2
Music staff	1	2
Premises maintenance	1	1
	<hr/>	<hr/>
	<u>5</u>	<u>5</u>

No employee had employee benefits in excess of £60,000 (2019 - nil)

All Church of Scotland congregations contribute to the National Stipend Fund which bears the costs of all ministers' stipends and employer's contributions for national insurance, pension and housing and loan fund. Ministers' stipends are paid in accordance with the national stipend scale, which is related to years of service. For the year under review the minimum stipend was £28,137 and the maximum stipend (in the fifth and subsequent years) £34,577

8. Trustee Remuneration and Related Party Transactions

During the year one trustee received reimbursement of expenses incurred totalling £853 (2019 - £1,075) in respect of travel expenses, telephone and Council Tax.
In addition, Mrs Jean Mitchell who is a member of the Kirk Session received (£135) (2019 - £255) for pulpit supply. The negative amount was due to unrepresented cheques

No trustee or a person related to a trustee had any personal interest in any contract or transaction entered into by the charity during the year.

During the year a total of £6,981 was donated to the charity by the trustees (2019- £11,098).

9. Tangible Fixed Assets

	Buildings	Office Equipment	Total
Cost			
At 1 January 2020	160,000	-	160,000
Additions	-	-	-
Disposals	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 December 2020	<u>160,000</u>	<u>-</u>	<u>160,000</u>

Meldrum and Bourtie Parish Church of Scotland
Trustees' Annual Report (Cont'd)
Notes forming part of the financial statements
for the year ended 31 December 2020

There are no tangible fixed assets capitalized other than buildings.

Buildings are not depreciated as per the accounting policy.

Net Book Value	Buildings	Office Equipment	Total
At 31 st December 2019	<u>160,000</u>	<u>-</u>	<u>160,000</u>
At 31 st December 2020	<u>160,000</u>	<u>-</u>	<u>160,000</u>

10. Investments

	2020	2019
	£	£
Fair value at 31 December 2018	772,507	729,380
Investments added during 2018 at cost	-	-
Investments realized	-	-
Realised gain /(loss) on disposal of investments	-	-
Unrealised gain / (loss) on investments	<u>5,906</u>	<u>43,127</u>
Fair value at 31 December 2019	<u>778,413</u>	<u>772,507</u>
Investments at cost	<u>692,338</u>	<u>692,338</u>

The following investments are held:

Church of Scotland Investors Trust – Income Fund	51,407 Units
Church of Scotland Investors Trust – Growth Fund	23,283 Units

11. Debtors

	2020	2019
	£	£
Gift Aid Tax Refund Due	2,706	2,988
Other	<u>-</u>	<u>167</u>
	<u>2,706</u>	<u>3,165</u>

12. Creditors

	2019	2018
	£	£
Accruals	518	920
Deferred Income Accrual, paid in 2020 relating to 2021	<u>72</u>	<u>-</u>
	<u>590</u>	<u>920</u>

There is a contingent liability to the General Trustees in respect of an interest free loan of £50,000, repayable from the sale of the glebe.

There is a contingent liability of £518,299, due to the general Trustees in respect of a loan made to the charity to enable the purchase of a new manse, which is to be repaid from the sale of the glebe and the original manse.

These liabilities will revert to the charity if the proposed sale of the glebe does not complete. Interest payments on the manse loan from 31st March 2018 are included in the sums above. From 1st April 2018, the interest is being allowed to accrue against sale proceeds.

Meldrum and Bourtie Parish Church of Scotland

**Trustees' Annual Report (Cont'd)
Year ended 31 December 2020**

**Notes forming part of the financial Statements
for the year ending 31st December 2020**

13. Analysis of Net Assets Among Funds	General 2020 £	Designated 2020 £	Restricted 2020 £	Endowment 2020 £	Total 2020 £	General 2019 £	Designated 2019 £	Restricted 2019 £	Endowment 2019 £	Total 2019 £
Fixed Assets	-	160,000	-	-	160,000	-	160,000	-	-	160,000
Investments	-	131,993	230,307	416,113	778,413	-	129,813	230,475	412,219	772,507
Net Current Assets	5,290	56,948	60,743	9,923	132,904	11,866	77,716	58,511	9,724	157,817
Net Assets at 31 Dec. 2020	5,290	348,941	291,050	426,036	1,071,317	11,866	367,529	288,986	421,943	1,090,324

14. Volunteers

In common with all congregations of the Church of Scotland the congregation benefits from the contribution made by volunteers who give their time and talents willingly for the benefit of the Church. The areas of congregational life which rely on the contribution of volunteers are many and varied and much of the activity would be unable to continue were it not for the commitment shown.

**Trustees' Annual Report (Cont'd)
Year ended 31 December 2020**

**Notes forming part of the financial Statements
for the year ending 31st December 2020**

15. Movement in Funds

15. <u>Endowment Funds</u>	At 1st January 2020 £	Income 2020 £	Expenditure 2020 £	Transfer 2020 £	At 31st December 2020 £	At 1st January 2019 £	Income 2019 £	Expenditure 2019 £	Transfer 2019 £	At 31st December 2019 £
Scroggie Cruickshank Legacy	9,901	296	-	(296)	9,901	9,901	380	-	(380)	9,901
Barbara Thomson Legacy	11,396	347	-	(347)	11,396	11,396	446	-	(446)	11,396
Invested Funds	145	166	(107)	(59)	145	145	213	(125)	(88)	145
Invested Funds	19,595	372	-	(372)	19,595	19,595	480	-	(480)	19,595
Tochter Bequest	9,384	199	-	-	9,583	9,124	260	-	-	9,384
Sylvester Thomson Church Purposes - Capital	109,521	-	-	-	109,521	109,521	-	-	-	109,521
Sylvester Thomson Benevolent Purposes - Capital	219,053	-	-	-	219,053	219,053	-	-	-	219,053
	378,995	1,380	(107)	(1074)	379,194	378,735	1,779	(125)	(1,394)	378,995
Unrealized Gain/(Loss) of Value of Assets	43,197	3,894	-	-	4,7091	21,207	21,990	-	-	43,179
Realized Loss on Disposal of Asset	(249)	-	-	-	(249)	(249)	-	-	-	(249)
	421,943	5,274	(107)	(1074)	426,036	399,693	23,769	(125)	(1,394)	421,943

Meldrum and Bourtie Parish Church of Scotland

**Notes forming part of the financial Statements
for the year ending 31st December 2020**

15. Movement in Funds Cont'd

15. <u>Restricted Funds</u>	At 1st January 2020 £	Income 2020 £	Expenditure 2020 £	Transfer 2020 £	At 31st December 2020 £	At 1st January 2019 £	Income 2019 £	Expenditure 2019 £	Transfer 2019 £	At 31st December 2019 £
Sylvester Thomson Income Fund – Deserving Causes	169,651	15,104	(11,287)	(603)	172,865	161,789	15,780	(7,918)	-	169,651
New Church Development Fund	5,070	-	-	-	5,070	5,070	-	-	-	5,070
Organ Fund	48,454	1,146	-	-	49,600	47,085	1,369	-	-	48,454
Guild	43,495	991	(3,074)	-	41,412	46,980	3,183	(6,668)	-	43,495
Traidcraft	137	18	-	(155)	-	154	355	(372)	-	137
Sunday Club	192	49	(50)	93	284	435	516	(1,379)	620	192
	266,999	17,308	(14,411)	(665)	269,231	261,513	21,203	(16,337)	620	266,999
Unrealized Gain/(Loss) of Value of Assets	21,987	(168)	-	-	21,819	6,458	15,529	-	-	21,987
	288,986	17,140	(14,411)	(665)	291,050	267,971	36,372	(16,337)	620	288,986

Notes forming part of the financial Statements
for the year ending 31st December 2020

15. Movement in Funds Cont'd

15. Unrestricted Funds	At 1st January 2020 £	Income 2020 £	Expenditure 2020 £	Transfer 2020 £	At 31st December 2020 £	At 1st January 2019 £	Income 2019 £	Expenditure 2019 £	Transfer 2019 £	At 31st December 2019 £
General Fund	9,621	56,129	(71,115)	8,539	3,174	6,821	72,765	(70,739)	774	9,621
Opening Debtors	3,165	(459)	-	-	2,706	3,239	(74)	-	-	3,165
Opening Creditors	(920)	330	-	-	(590)	(360)	560	-	-	(920)
Total General Fund	11,866	56,000	(71,115)	8,539	5,290	9,700	72,131	(70,739)	774	11,866
Fabric Fund	1,366	1,016	(22,866)	21,000	516	1,326	1,107	(1,067)	-	1,366
Opening Debtors (Fabric Fund)	-	-	-	-	-	-	-	-	-	-
Total Fabric Fund	1,366	1,016	(22,866)	21,000	516	1,326	1,107	(1,067)	-	1,366
Reserve Fund	52,200	340	-	-	52,540	51,785	415	-	-	52,200
Miss F. Forbes Legacy	64,132	2,598	(1,898)	(4,800)	60,032	61,372	2,760	-	-	64,132
New Church Development Fund	(1,556)	-	(95)	-	(1,651)	(1,151)	323	(728)	-	(1,556)
Sylvester Thomson Income Fund – Church Purposes	75,759	6,937	-	(23,000)	59,696	68,417	7,342	-	-	75,759
Total Designated Funds	191,901	10,891	(24,859)	(6,800)	171,133	181,749	11,947	(1,795)	-	191,901
Gain / (Loss) in Value of Assets	15,628	2,180	-	-	17,808	10,020	5,608	-	-	15,628
Buildings	207,529	13,071	(24,859)	(6,800)	188,941	191,769	17,555	(1,795)	-	207,529
	160,000	-	-	-	160,000	160,000	-	-	-	160,000
Total Unrestricted Funds	379,395	69,071	(95,974)	1,739	354,231	361,469	89,686	(72,534)	774	379,395
Total Endowment Funds from p 19	421,943	5,274	(107)	(1074)	426,036	399,693	23,769	(125)	(1,394)	421,943
Total Restricted Funds from p 20	288,986	17,140	(14,411)	(665)	291,050	267,971	36,372	(16,337)	620	288,986
Total All Funds	1,090,324	91,485	(110,492)	-	1,071,317	1,029,133	150,167	(88,996)	-	1,090,324

Meldrum and Bourtie Parish Church of Scotland

Trustees' Annual Report (Cont'd) Year ended 31 December 2020

Notes forming part of the financial Statements for the year ending 31st December 2020

15. Purposes of Endowment Funds

Scroggie Cruickshank Legacies -	Income from this fund is used for church purposes.
Barbara Thomson Legacy -	Income from this fund is used for church purposes. An option may be exercised in the future for the use of the capital for a specific project.
Invested Funds -	Income from this fund is used for church purposes, young peoples' ministry, ministry expenses and benevolent purposes.
Tocher Bequest -	Income from this fund is used for benevolent purposes.
Sylvester Thomson Legacy Church Purposes – Capital Account	Currently the capital is invested, and the income held available for general church purposes. An option may be exercised in the future for the use of the capital for a specific project.
Sylvester Thomson Legacy Deserving causes – Capital Account	Currently the capital is invested, and the income held available for any deserving local causes as determined by the Kirk Session. An option may be exercised in the future for the use of the capital for a specific project.

15 Purposes of Restricted Funds

Sylvester Thomson Legacy Deserving Causes – Income Fund	This fund is the income from the capital fund of the same name and is used for local deserving causes as determined by the Kirk Session.
New Church Development Loan Fund	This fund was established in 2016 to track the costs relating to professional fees. It was initially funded by a loan from the General Trustees which restricted the use to which the loan could be applied.
Guild	This fund is used for Guild purposes and is controlled by the Guild.
Sunday Club	This fund is used to fund the children and young persons' ministry work and is funded by money set aside by the trustees and a share of the income from the invested funds.
Traidcraft	This fund was used as the operating account for the Traidcraft group. Initially funded by the trustees from Kirk Session funds, the balance was transferred back to the general fund on the group ceasing to operate during 2020.
Organ Fund	This fund was established during 2018 following receipt of a generous legacy from the estate of late Hilda Webster for the purpose of maintaining and possible future replacement of the church organ(s).

Meldrum and Bourtie Parish Church of Scotland

Trustees' Annual Report (Cont'd) Year ended 31 December 2020

Notes forming part of the financial Statements for the year ending 31st December 2020

15. Purposes of Designated Funds

Designated funds are determined by the Kirk Session at their discretion as they may see fit from time to time and are not unrestricted by legal definition. The designated status can be changed at the discretion of the Kirk Session.

Fabric Fund	The trustees have set aside funds for the maintenance of church properties. It is also funded by fundraising events.
General Reserve Fund	This is a general fund held in reserve to supplement any other congregational funds as required.
Miss F. Forbes Legacy	The income from the invested capital in this fund is accumulated in the fund and the capital and revenue may be used at the discretion of the trustees.
New Church Development Fund	This fund was also established during 2016 and is used to track other revenue and costs for the project which are not restricted by the Loan Fund
Sylvester Thomson Legacy Church Purposes – Income fund	This fund is the income from the capital account of the same name and is used for general church purposes.

Meldrum and Bourtie Parish Church of Scotland

Trustees' Annual Report (Cont'd) **Year ended 31 December 2020**

Notes forming part of the financial Statements **for the year ending 31st December 2020**

16. Charitable Donations

The following charitable donations were made from the various funds and are shown in these accounts.

	<u>2020</u>	<u>2019</u>
	<u>£</u>	<u>£</u>
Meldrum Amenities Action Group	100	100
Meldrum Academy Parent Council	90	90
Local Benevolent Donations via Minister	1,000	1,520
Donation to Inverurie Food Bank	2,100	1,200
Scottish Bible Society	200	100
Wider Distribution of Kirk News	400	1,000
Easter & Christmas Gifts to Care Homes & Housebound	380	259
Retiral Presentation to Presbytery Treasurer	-	25
Donation to Scottish Churches Trust	50	50
Donation to Explorer Scouts	-	3,000
Donation to Meldrum Paths Group	500	-
Purchase Community Tent	-	699
Donations to Royal British Legion Oldmeldrum	5,240	-
Advent Bag Printing for wider distribution	1,227	-
Flowers for bereaved	107	-
	<hr/> 11,394	<hr/> 8043
From Organisations		
Scottish Charity Air Ambulance	262	1,000
Parkinsons	-	50
Provision of Bibles to sheltered Housing and care homes	-	528
	<hr/> 11,656	<hr/> 9,621

17. Collections for Third Parties

The following are in addition to the above but are not shown in the accounts as they were raised for specific purposes and not for the charity.

Unfortunately, due to the restriction of the pandemic, Christian Aid week activities had to be cancelled in 2020, however the collections taken during the Christmas services were split evenly between Christian Aid and The Children's Society, resulting in £225 being sent to each organisation.

A retiring collection at the Harvest Thanksgiving service resulted in £50 being sent to Inverurie Food Bank

A retiring offering from the Remembrance service resulted in £48 being sent to the Royal British Legion, Oldmeldrum.

£340 was raised in donations for presentations to the new minister and the Locum Minister. This amount was processed through the bank account, but the actual amount was larger.

APPENDIX

FUNDS HELD ON BEHALF OF THE CONGREGATION BY THE CHURCH OF SCOTLAND GENERAL TRUSTEES

	2020 £	2019 £
<u>CAPITAL ACCOUNT</u>		
Credit Balances held at 31 December at cost	<u>622</u>	<u>622</u>
Market Value of Balances at 31 December	<u>977</u>	<u>1,001</u>
 <u>REVENUE ACCOUNT</u>		
Credit Balance at 31 December	<u>122</u>	<u>98</u>
 <u>TEMPORARY ACCOUNT</u>		
Credit Balance at 31 December	<u>(1,049)</u>	<u>(1,042)</u>