

Meldrum and Bourtie Parish Church of Scotland

STATEMENT OF ACCOUNTS

ACCRUED (2015 SORP COMPLIANT) ACCOUNTS

**FOR THE YEAR ENDED
31ST DECEMBER 2017**

Congregation No. 331983

Scottish Charity No. SC015960

Meldrum & Bourtie Parish Church of Scotland

Trustees' Annual Report Year ended 31st December 2017

The trustees present their annual report and financial statements of the charity for the year ended 31st. December 2017.

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 (FRS 102) (effective 1st January 2015).

Objectives and Activities

The Church of Scotland is Trinitarian in doctrine, Reformed in tradition and Presbyterian in policy. 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 of every parish of Scotland through a territorial ministry. It co-operates with other churches in various ecumenical bodies in Scotland and beyond.

Services of worship at Meldrum and Bourtie Parish Church comprise regular weekly worship, and monthly worship at Sheltered Housing and Residential Care Home establishments. Services are held on the first and third Sunday of each month at Bourtie Kirk. An annual bereavement service is also held.

Youth activities comprise Sunday School, Messy Church, monthly Primary School Chaplaincy and monthly Academy Chaplaincy. Sunday school was restarted during 2017 and eighteen children were initially registered. A maximum of 12 children have attended in any one week with the average number being 10. Since Sunday School restarted the creche has been discontinued due to a lack of volunteers.

Other activities include the Guild, Chaplaincy to the local Royal British Legion, Bible Study Group, Christian Education classes, and a "Beyond Belief" monthly study group. The church also operates a Fairtrade Group to promote the sale of fairtrade goods.

During 2017, a Burns supper, a curry night, a family barbeque and a golf day were held as social events. A singing group known as the Wednesday Wailers meets twice a month.

Achievements and Performance

Attendances at the various activities listed in the foregoing section are as follows:

AVERAGE ATTENDANCE PER SERVICE / MEETING

	<u>2017</u>	<u>2016</u>
Weekly Worship - Churches	50	50
Sheltered Housing / Care Homes	40	40
Beyond Belief Study Group	6	6
Creche	-	3
The Guild	25	25
Messy Church - Helpers/Children/Parents	6/14/4	6/14/4
Sunday School - Children/ Helpers	10/8	-

Meldrum & Bourtie Parish Church of Scotland

Trustees' Annual Report (Cont'd) Year ended 31st December 2017

Financial Review

The offerings for the year ended 31st December 2017 (with comparable figures for 2016) are made up as follows:

	2017	2016
	£	£
WFO Scheme (Non Gift Aided)	1,122	1,661
Gift Aid Offerings	42,107	40,978
Ordinary Offerings via plate and 6-monthly envelopes	8,263	8,510
Donations	1,534	2,734

Of the above donations, £1,294 was unrestricted (2016 - £2,234) and £240 was restricted (2016 - £500).
Tax recovered on gift aided contributions was £11,528 (2016 - £11,511).

Of a total membership of 391 (plus 5 adherents), 236 members now gift aid their offerings. This represents 59.6% of the membership including adherents.

The number of members and adherents who give by standing order is now 199. 48 members give through weekly freewill offering envelopes and the balance give using the six-monthly envelopes, through the open plate, by one off donations or do not give.

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 Dec 2017, the growth fund performance was +11.30% against a benchmark of +11.29%.

The Income Fund is intended for medium term investment and aims to provide immediate high income with funds invested predominantly 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 Dec 2017, the Income fund performance was +9.61% against a benchmark of +4.05%

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 0.44%.

The average rate during 2017 was 0.49%

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 deposit 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.

The unit value of the Income Fund investments shows a 4.63% advance over the past 12 months while the unit value of the Growth Fund advanced by 7.37%.

Meldrum & Bourtie Parish Church of Scotland

Trustees' Annual Report (Cont'd) **Year ended 31st December 2017**

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 aging 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, such as Messy Church and Alpha Courses.

The trustees previous vision of a new church and community centre to be built in the heart of the village in order to provide much needed leisure and community facilities has had to be scaled back due to the failure of the originally agreed sale of the glebe to complete. While the trustees are disappointed, they are not downhearted and are currently working on preparing an alternative scheme. 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.

During 2016, a new manse was purchased as the existing manse is due to be sold along with the glebe lands. This manse has been funded by a loan from the General Trustees and will be repaid from the proceeds of 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 manse loan is not included in the balance sheet but is 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.

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 £211,487 of which £3,038 had been designated for fabric. The remaining balance of £208,449 represents about 21 months expenditure which, while higher than the policy, is primarily intended to be used as part of the funding for the development of the Church buildings. See Note 15 for the details of the unrestricted funds.

The Church also held £180,316 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

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.

Meldrum & Bourtie Parish Church of Scotland

Trustees' Annual Report (Cont'd) **Year ended 31st December 2017**

Structure, Governance and Management (Cont'd)

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 working (Focus) groups i.e. Finance, Property and Fabric, Pastoral Care, Worship and Outreach and Communication.

Reference and Administration Information

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

Trustees

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

Kirk Session: (alphabetical by surname)

Eileen Arthur	William Paterson
Sheila Bousefield	Patricia Patrone
Elizabeth Buchan	Ian Peddie
Elaine Buck	Brian Reid
William Dalzell	Isobel Reid
Mary Dow (Resigned 31/10/2017)	Winnifred Reid
Irene Dunbar	Ruth Richardson (Resigned 14/02/2018)
Elaine Falconer	Charles Simpson
Margaret Green	Sheila Simpson
Andrew Gunn	Graham Smith
Alison Jaffrey	Gordon Stephen
Rosemay Lawie	James Walker (Resigned 30/04/2017)
Andrew McCartney	Ray Walker (Resigned 30/04/2017)
Anne McLean	Mhairi Watt
Jean Mitchell	

Principal Office-bearers

Minister	Rev. Alison Jaffrey
Session Clerk	William Dalzell
Church Treasurer	William Paterson

Independent Examiner

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

Meldrum & Bourtie Parish Church of Scotland

Trustees' Annual Report (Cont'd) Year ended 31st December 2017

Structure, Governance and Management (Cont'd)

Bankers

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

Trustees' Responsibilities in Relation to 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 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.

In preparing the financial statements the trustees are required to:

- (a) select suitable accounting policies and then apply them consistently;
- (b) observe the methods and principles in the applicable Charities SORP 2015 (FRS 102);
- (c) make judgements and estimates that are reasonable and prudent;
- (d) state whether applicable accounting standards have been followed, subject to any departures disclosed and explained in the financial statements, and
- (e) 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: 2/03/2018

Meldrum & Bourtie Parish Church of Scotland

**Independent Examiner's Report to the Trustees of Meldrum and Bourtie Parish Church
Year Ended 31 December 2017**

I report on the accounts of the charity for the year ended 31 December 2017 which are set out on pages 7 to 18.

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:
 - (a) to keep accounting records in accordance with Section 44 (1) (a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations, and
 - (b) 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.



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

9/3/18

Meldrum & Bourtie Parish Church of Scotland

Statement of Financial Activities

Year Ended 31st December 2017

	Note	Unrestricted Funds 2017	Restricted Funds 2017	Endowment Funds 2017	Total 2017	Total 2016
<u>Income</u>						
Income and endowments from:						
Donations and legacies	1	64,704	240	-	64,944	65,820
Charitable Activities	2	8,499	3,107	-	11,606	8,218
Other trading activities	3	62	-	-	62	57
Investments	4	10,288	15,318	1,963	27,569	27,412
Other	5	2,724	-	-	2,724	51,061
Total Income and Endowments		86,277	18,665	1,963	106,905	152,568
<u>Expenditure</u>						
Expenditure on:						
Raising Funds	6	76	-	-	76	268
Charitable Activities		102,266	8,200	470	110,936	102,148
Other		-	8,066	-	8,066	36,168
Total Resources Expended		102,342	16,266	470	119,078	138,584
Net Gains/(Losses) on investments		5,712	6,313	18,705	30,730	28,106
Net Income/Expenditure		(10,353)	8,712	20,198	18,557	42,090
Transfers between Funds		653	603	(1,256)	-	-
Net Movement in funds		(9,700)	9,315	18,942	18,557	42,090
Total Funds brought forward		381,187	171,001	395,990	948,178	906,088
Total Funds carried forward		371,487	180,316	414,932	966,735	948,178

Meldrum & Bourtie Parish Church of Scotland

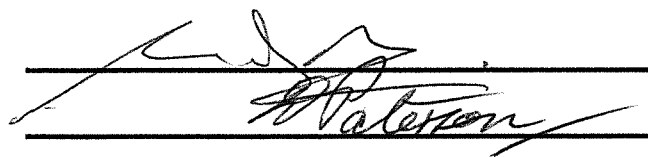
Balance Sheet

As at 31 December 2017

		2017		2016	
		£	£	£	£
Fixed Assets					
Tangible Assets	9		160,000		160,000
Investments	10		<u>677,692</u>		<u>646,196</u>
			837,692		806,196
 Current Assets					
Debtors	11	3,507		3,516	
Bank and Cash		<u>131,608</u>		<u>144,375</u>	
			<u>135,115</u>		<u>147,891</u>
 Total Current Assets			<u>135,115</u>		<u>147,891</u>
 Liabilities	12				
Creditors falling due within one year		<u>6,072</u>		<u>5,909</u>	
 Net Current Assets			<u>129,043</u>		<u>141,982</u>
 Creditors falling due after one year			-		-
 Net Assets			<u>966,735</u>		<u>948,178</u>
 Unrestricted Funds					
General Funds	15	16,681		19,006	
Designated Funds		194,806		202,181	
Building Funds		<u>160,000</u>		<u>160,000</u>	
			371,487		381,187
 Restricted Funds	15		180,316		171,001
Endowment Funds			414,932		395,990
 Total Funds	15		<u>966,735</u>		<u>948,178</u>

The accounts were approved by the Kirk Session on
For and on behalf of the Kirk Session

14 Feb 2018



Session Clerk

Treasurer

Meldrum & Bourtie Parish Church of Scotland

Year Ended 31 December 2017

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 Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1st January 2015) (Charities SORP (FRS 102)); and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities and Trustee Investment (Scotland) Act 2005, and the Charities Accounts (Scotland) Regulations 2006 (as amended).

The charity has adopted SORP (FRS 102) in the current year.

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 previous 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 2017 accounts were prepared using the policies required by FRS 102 and Charities SORP FRS 102 then the trustees consider that no further restatement is required.

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 there from 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 the economic benefit can be measured reliably.

In accordance with the Charities SORP (FRS 102) the general volunteer time of congregation members is not recognised.

Meldrum & Bourtie Parish Church of Scotland

Year Ended 31 December 2017

Accounting Policies (continued)

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.

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 manse, 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 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 the end of the financial year or, if purchased within 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

**Notes forming part of the financial statements
for the year ended 31 December 2017**

	Unrestricted Funds 2017	Restricted Funds 2017	Endowment Funds 2017	Total 2017	Total 2016
1 Donations and Legacies					
Offerings	51,492	-	-	51,492	51,149
Tax Recovered on Gift Aid	11,528	-	-	11,528	11,511
Legacies	-	-	-	-	-
Value of Donated Goods	-	-	-	-	-
Donations	1,294	240	-	1,534	2,734
Other	390	-	-	390	426
	<u>64,704</u>	<u>240</u>	<u>-</u>	<u>64,944</u>	<u>65,820</u>

Income from donations and legacies was £64,944 (2016 - £65,820) of which £240 was restricted (2016 - £500)

2 Income from Charitable Activities

Weddings and Funerals	2,735	-	-	2,735	1,120
Use of Premises	2,844	-	-	2,844	2,431
Fund Raising Activities	2,920	-	-	2,920	1,977
Guild Income	-	1,646	-	1,646	1,173
Traidcraft	-	1,187	-	1,187	1,423
Young Peoples Ministry	-	274	-	274	94
	<u>8,499</u>	<u>3,107</u>	<u>-</u>	<u>11,606</u>	<u>8,218</u>

Income from charitable activities was £11,606 (2016 - £8,218) of which £8,499 was unrestricted (2016 - £5,528) and £3,107 was restricted (2016 - £2,690)

3 Income from Other Trading Activities

Wayleave	62	-	-	62	57
	<u>62</u>	<u>-</u>	<u>-</u>	<u>62</u>	<u>57</u>

Income from Other Trading Activities was unrestricted in the current and prior year.

4 Investment Income

Deposit Interest	337	65	35	437	273
Dividends Received	9,946	15,247	1,927	27,120	27,046
Bank Interest	5	6	1	12	93
	<u>10,288</u>	<u>15,318</u>	<u>1,963</u>	<u>27,569</u>	<u>27,412</u>

Total investment income was £27,569 (2016 - £27,412) of which £10,288 was unrestricted (2016 - £10,282), £15,318 was restricted (2016 - £15,260) and £1,963 was endowment (2016 - £1,870)

5 Other Income

Endowment Income	1,598	-	-	1,598	1,061
Loan from General Trustees	-	-	-	-	50,000
Drawdown of Consolidated Fabric Fund Revenue	1,126	-	-	1,126	-
	<u>2,724</u>	<u>-</u>	<u>-</u>	<u>2,724</u>	<u>51,061</u>

Total Other Income was £2,724 of which £2,724 was unrestricted (2016 - £1,061)

The sum of £1,126 which was accumulated revenue in the Consolidated Fabric Fund held by the General Trustees was drawn down for fabric expenditure.

<u>86,277</u>	<u>18,665</u>	<u>1,963</u>	<u>106,905</u>	<u>152,568</u>
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Meldrum & Bourtie Parish Church of Scotland

Notes forming part of the financial statements
for the year ended 31 December 2017

	Unrestricted Funds 2017	Restricted Funds 2017	Endowment Funds 2017	Total 2017	Total 2016
6 Analysis of Expenditure					
Cost of Generating Funds					
Offering Envelopes	76	-	-	76	68
Stewardship Campaign expenses	-	-	-	-	200
	<u>76</u>	<u>-</u>	<u>-</u>	<u>76</u>	<u>268</u>
Cost of Generating Funds was unrestricted in current and prior year.					
Charitable Activities					
Ministry & Mission Allocation	50,116	-	-	50,116	48,159
Ministers Telephone	526	-	-	526	-
Minister's Expenses	1,848	-	-	1,848	1,821
Presbytery Dues	732	-	-	732	511
Pulpit Supply	369	-	-	369	340
Other Salary Costs	6,298	-	-	6,298	5,755
Fabric Repairs and Maintenance	3,121	-	-	3,121	1,706
New Manse Refurbishment	-	-	-	-	13,886
Council Tax	2,996	-	-	2,996	2,283
Insurance and Utilities	8,031	-	-	8,031	7,276
Examination of accounts	780	-	-	780	2,328
Other Expenses	3,970	-	-	3,970	3,689
Donations	-	4,336	470	4,806	2,450
Guild Expenses	-	1,660	-	1,660	1,281
Young People's Ministry Expenses	-	959	-	959	1,086
Traidcraft (brought in 2013)	-	1,245	-	1,245	1,105
Manse Loan Interest Charges	21,000	-	-	21,000	8,472
Old Manse Refurbishment	2,479	-	-	2,479	-
	<u>102,266</u>	<u>8,200</u>	<u>470</u>	<u>110,936</u>	<u>102,148</u>
Other					
Church Development Project Fees	-	8,066	-	8,066	36,168
Total	<u>102,342</u>	<u>16,266</u>	<u>470</u>	<u>119,078</u>	<u>138,584</u>

Support costs have not been separately identified as the trustees consider there is only one charitable activity.

Expenditure on charitable activities was £110,936 (2016 - £102,148) of which £102,266 was unrestricted (2016 - £96,226), £8,200 was restricted (2016 - £5,579) and £470 was endowment (2016 - £343).

Other Expenditure is solely related to loan of £50,000 granted by the general trustees for professional fees. This was included in charitable activities in the 2016 accounts but is reported separately in these accounts. 2016 figures have been adjusted accordingly to show direct comparisons.

Other expenditure was £8,066 (2016 - £36,168) all of which was restricted (2016 - £36,168).

Governance costs which were previously reported separately are now included in Charitable Activities expenditure under "Examination of accounts"

Details of donations are provided at Note 16

Meldrum & Bourtie Parish Church of Scotland

Notes forming part of the financial statements for the year ended 31 December 2017

7 Staff Costs and numbers	2017 £	2016 £
Salaries & Wages	6,298	5,755
Social Security Costs	-	-
Total	6,298	5,755

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

	2017 Number	2016 Number
Ministerial Support	2	2
Music Staff	2	2
Premises maintenance	1	1
	5	5

No employee had employee benefits in excess of £60,000 (2016 - nil)

All Church of Scotland congregations contribute to the National Stipend Fund which bears the cost 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 £26,644 and the maximum stipend (in the fifth and subsequent years of service) was £32,743

8 Trustee Remuneration and Related Party Transactions

During the year 1 trustee received reimbursement of £5,370 (2016 - £4,104) in respect of travel expenses, telephone and Council Tax.

In addition, the following received payments for services provided during the year

	2017 £	2016 £
Jean Mitchell, Member of Kirk Session - Pulpit Supply	290	210

During the year a total of £9,871 was donated to the charity by the trustees.

9 Tangible Fixed Assets

	Buildings £	Office Equipment £	Total £
Cost			
At 1 January 2017	160,000	-	160,000
Additions	-	-	-
Disposals	-	-	-
At 31 December 2017	160,000	-	160,000

There are no tangible fixed assets capitalised other than buildings.
Buildings are not depreciated as per the accounting policy.

Net Book Value

At 31 December 2016	160,000	-	160,000
At 31 December 2017	160,000	-	160,000

Meldrum & Bourtie Parish Church of Scotland

Notes forming part of the financial statements for the year ended 31 December 2017

10 Investments

	2016 £	2015 £
Fair Value 31 December 2016	646,196	618,090
Investments added during 2017 at cost	4,597	-
Investments realised 2017	(3,831)	-
Realised gain (loss) on disposal of investment	(219)	-
Unrealised gain (loss) on investments	30,949	28,106
Fair Value 31 December 2017	<u>677,692</u>	<u>646,196</u>
Investments at Cost	<u>611,848</u>	<u>612,655</u>

The holding of £3830.78 Treasury stock was redeemed at par during the year.
914 Units in CoS Investors Trust Growth Fund were purchased during the year.

The following investments are held

50,385 units	Church of Scotland Investors Trust Income Fund
9,981 units	Church of Scotland Investors Trust Growth Fund

11 Debtors

	2017 £	2016 £
Gift Aid Tax Refund Due	3,272	3,378
Accrued Income	235	138
	<u>3,507</u>	<u>3,516</u>

12 Creditors

	2017 £	2016 £
Miscellaneous Accruals	822	659
Accrual for Manse Loan Interest	5,250	5,250
	<u>6,072</u>	<u>5,909</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 £420,992 due to the General Trustees in respect of a loan made to the charity to enable the purchase of the 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 are included in the accounts.

13 Analysis of Net Assets Among Funds

	General £	Designated £	Restricted £	Endowment £	Total £
Fixed Assets	-	160,000	-	-	160,000
Investments	-	129,190	142,786	405,716	677,692
Net Current Assets	16,681	65,616	37,530	9,216	129,043
Net Assets at 31 December 2017	<u>16,681</u>	<u>354,806</u>	<u>180,316</u>	<u>414,932</u>	<u>966,735</u>

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.

Meldrum & Bourtie Parish Church of Scotland

Notes forming part of the financial statements
for the year ended 31 December 2017

15 Movement in Funds

<u>Endowment Funds</u>	At 1st January 2017 £	Income £	Expenditure £	Transfers £	At 31st December 2017 £
Scroggie Cruickshank Legacy	9,901	369	-	(369)	9,901
Barbara Thomson Legacy	11,396	433	-	(433)	11,396
Invested Funds	912	464	(470)	(761)	145
Invested Funds	18,828	460	-	307	19,595
Tocher Bequest	8,639	237	-	-	8,876
Sylvester Thompson Church Purposes - Capital	109,521	-	-	-	109,521
Sylvester Thompson Benevolent Purposes - Capital	219,053	-	-	-	219,053
	378,250	1,963	(470)	(1,256)	378,487
Unrealised Gain/(Loss) of Value of Assets	17,770	18,924	-	-	36,694
Realised Loss on disposal of investment	(30)	(219)	-	-	(249)
	395,990	20,668	(470)	(1,256)	414,932
<u>Restricted Funds</u>					
Sylvester Thompson Income Fund - Deserving Causes	146,346	15,558	(4,336)	-	157,568
New Church Development Loan Fund	13,832	-	(8,066)	-	5,766
Guild	1,660	1,646	(1,660)	-	1,646
Traidcraft	327	1,187	(1,245)	-	269
Sunday Club	360	274	(959)	603	278
	162,525	18,665	(16,266)	603	165,527
Gain/(Loss) in Value of assets	8,476	6,313	-	-	14,789
	171,001	24,978	(16,266)	603	180,316
<u>Unrestricted Funds</u>					
General Fund	16,149	71,952	(74,758)	653	13,996
Debtors	3,516	(9)	-	-	3,507
Creditors	(659)	-	(163)	-	(822)
Total General Fund	19,006	71,943	(74,921)	653	16,681
Fabric Fund	6,648	2,231	(5,841)	-	3,038
Debtors (Fabric Fund)	-	-	-	-	-
	6,648	2,231	(5,841)	-	3,038
Reserve Fund	53,757	263	-	-	54,020
Miss F. Forbes	65,977	2,731	-	(8,500)	60,208
New Church Development Fund	(7,259)	1,815	(21,580)	24,750	(2,274)
Sylvester Thompson Income Fund - Church Purposes	73,765	7,294	-	(16,250)	64,809
Total Designated Funds	192,888	14,334	(27,421)	-	179,801
Gain/(Loss) in Value of Assets	9,293	5,712	-	-	15,005
	202,181	20,046	(27,421)	-	194,806
Buildings	160,000	-	-	-	160,000
	381,187	91,989	(102,342)	653	371,487
	948,178	137,635	(119,078)	-	966,735

Meldrum & Bourtie Parish Church of Scotland

Notes forming part of the financial statements for the year ended 31 December 2017

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.

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.
Sunday Club	This fund is used for the childrens' and young ministries work and is funded by funds set aside by the trustees and by givings.
Traidcraft	This fund is used as the operating account for the Traidcraft Group and was originally funded by the trustees. Any surplus income as a result of trading is donated to the Fairtrade Exchange. Fundraising income is donated to the Missionary Partners and/or Fairtrade Charities

Purposes of Unrestricted Funds

Fabric Fund -	The trustees have set aside funds for the maintenance of church properties. It is also funded from 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 this fund is accumulated in the fund and the capital and revenue may be used at the discretion of the trustees.

Meldrum & Bourtie Parish Church of Scotland

Notes forming part of the financial statements **for the year ended 31 December 2017**

New Church Development Fund	This fund was also established during 2016 and is used to track other costs and revenue 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 fund of the same name and is used for general church purposes.

16 Charitable Donations

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

	2017 £	2016 £
Meldrum Amenities Improvement Group	96	96
Meldrum Academy Parent Council	90	90
Local Benevolent Donations via Minister	2,400	500
Donation to Inverurie Food Bank	700	-
Donation to Scottish Bible Society	100	9
Easter & Christmas Gifts to Homes	280	243
Wider Distribution of Kirk News	1,050	1,019
Tuning of Piano at Wyverie Court	-	60
Donation to Rainbow Rogues	30	-
Donation to School Leavers	60	-
From Organisations		
World Mission for Missionary Partners	-	300
Traidcraft Exchange	-	133
	4,806	2,450

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.

The church members were actively involved in Christian Aid week and in the Seed Box appeal for small change. This resulted in a total of £5,834 being sent to Christian Aid.

A retiring offering from the Harvest Thanksgiving service combined with other donations resulted in a total of £259 being sent to assist in the work of The Vine Trust.

Retiring offerings at Christmas services resulted in £550 being sent to The Sandpiper Trust

A sale of books from the manse raised £45 to assist the work of our mission partners in Malawi.

These charitable donations are not shown in the accounts.

Meldrum & Bourtie Parish Church of Scotland

Appendix

Funds held on behalf of the congregation by the Church of Scotland General Trustees

<u>Capital Account</u>	2017 £	2016 £
Consolidated Fabric Fund Held at 31st December at cost	<u>622</u>	<u>622</u>
Consolidated Fabric Fund Market Value at 31st December	<u>952</u>	<u>920</u>

Revenue Account

Consolidated Fabric Fund - Revenue	<u>33</u>	<u>1,126</u>
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In addition to the above the General Trustees have a temporary funds account which was set up to fund the purchase of the new manse. Interest payments on the short term loan are included in the foregoing accounts.

<u>Temporary Funds Account</u>	2017 £	2016 £
Temporary Funds Balance	<u>(992)</u>	<u>(986)</u>