

Meldrum and Bourtie Parish Church of Scotland

STATEMENT OF ACCOUNTS

ACCRUED (2015 SORP COMPLIANT) ACCOUNTS

**FOR THE YEAR ENDED
31ST DECEMBER 2022**

Congregation No: 331983

Scottish Charity No: SC 015960

Meldrum and Bourtie Parish Church of Scotland

Trustees' Annual Report Year ended 31 December 2022

The trustees present their annual report and financial statements of the charity for the year ended 31 December 2022

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.

From January 2022, the Church Hall has been successfully used by a variety of groups including yoga and toddlers. The Guild, whilst thriving and well attended, no longer meets in the Church Hall, and now meets in the centre of the village.

We continue to have a monthly service at Bourtie, in addition to our regular weekly Sunday services at Oldmeldrum, with the last Sunday of the month entitled 'A Different Kind of Worship' and held in the Church Hall. On June 26th we held an innovative Churches Together service with other local churches in the woods at Daviot. We regularly hold services on a Sunday afternoon at the sheltered housing in Wyverie Court. During the winter months a Warm Hub was set up in the Church, staffed by volunteers, to help ease the effects of the winter fuel crisis. At Christmas time, we held our Christmas Tree Competition in the Church, with entries from different groups in the village. This formed part of an Open Day which was followed by a Christmas concert.

During the past twelve months, the Church has become more focussed on its life in the community in the hope of increasing our Church attendance. The Minister regularly visits the local primary school with which she has excellent links. The Church held an Easter Experience for P2 and P3 children from the school with decorated Stations of the Cross. During the Easter weekend, members of the Church gave out Hot Cross Buns, Easter Eggs, daffodils and cards around the village. These were very well received. The Church was represented with a stall at Meldrum Community Open Day in the Square, and also at Meldrum Sports.

During the year the Church held various activities in the Church Hall including a Charity Shop sale and a quiz night. We also held a barbecue and a Picnic to Go scheme during the summer holiday, when there were no free school meals. We have continued to donate items to the Aberdeenshire Foodbank. A new venture, was the setting up of the Community Connect Café which is held on the second Saturday morning of each month. This is well attended and fosters a good community spirit. Each Friday afternoon, The Story and Play Group meets. This is for toddlers and their parents and introduces them to Church Life.

Our Pastoral Care Team and Flower Committee have remained active throughout the year and have managed to keep in touch with people in our parish, members or not, delivering flowers to those who have been bereaved, not well and/or housebound.

We continue to improve our online presence via our website, Facebook page and Youtube channel with some services recorded and posted on Facebook.

Meldrum and Bourtie Parish Church of Scotland

Trustees' Annual Report Year ended 31 December 2022

Achievements and Performance Cont'd

As the Covid pandemic receded and restrictions lifted all our services in 2022 were 'in-person'. As attendance gradually increased over the year and online viewing decreased, we decided only to video special services such as Easter and Harvest Thanksgiving until such time we purchased proper equipment to provide a more professional and better quality online service.

Average Attendance per Service/Meeting	<u>2022</u>	<u>2021</u>
<u>In person:</u>		
Weekly Worship - Churches	45	24
Weekly Worship – Churches (through to Dec)	n/a	32
Sheltered Housing / Care Homes	10	0
Bible Study Group	8	0
The Guild	35	26
Story and Play	14	n/a
Average viewing figures per Service/Meeting	<u>2022</u>	<u>2021</u>
<u>Online:</u>		
Weekly Worship	n/a	85
Weekly reflection	n/a	n/a
Bible Study Group	n/a	n/a
Advent devotionals & Carol of the day	n/a	n/a

12 Funerals were conducted during the year (2021– 19) of which 10 were members (2021 -12). Over the year, 17 members of our congregation died 5 of whose funerals being conducted elsewhere.

No Baptisms were conducted during the year (2021- 2).

No Wedding services took place during the year (2021- 1).

Financial Review

The Covid 19 pandemic continues to have 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 2022 (with comparable figures for 2021) are made up as follows:

	<u>2022</u>	<u>2021</u>
	£	£
WFO Scheme (Non-Gift Aided)	217	840
Gift Aid Offerings	33,599	32,390
Ordinary offerings via plate and 6-monthly envelopes	6,029	6,079
Donations	2,288	1,075
Legacies	5,000	-

Of the above donations, £1,988 was unrestricted (2021 - £423) and £300 was restricted (2021 - £652).

Tax recovered on Gift Aided contributions was £9,070 (2021 - £8,750).

Meldrum and Bourtie Parish Church of Scotland

Trustees' Annual Report Year ended 31 December 2022

Financial Review Cont'd

Of a total membership of 314 (incl. 3 adherents), 168 members now gift aid their offerings. This represents 53.5% of the membership including adherents.

The number of members and adherents who give by standing order is now 164. 18 members give through weekly freewill offering envelopes and 26 by other identifiable methods. The balance give through the open plate, or do not give. A total of 204 members donated by identifiable methods during 2021. This represents 65.0% of the membership.

Overall, the annual incoming resources rose from £77,033 in 2021 to £92,982 in 2022 while expenditure also rose from £74,575 in 2021 to £101,248 in 2022. Details of the differences can be found in Notes 1 - 6 of the financial accounts attached to this report

The Corona Virus Job Retention scheme ceased during 2021 however we benefitted from the Energy Bill Support Scheme which commenced in October with regard to the old manse utilities.

We are fortunate to be on a fixed tariff for our electrical supplies for the church, church hall and Bourtie church buildings which has shielded us from the steep rises in energy costs during 2022. However, we should expect to see these costs increase considerably in 2023 when the fixed rate deal comes to a conclusion.

The finances of the church are not sustainable in the longer term as we are using investment income and reserves to subsidise running costs. In the general and fabric funds, which are the main operating funds of the church, the expenditure continues to greatly exceed the income. During the year a total of £23,000 had to be transferred to these funds from other funds to keep the church running.

A stewardship campaign will be required in the coming year and we also intend to develop a strategy to enable us to move towards a more financially sustainable future.

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 2022, the Growth Fund performance was -9.2% against a benchmark of -6.7%

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 2022, the Income Fund performance was -12.16% against a benchmark of -17.72%.

Meldrum and Bourtie Parish Church of Scotland

Trustees' Annual Report Year ended 31 December 2022

Investment Policy and Performance Cont'd

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 2.60% The average rate during 2022 was 1.16% The average rate during 2021 was 0.08%.

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.

The markets have been impacted by the global pandemic and the war in Ukraine and remain volatile. This has affected the unit values of both the Income and Growth Funds.

At the end of 2022, the values of the units in the various funds were as follows:

	<u>31/12/22</u>	<u>31/12/2021</u>	<u>Percentage Change</u>	<u>Projected Return</u>
COSIT – Income fund	£ 10.56	£ 12.48	-15.38	40 ppu
COSIT - Growth Fund	£ 5.40	£ 6.04	-10.59	11 ppu
Deposit Fund Interest Rate	2.60%	0.15%	+1633	

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. Due to the Covid pandemic over the past two years and the current inflation rate, there has been no stewardship campaign in 2022. There will have to be one in the coming year.

2022 has proved to be another challenging year financially with income slowly recovering from the Covid pandemic. Our income from the church hall use by groups has recovered and the income from the community café and other fundraising events has also increased substantially.

The recent high inflation and cost of living increases have put the church finances under strain and we are not currently financially sustainable.

Sustainability is the target and is essential if the church is to keep going. New strategies will be employed with a view to enabling us to move forward.

Meldrum and Bourtie Parish Church of Scotland

Trustees' Annual Report (Cont'd)

Year ended 31 December 2022

Risk Management Cont'd

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 planning consent has been granted and we await the developer concluding matters with the General Trustees. We are informed by the General Trustees that the sale should complete in the next few months, however, we have been told this previously.

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.

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. This policy was re-examined in November 2022 and affirmed at that time.

At the year end the Church held unrestricted funds of £158,268 of which £1,190 had been designated for fabric. The remaining balance of £157,078 represents about 18 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 £272,217 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.

Meldrum and Bourtie Parish Church of Scotland

Trustees' Annual Report (Cont'd) Year ended 31 December 2022

Structure, Governance and Management (Cont'd)

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

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)

Sheila Bousefield (extended leave of absence)	Jean Mitchell
Elizabeth Buchan	Fiona Morris (Appointed 22/05/2022)
Elaine Buck	William Paterson
William Dalzell	Patricia Patrone
Irene Dunbar (Retired 9/2/2022)	Brian Reid
Elaine Falconer	Isobel Reid
Margaret Green	Sheila Simpson
Keith Ingram (Restored 22/5/2022)	Graham Smith
Rosemay Lawie (Retired 15/3/2022)	Mary Watt (Appointed 17/01/2022)
Andrew McCartney	Mhairi Watt
Rev. Alisa McDonald	Phillip Watt (Appointed 17/04/2022)
Anne McLean	

Principal Office-bearers

Minister:	Rev. Alisa McDonald
Session Clerk:	William Dalzell
Church Treasurer:	William Paterson

Independent Examiner

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

Bankers

Clydesdale Bank plc (Trading as Virgin Money)
Oldmeldrum Branch
26 West High Street
INVERURIE AB51 3SL

Meldrum and Bourtie Parish Church of Scotland

Trustees' Annual Report (Cont'd) Year ended 31 December 2022

Structure, Governance and Management Cont'd.

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.

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 1/3/23

Meldrum and Bourtie Parish Church of Scotland

Trustees' Annual Report (Cont'd) Year ended 31 December 2022

Independent Examiner's Report to the Trustees of Meldrum & Bourtie Parish Church Year ended 31 December 2022

I report on the accounts of the charity for the year ended 31st December 2022 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:



24/3/23

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

Meldrum and Bourtie Parish Church of Scotland

**Statement of Financial Activities
Year ended 31 December 2022**

	Note	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Endowment Funds 2022 £	Total 2022 £	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Endowment Funds 2021 £	Total 2021 £
Income and endowments from:									
Donations and legacies	1	55,975	300	-	56,275	49,207	-	-	49,207
Charitable activities	2	8,423	729	-	9,152	1,905	499	-	2,404
Other trading activities	3	70	-	-	70	67	-	-	67
Investments	4	8,846	15,387	1,192	25,425	8,014	14,229	1,206	23,449
Other	5	2,060	-	-	2,060	1,906	-	-	1,906
Total income		75,374	16,416	1,192	92,982	61,099	14,728	1,206	77,033
Expenditure on:									
Raising funds	6	48	-	-	48	58	-	-	58
Charitable activities		85,194	15,835	171	101,200	66,430	7,982	105	74,517
Other		-	-	-	-	-	-	-	-
Total expenditure		85,242	15,835	171	101,248	66,488	7,982	105	74,575
Net income/(expenditure) before gains and losses on investments		(9,868)	581	1,021	(8,266)	(5,389)	6,746	1,101	2,458
Net gains/(losses) on investments		(19,921)	(32,361)	(61,150)	(113,432)	(2,389)	6,038	127	3,776
Net income/(expenditure)		(29,789)	(31,780)	(60,129)	(121,698)	(7,778)	12,784	1,228	6,234
Transfers between Funds		750	79	(829)	-	854	84	(938)	-
Net movement in funds		(29,039)	(31,701)	(60,958)	(121,698)	(6,924)	12,868	290	6,234
Reconciliation of funds:		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total funds brought forward		347,307	303,918	426,326	1,077,551	354,231	291,050	426,036	1,071,317
Total Funds Carried Forward		318,268	272,217	365,368	955,853	347,307	303,918	426,326	1,077,551

Meldrum and Bourtie Parish Church of Scotland

Trustees' Annual Report (Cont'd)

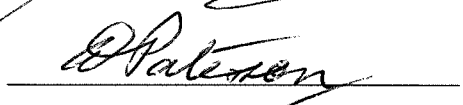
Balance Sheet at 31 December 2022

	Note	2022 £	2022 £	2021 £	2021 £
Fixed Assets					
Tangible Assets	9	160,000		160,000	
Investments	10	668,753		782,189	
Total Fixed Assets			<u>828,753</u>		<u>942,189</u>
Current Assets					
Debtors	11	3,857		2,815	
Bank and Cash		<u>126,373</u>		<u>133,684</u>	
Total Current Assets		130,230		136,499	
Liabilities					
Creditors falling due within one year	12	<u>(3,130)</u>		(1,137)	
Net Current Assets			<u>127,100</u>		<u>135,362</u>
Creditors falling due after one year			-		-
Net Assets			<u>955,853</u>		<u>1,077,551</u>
 The Funds of the Charity					
Unrestricted Funds	15				
General Funds		3,976		3,870	
Designated Funds		154,292		183,437	
Building Funds		<u>160,000</u>		<u>160,000</u>	
			318,268		347,307
Restricted Funds			272,217		303,918
Endowment Funds			<u>365,368</u>		<u>426,326</u>
 Total Funds			<u>955,853</u>		<u>1,077,551</u>

The accounts were approved by the Kirk Session on 1st March 23

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 2022

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 2021 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 2022.

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 2022

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 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 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 2022		Unrestricted Funds 2022 £	Restricted Funds 2022 £	Endowment Funds 2022 £	Total 2022 £	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Endowment Funds 2021 £	Total 2021 £
1. Donations and Legacies									
Offerings	39,845	-	-	-	39,845	39,310	-	-	39,310
Tax recovered on Gift Aid	9,070	-	-	-	9,070	8,750	-	-	8,750
Legacies	5,000	-	-	-	5,000	-	-	-	-
Value of donated goods	-	-	-	-	-	-	-	-	-
Donations	1,988	300	-	-	2,288	1,075	-	-	1,075
Other	72	-	-	-	72	72	-	-	72
	55,975	300	-	-	56,275	49,207	-	-	49,207
2. Income from charitable activities									
Weddings and Funerals	300	-	-	-	300	445	-	-	445
Use of Premises	3,339	-	-	-	3,339	960	-	-	960
Fund Raising Activities	4,784	-	-	-	4,784	500	-	-	500
Other Miscellaneous Income	-	-	-	-	-	-	-	-	-
Guild Income	-	729	-	-	729	-	499	-	499
Traidcraft	-	-	-	-	-	-	-	-	-
Young Peoples' Ministry	-	-	-	-	-	-	-	-	-
	8,423	729	-	-	9,152	1,905	499	-	2,404
3. Income from other trading activities									
Wayleave	70	-	-	-	70	67	-	-	67
	70	-	-	-	70	67	-	-	67
4. Investment Income									
Deposit interest	235	141	44	420	57	27	8	92	
Dividends received	8,491	14,857	1,098	24,446	7,957	14,202	1,198	23,357	
Bank Interest	120	389	50	559	-	-	-	-	
	8,846	15,387	1,192	25,425	8,014	14,229	1,206	23,449	
5. Other Income									
Endowment	1,861	-	-	1,861	1,378	-	-	1,378	
Government Grants (CVJRS)	-	-	-	-	528	-	-	528	
Energy Bill Support Scheme	199	-	-	199	-	-	-	-	
	2,060	-	-	2,060	1,906	-	-	1,906	
	75,374	16,416	1,192	92,982	61,099	14,728	1,206	77,033	

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 2022		Total 2022		Total 2021			
	Unrestricted Funds 2022	Restricted Funds 2022	Endowment Funds 2022	Total 2022	Unrestricted Funds 2021	Restricted Funds 2021	Endowment Funds 2021	Total 2021
	£	£	£	£	£	£	£	£
6. Analysis of Expenditure								
<u>Cost of Generating Funds</u>								
Offering Envelopes	48	-	-	48	58	-	-	58
Stewardship Campaign Expenses	-	-	-	-	-	-	-	-
Total Cost of Generating Funds	48	-	-	48	58	-	-	58
<u>Charitable Activities</u>								
Ministries & Mission Allocation	47,154	-	-	47,154	39,102	-	-	39,102
Minister's Telephone	396	-	-	396	479	-	-	479
Minister's Expenses	960	-	-	960	1,396	-	-	1,396
Presbytery Dues	256	-	-	256	283	-	-	283
Pulpit Supply	309	-	-	309	207	-	-	207
Vacancy Costs	-	-	-	-	(456)	-	-	(456)
Other salary costs	4,435	-	-	4,435	4,526	-	-	4,526
Fabric Repairs & Maintenance	9,532	-	-	9,532	5,323	-	-	5,323
Council Tax	3,410	-	-	3,410	3,835	-	-	3,835
Insurance and Utilities	7,519	-	-	7,519	6,268	-	-	6,268
Examination of Accounts	792	-	-	792	768	-	-	768
Extraordinary Covid Expenses	-	-	-	-	825	-	-	825
Other Expenses	6,094	-	-	6,094	3,874	-	-	3,874
Charitable Donations	-	11,400	171	11,571	-	5,086	105	5,191
Guild Expenses	-	4,435	-	4,435	-	2,896	-	2,896
Young People's Ministry Expenses	-	-	-	-	-	-	-	-
Fundraising Expenses	943	-	-	943	-	-	-	-
Professional Fees	874	-	-	874	-	-	-	-
Church Development Project fees	2,520	-	-	2,520	-	-	-	-
Total Charitable Activities	85,194	15,835	171	101,200	66,430	7,982	105	74,517
Other	-	-	-	-	-	-	-	-
Total	85,242	15,835	171	101,248	66,488	7,982	105	74,575

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 2022

	2022	2021
	£	£
7. Staff costs and numbers		
Salaries and wages	4,435	4,526
Social security costs	-	-
Total	4,435	4,526

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

	2022	2021
	Number	Number
Ministerial support	-	1
Music staff	1	1
Premises maintenance	1	1
	2	3

No employee had employee benefits in excess of £60,000 (2021 - 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 £28,700 and the maximum stipend (in the fifth and subsequent years) £35,269

8. Trustee Remuneration and Related Party Transactions

During the year one trustee received reimbursement of expenses incurred totalling £4,766 (2021 - £5,583) in respect of travel expenses, telephone and Council Tax.

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 £7,382 was donated to the charity by the trustees (2021- £6,929).

9. Tangible Fixed Assets

	Buildings	Office Equipment	Total
Cost			
At 1 January 2022	160,000	-	160,000
Additions	-	-	-
Disposals	-	-	-
At 31 December 2022	160,000	-	160,000

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 2022

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 2021	160,000	-	160,000
At 31st December 2022	160,000	-	160,000

10. Investments

	2022	2021
	£	£
Fair value at 31 December 2021	782,189	778,413
Investments added during 2022 at cost	4,998	-
Investments realized	(5,002)	-
Realized gain /(loss) on disposal of investments	(422)	-
Unrealized gain / (loss) on investments	(113,010)	3,776
Fair value at 31 December 2022	668,753	782,189
Investments at cost	692,756	692,338

The following investments are held:

Church of Scotland Investors Trust – Income Fund	51,407 Units
Church of Scotland Investors Trust – Growth Fund	23,314 Units

11. Debtors

	2022	2021
	£	£
Gift Aid Tax Refund Due	2,758	2,470
Other	1,099	345
	3,857	2,815

12. Creditors

	2022	2021
	£	£
Accruals for expenditure	3,130	1,137
	-	-
	3,130	1,137

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 £519,750, 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 2022**

**Notes forming part of the financial Statements
for the year ending 31st December 2022**

13. Analysis of Net Assets Among Funds	General		Designated		Restricted		Endowment		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	£	£	£	£	£	£	£	£	£	£
Fixed Assets	-	-	160,000	160,000	-	-	-	-	160,000	160,000
Investments	-	-	114,682	129,605	198,981	236,344	355,090	416,240	668,753	782,189
Net Current Assets	3,976	3,870	39,610	53,832	73,236	67,574	10,278	10,086	127,100	135,362
Net Assets at 31 Dec. 2021	3,976	3,870	314,292	343,437	272,217	303,918	365,368	426,326	955,853	1,077,551

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 and Bourtie Parish Church of Scotland

Trustees' Annual Report (Cont'd)
Year ended 31 December 2022

Notes forming part of the financial Statements
for the year ending 31st December 2022

15. Movement in Funds

15. <u>Endowment Funds</u>	At 1 st	Income	Expenditure	Transfer	At 31 st	At 1 st	Income	Expenditure	Transfer	At 31 st
	January 2022	2022	2022	2022	December 2022	January 2021	2021	2021	2021	December 2021
	£	£	£	£	£	£	£	£	£	£
Scroggie Cruickshank Legacy	9,901	249	-	(249)	9,901	9,901	262	-	(262)	9,901
Barbara Thomson Legacy	11,396	292	-	(292)	11,396	11,396	307	-	(307)	11,396
Invested Funds	145	140	(171)	31	145	145	150	(105)	(45)	145
Invested Funds	19,595	319	-	(319)	19,595	19,595	324	-	(324)	19,595
Tocher Bequest	9,746	192	-	-	9,938	9,583	163	-	-	9,746
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
	379,357	1,192	(171)	(829)	379,549	379,194	1,206	(105)	(938)	379,357
Unrealized Gain/(Loss) of Value of Assets	47,218	(61,150)	-	-	(13,932)	47,091	127	-	-	47,218
Realized Loss on Disposal of Asset	(249)	-	-	-	(249)	(249)	-	-	-	(249)
	426,326	(59,958)	(171)	(829)	365,368	426,036	1,333	(105)	(938)	426,326

Meldrum and Bourtie Parish Church of Scotland

Notes forming part of the financial Statements
for the year ending 31st December 2022

15. Movement in Funds Cont'd

15. <u>Restricted Funds</u>	At 1 st	Income	Expenditure	Transfer	At 31 st	At 1 st	Income	Expenditure	Transfer	At 31 st
	January 2022 £	2022 £	2022 £	2022 £	December 2021 £	January 2021 £	2021 £	2021 £	2021 £	December 2021 £
Sylvester Thomson Income Fund – Deserving Causes	180,231	13,950	(11,400)	-	182,781	172,865	12,452	(5,086)	-	180,231
New Church Development Loan Fund	5,070	-	-	-	5,070	5,070	-	-	-	5,070
Organ Fund	50,554	982	-	-	51,536	49,600	954	-	-	50,554
Guild	39,838	1,484	(4,435)	-	36,887	41,412	1,322	(2,896)	-	39,838
Traideraft	-	-	-	-	-	-	-	-	-	-
Sunday Club	368	-	-	79	447	284	-	-	84	368
	276,061	16,416	(15,835)	79	276,721	269,231	14,728	(7,982)	84	276,061
Unrealized Gain/(Loss) of Value of Assets	27,857	(31,939)	-	-	(4,082)	21,819	6,038	-	-	27,857
Realized Gain/Loss of Value of Assets	-	(422)	-	-	(422)	-	-	-	-	-
	303,918	(15,945)	(15,835)	79	272,217	291,050	20,766	(7,982)	84	303,918

Meldrum and Bourtie Parish Church of Scotland

Notes forming part of the financial Statements
for the year ending 31st December 2022

15. Movement in Funds Cont'd

15. <u>Unrestricted Funds</u>	At 1 st	Income	Expenditure	Transfer	At 31 st	At 1 st	Income	Expenditure	Transfer	At 31 st
	January 2022	2022	2022	2022	December 2022	January 2021	2021	2021	2021	December 2021
	£	£	£	£	£	£	£	£	£	£
General Fund	2,192	58,864	(72,057)	14,750	3,749	3,174	52,371	(60,207)	6,854	2,192
Opening Debtors	2,815	542	-	-	3,357	2,706	109	-	-	2,815
Opening Creditors	(1,137)	(1,993)	-	-	(3,130)	(590)	(547)	-	-	(1,137)
Total General Fund	3,870	57,413	(72,057)	14,750	3,976	5,290	51,933	(60,207)	6,854	3,870
Fabric Fund	703	519	(8,032)	9,000	2,190	516	1,152	(5,465)	4,500	703
Opening Debtors (Fabric Fund)	-	500	(1,500)	-	(1,000)	-	-	-	-	-
Total Fabric Fund	703	1,019	(9,532)	9,000	1,190	516	1,152	(5,465)	4,500	703
Reserve Fund	52,592	281	-	(15,000)	37,873	52,540	52	-	-	52,592
Miss F. Forbes Legacy	60,860	2,370	-	(2,000)	61,230	60,032	2,182	(354)	(1,000)	60,860
New Church Development Fund	(1,651)	3,107	(2,780)	37	(1,287)	(1,651)	-	-	-	(1,651)
Sylvester Thomson Income Fund – Church Purposes	55,514	6,147	(873)	(6,000)	54,788	59,696	5,780	(462)	(9,500)	55,514
Evelyn Webster Fund	-	5,037	-	(37)	5,000	-	-	-	-	-
Total Designated Funds	168,018	17,961	(13,185)	(14,000)	158,794	171,133	9,166	(6,281)	(6,000)	168,018
Gain / (Loss) in Value of Assets	15,419	(19,921)	-	-	(4,502)	17,808	(2,389)	-	-	15,419
Buildings	183,437	(1,960)	(13,185)	(14,000)	154,292	188,941	6,777	(6,281)	(6,800)	183,437
160,000	-	-	-	-	160,000	160,000	-	-	-	160,000
Total Unrestricted Funds	347,307	55,453	(85,242)	750	318,268	354,231	58,710	(66,488)	854	347,307
Total Endowment Funds from p 19	426,326	(59,958)	(171)	(829)	365,368	426,036	1,333	(105)	(938)	426,326
Total Restricted Funds from p 20	303,918	(15,945)	(15,835)	79	272,217	291,050	20,766	(7,982)	84	303,918
Total All Funds	1,077,551	(20,450)	(101,248)	-	955,853	1,071,317	80,809	(74,575)	-	1,077,551

Meldrum and Bourtie Parish Church of Scotland

Trustees' Annual Report (Cont'd) Year ended 31 December 2022

Notes forming part of the financial Statements for the year ending 31st December 2022

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 2022

Notes forming part of the financial Statements for the year ending 31st December 2022

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.
Evelyn Webster Fund	This fund was established during 2022 from a bequest of £5,000 from the estate of the late Mrs Evelyn Webster. The money has been invested in the Church of Scotland Investors Trust, Growth Fund and the income earned from this investment is currently applied to the Church Development Fund.

Meldrum and Bourtie Parish Church of Scotland

Trustees' Annual Report (Cont'd) Year ended 31 December 2022

Notes forming part of the financial Statements for the year ending 31st December 2022

16. Charitable Donations

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

	<u>2022</u>	<u>2021</u>
	<u>£</u>	<u>£</u>
Meldrum Amenities Action Group	100	200
Meldrum Academy Parent Council	-	90
Local Benevolent Donations via Minister	2,852	-
Donation to Inverurie Food Bank	2,400	2,400
Scottish Bible Society	200	200
Wider Distribution of Kirk News	3,128	900
Easter & Christmas Gifts to Care Homes & Housebound	346	290
Donation to Scottish Churches Trust	50	50
Cleaning Headstone	-	458
Warm Hub Costs, Electricity, Wi-Fi & Expenses	1,833	-
Food Vouchers & Picnic to Go	219	120
Flowers for bereaved	272	378
	<hr/>	<hr/>
	11,400	5,086
From Organisations	-	-
	<hr/>	<hr/>
	11,400	5,086

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.

Collections for Christian Aid during Christian Aid week resulted in £766.97 being raised and sent to Christian Aid via the Garioch Area grouping. A retiring collection over the Christmas Services and an unopened seed box found in the church resulted in a further donation of £216.57 being sent.

An appeal to aid the humanitarian work in Ukraine during March/April raised a total of £1,250. This sum included the Gift Aid recovered.

A retiring offering at the Harvest Thanksgiving services raised a further £306.66. These sums were remitted via Church of Scotland World Mission.

The Women's World Day of Prayer raised at total of £101.66

Grampian Women's Aid received £200 being 50% of the retiring offering at the Christmas Services.

APPENDIX

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

	2022	2021
	£	£
<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>957</u>	<u>1,033</u>
<u>REVENUE ACCOUNT</u>		
Credit Balance at 31 December	<u>159</u>	<u>140</u>
<u>TEMPORARY ACCOUNT</u>		
Credit Balance at 31 December	<u>(1,058)</u>	<u>(1,053)</u>