

**Meldrum and Bourtie Parish Church of Scotland**

**STATEMENT OF ACCOUNTS**

**ACCRUED (2015 SORP COMPLIANT) ACCOUNTS**

**FOR THE YEAR ENDED  
31ST DECEMBER 2018**

**Congregation No. 331983**

**Scottish Charity No. SC015960**

## Meldrum & Bourtie Parish Church of Scotland

### **Trustees' Annual Report Year ended 31st December 2018**

The trustees present their annual report and financial statements of the charity for the year ended 31st. December 2018.

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. Formal communion services are held twice per year and informal services at the end of each month.

Youth activities comprise Sunday School, Messy Church, monthly Primary School Chaplaincy and monthly Academy Chaplaincy. Sunday school was restarted during 2017.

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 2018, a St. Andrews night ceilidh and craft workshop were held as fundraisers. A family barbeque and a golf day were held as social events. A singing group known as the Wednesday Wailers meets twice a month.

During 2018, Gordon Presbytery were focussed on Meldrum and Bourtie as part of their new way of working. As part of this process, we were visited by Presbytery and hosted a lunch to facilitate the discussions. Following on from this initial visitation we hosted a Presbytery meeting on October where various members of the congregation presented a picture of the life and work of the Church in Meldrum and Bourtie. The local embroidery group had worked hard to complete the story of St Nechtan in a series of embroidered panels which now hang in the Church.

### **Achievements and Performance**

Attendances at the various activities listed in the foregoing section have in some cases reduced and in others have increased and are as follows:

#### AVERAGE ATTENDANCE PER SERVICE / MEETING

	<u>2018</u>	<u>2017</u>
Weekly Worship - Churches	55	50
Sheltered Housing / Care Homes	35	40
Beyond Belief Study Group	6	6
The Guild	35	25
Messy Church - Helpers/Children/Parents	6/14/4	6/14/4
Sunday School - Children/ Helpers	12/7	10/8

28 funerals were conducted during the year (2017 - 24) of which 15 were members (2017 - 11). Baptisms remained steady with 4 being carried out during the year (2017 - 4).

## Meldrum & Bourtie Parish Church of Scotland

### Trustees' Annual Report (Cont'd) Year ended 31st December 2018

#### Financial Review

The offerings for the year ended 31st December 2018 (with comparable figures for 2017) are made up as follows:

	<u>2018</u>	<u>2017</u>
	£	£
WFO Scheme (Non Gift Aided)	1,196	1,122
Gift Aid Offerings	39,462	42,107
Ordinary Offerings via plate and 6-monthly envelopes	9,212	8,263
Donations	1,574	1,534
Restricted Legacies	93,218	-

Of the above donations, £1,546 was unrestricted (2017 - £1294) and £28 was restricted (2017 - £240). Tax recovered on gift aided contributions was £10,961 (2017 - £11,528).

Of a total membership of 382 (incl. 5 adherents), 234 members now gift aid their offerings. This represents 61.3% of the membership including adherents.

The number of members and adherents who give by standing order is now 192. 46 members give through weekly freewill offering envelopes and 44 by six monthly envelopes, the balance give 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 2018, the growth fund performance was +0.22% against a benchmark of -3.40%.

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 2018, the Income fund performance was -0.08% against a benchmark of -1.18%

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 0.75%. The average rate during 2018 was 0.59%

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 reduction of 3.86% over the past 12 months while the unit value of the Growth Fund reduced by 3.53%.

## Meldrum & Bourtie Parish Church of Scotland

### **Trustees' Annual Report (Cont'd)** **Year ended 31st December 2018**

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, such as Messy Church. We have also engaged with Heartedge, an initiative started by St Martins in the Fields, looking at new ways of working.

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 £201,469 of which £1,326 had been designated for fabric. The remaining balance of £200,143 represents about 24 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 the details of the unrestricted funds.

The Church also held £267,971 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.

## **Meldrum & Bourtie Parish Church of Scotland**

### **Trustees' Annual Report (Cont'd)** **Year ended 31st December 2018**

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

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 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	Eileen Oliver (Rejoined 9/5/2018)
Sheila Bousefield	William Paterson
Elizabeth Buchan	Patricia Patrone
Elaine Buck	Ian Peddie
William Dalzell	Brian Reid
Irene Dunbar	Isobel Reid
Elaine Falconer	Winnifred Reid (Resigned 31/12/2018)
Margaret Green	Ruth Richardson (Resigned 14/02/2018)
Andrew Gunn (Resigned 14/03/2018)	Charles Simpson (Resigned 19/10/2018)
Alison Jaffrey	Sheila Simpson
Rosemay Lawie	Graham Smith
Andrew McCartney	Gordon Stephen
Anne McLean	Mhairi Watt
Jean Mitchell	

#### **Principal Office-bearers**

<b>Minister</b>	Rev. Alison Jaffrey
<b>Session Clerk</b>	William Dalzell
<b>Church Treasurer</b>	William Paterson

**Meldrum & Bourtie Parish Church of Scotland**

**Trustees' Annual Report (Cont'd)**  
**Year ended 31st December 2018**

**Structure, Governance and Management (Cont'd)**

**Independent Examiner**

Richard Christie CA  
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 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: 13/02/19

**Meldrum & Bourtie Parish Church of Scotland**

**Independent Examiner's Report to the Trustees of Meldrum and Bourtie Parish Church  
Year Ended 31 December 2018**

I report on the accounts of the charity for the year ended 31 December 2018 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.

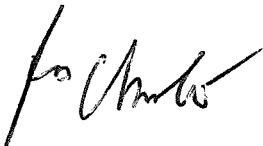
**Independent examiner's statement**

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

20/3/19



**Meldrum & Bourtie Parish Church of Scotland**

**Balance Sheet**

**As at 31 December 2018**

		2018		2017	
		£	£	£	£
<b>Fixed Assets</b>					
Tangible Assets	9		160,000		160,000
Investments	10		<u>729,380</u>		<u>677,692</u>
			889,380		837,692
<b>Current Assets</b>					
Debtors	11	3,239		3,507	
Bank and Cash		<u>136,874</u>		<u>131,608</u>	
		140,113		135,115	
<b>Total Current Assets</b>			<u>140,113</u>		<u>135,115</u>
<b>Liabilities</b>	12				
Creditors falling due within one year		<u>360</u>		<u>6,072</u>	
<b>Net Current Assets</b>			<u>139,753</u>		<u>129,043</u>
Creditors falling due after one year			-		-
<b>Net Assets</b>			<u>1,029,133</u>		<u>966,735</u>
<b>Unrestricted Funds</b>					
General Funds	15	9,700		19,006	
Designated Funds		191,769		202,181	
Building Funds		<u>160,000</u>		<u>160,000</u>	
			361,469		381,187
<b>Restricted Funds</b>	15		267,971		171,001
<b>Endowment Funds</b>			399,693		395,990
<b>Total Funds</b>	15		<u>1,029,133</u>		<u>948,178</u>

The accounts were approved by the Kirk Session on 13TH FEB 2019  
 For and on behalf of the Kirk Session

  
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Session Clerk

Treasurer



**Meldrum & Bourtie Parish Church of Scotland**

**Statement of Financial Activities**

**Year Ended 31st December 2018**

	<b>Note</b>	<b>Unrestricted Funds 2018</b>	<b>Restricted Funds 2018</b>	<b>Endowment Funds 2018</b>	<b>Total 2018</b>	<b>Total 2017</b>
<b><u>Income</u></b>						
<b>Income and endowments from:</b>						
Donations and legacies	1	62,677	93,246	-	155,923	64,944
Charitable Activities	2	8,755	2,906	-	11,661	11,606
Other trading activities	3	62	-	-	62	62
Investments	4	10,288	16,000	1,749	28,037	27,569
Other	5	1,899	-	-	1,899	2,724
<b><u>Total Income and Endowments</u></b>		<b>83,681</b>	<b>112,152</b>	<b>1,749</b>	<b>197,582</b>	<b>106,905</b>
<b><u>Expenditure</u></b>						
<b>Expenditure on:</b>						
Raising Funds	6	55	-	-	55	76
Charitable Activities		89,371	16,090	169	105,630	110,936
Other		-	696	-	696	8,066
<b><u>Total Resources Expended</u></b>		<b>89,426</b>	<b>16,786</b>	<b>169</b>	<b>106,381</b>	<b>119,078</b>
Net Gains/(Losses) on investments		(4,985)	(8,331)	(15,487)	(28,803)	30,730
Net Income/Expenditure		(5,745)	95,366	1,580	91,201	18,557
Transfers between Funds		712	620	(1,332)	-	-
Net Movement in funds		(10,018)	87,655	(15,239)	62,398	18,557
<b>Total Funds brought forward</b>		<b>371,487</b>	<b>180,316</b>	<b>414,932</b>	<b>966,735</b>	<b>948,178</b>
<b>Total Funds carried forward</b>		<b>361,469</b>	<b>267,971</b>	<b>399,693</b>	<b>1,029,133</b>	<b>966,735</b>

## **Meldrum & Bourtie Parish Church of Scotland**

### **Year Ended 31 December 2018**

#### **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 for 2018.

#### **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 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 2018**

#### **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 2018**

	Unrestricted Funds 2018	Restricted Funds 2018	Endowment Funds 2018	Total 2018	Total 2017
<b>1 Donations and Legacies</b>					
Offerings	49,870	-	-	49,870	51,492
Tax Recovered on Gift Aid	10,961	-	-	10,961	11,528
Legacies	-	93,218	-	93,218	-
Value of Donated Goods	-	-	-	-	-
Donations	1,546	28	-	1,574	1,534
Other	300	-	-	300	390
	<u>62,677</u>	<u>93,246</u>	<u>-</u>	<u>155,923</u>	<u>64,944</u>

Income from donations and legacies was £155,923 (2017 - £64,944) of which £93,246 was restricted (2017 - £240)

**2 Income from Charitable Activities**

Weddings and Funerals	2,875	-	-	2,875	2,735
Use of Premises	3,061	-	-	3,061	2,844
Fund Raising Activities	2,269	-	-	2,269	2,920
Other Miscellaneous Income	550	-	-	550	-
Guild Income	-	2,102	-	2,102	1,646
Traidcraft	-	720	-	720	1,187
Young Peoples Ministry	-	84	-	84	274
	<u>8,755</u>	<u>2,906</u>	<u>-</u>	<u>11,661</u>	<u>11,606</u>

Income from charitable activities was £11,661 (2017 - £11,606) of which £8,755 was unrestricted (2017 - £8,499) and £2,906 was restricted (2017 - £3,107)

Other miscellaneous income relates to income from the Malawi Rice Challenge and the Iona Pilgrimage

**3 Income from Other Trading Activities**

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

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

**4 Investment Income**

Deposit Interest	308	106	41	455	437
Dividends Received	9,946	15,852	1,697	27,495	27,120
Bank Interest	34	42	11	87	12
	<u>10,288</u>	<u>16,000</u>	<u>1,749</u>	<u>28,037</u>	<u>27,569</u>

Total investment income was £28,037 (2017 - £27,569) of which £10,288 was unrestricted (2017 - £10,288), £16,000 was restricted (2017 - £15,318) and £1,749 was endowment (2017 - £1,963)

**5 Other Income**

Endowment Income	1,799	-	-	1,799	1,598
Grant from General Trustees	100	-	-	100	-
Drawdown of Consolidated Fabric Fund Revenue	-	-	-	-	1,126
	<u>1,899</u>	<u>-</u>	<u>-</u>	<u>1,899</u>	<u>2,724</u>

Total Other Income was £1,899 of which £1,899 was unrestricted (2017 - £2,724)

The charity received a grant from the general trustees in respect of a Better Heating Survey

<u>83,681</u>	<u>112,152</u>	<u>1,749</u>	<u>197,582</u>	<u>106,905</u>
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**Meldrum & Bourtie Parish Church of Scotland**

**Notes forming part of the financial statements  
for the year ended 31 December 2018**

	Unrestricted Funds 2018	Restricted Funds 2018	Endowment Funds 2018	Total 2018	Total 2017
<b>6 Analysis of Expenditure</b>					
Cost of Generating Funds					
Offering Envelopes	55	-	-	55	76
Stewardship Campaign expenses	-	-	-	-	-
	<u>55</u>	<u>-</u>	<u>-</u>	<u>55</u>	<u>76</u>

Cost of Generating Funds was unrestricted in current and prior year.

**Charitable Activities**

Ministry & Mission Allocation	50,286	-	-	50,286	50,116
Ministers Telephone	526	-	-	526	526
Minister's Expenses	2,379	-	-	2,379	1,848
Presbytery Dues	152	-	-	152	732
Pulpit Supply	120	-	-	120	369
Other Salary Costs	6,046	-	-	6,046	6,298
Fabric Repairs and Maintenance	2,805	-	-	2,805	3,121
Council Tax	3,080	-	-	3,080	2,996
Insurance and Utilities	8,035	-	-	8,035	8,031
Examination of accounts	792	-	-	792	780
Other Expenses	9,600	-	-	9,600	3,970
Charitable Donations	300	11,563	169	12,032	4,806
Guild Expenses	-	3,137	-	3,137	1,660
Young People's Ministry Expenses	-	555	-	555	959
Traidcraft (brought in 2013)	-	835	-	835	1,245
Manse Loan Interest Charges	5,250	-	-	5,250	21,000
Old Manse Refurbishment	-	-	-	-	2,479
	<u>89,371</u>	<u>16,090</u>	<u>169</u>	<u>105,630</u>	<u>110,936</u>

**Other**

Church Development Project Fees	-	696	-	696	8,066
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<b>Total</b>	<u>89,426</u>	<u>16,786</u>	<u>169</u>	<u>106,381</u>	<u>119,078</u>
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Support costs have not been separately identified as the trustees consider there is only one charitable activity.

Expenditure on charitable activities was £105,630 (2017 - £110,936) of which £89,371 was unrestricted (2017 - £102,66), £16,090 was restricted (2017 - £8,200) and £169 was endowment (2017 - £470).

Other Expenditure is solely related to loan of £50,000 granted by the general trustees for professional fees.

Other expenditure was £696 (2017- £8,066) all of which was restricted (2017 - £8,066).

Governance costs which were previously reported separately are now included in Charitable Activities expenditure

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 2018**

<b>7 Staff Costs and numbers</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Salaries & Wages	6,046	6,298
Social Security Costs	-	-
<b>Total</b>	<b>6,046</b>	<b>6,298</b>

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

	<b>2018</b>	<b>2017</b>
	<b>Number</b>	<b>Number</b>
Ministerial Support	2	2
Music Staff	2	2
Premises maintenance	1	1
	<b>5</b>	<b>5</b>

No employee had employee benefits in excess of £60,000 (2017 - 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 £27,044 and the maximum stipend (in the fifth and subsequent years of service) was £33,234

**8 Trustee Remuneration and Related Party Transactions**

During the year 1 trustee received reimbursement of £5,985 ( 2017 - £5,370) in respect of travel expenses, telephone and Council Tax.

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

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Jean Mitchell, Member of Kirk Sessior - Pulpit Supply	120	290

During the year a total of £8,768 was donated to the charity by the trustees (2017 - £9,871).

**9 Tangible Fixed Assets**

	<b>Buildings</b>	<b>Office Equipment</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>			
At 1 January 2018	160,000	-	160,000
Additions	-	-	-
Disposals	-	-	-
At 31 December 2018	<b>160,000</b>	<b>-</b>	<b>160,000</b>

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 2017	<b>160,000</b>	<b>-</b>	<b>160,000</b>
At 31 December 2018	<b>160,000</b>	<b>-</b>	<b>160,000</b>

**Meldrum & Bourtie Parish Church of Scotland**

**Notes forming part of the financial statements  
for the year ended 31 December 2018**

<b>10 Investments</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Fair Value 31 December 2017	677,692	646,196
Investments added during 2018 at cost	80,491	4,597
Investments realised 2018	-	(3,831)
Realised gain (loss) on disposal of investment	-	(219)
Unrealised gain (loss) on investments	(28,803)	30,949
Fair Value 31 December 2018	<u>729,380</u>	<u>677,692</u>
Investments at Cost	<u>692,338</u>	<u>611,848</u>

The following investments were added during 2018

1,022 units Church of Scotland Investors Trust Income Fund

13,302 units Church of Scotland Investors Trust Growth Fund

The following investments are held

51,407 units Church of Scotland Investors Trust Income Fund

23,283 units Church of Scotland Investors Trust Growth Fund

<b>11 Debtors</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Gift Aid Tax Refund Due	3,171	3,272
Accrued Income	68	235
	<u>3,239</u>	<u>3,507</u>

<b>12 Creditors</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Miscellaneous Accruals	360	822
Accrual for Manse Loan Interest	-	5,250
	<u>360</u>	<u>6,072</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 £420,997 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 up to 31st March 2018 are included in the accounts. From 1st April 2018, the interest is being allowed to accrue against the sale proceeds.

**13 Analysis of Net Assets Among Funds**

	<b>General</b>	<b>Designated</b>	<b>Restricted</b>	<b>Endowment</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Fixed Assets	-	160,000	-	-	160,000
Investments	-	124,205	214,946	390,229	729,380
Net Current Assets	9,700	67,564	53,025	9,464	139,753
<b>Net Assets at 31 December 2018</b>	<u>9,700</u>	<u>351,769</u>	<u>267,971</u>	<u>399,693</u>	<u>1,029,133</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 2018**

**15 Movement in Funds**

<b>Endowment Funds</b>	<b>At 1st January 2018 £</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>Transfers £</b>	<b>At 31st December 2018 £</b>
Scroggie Cruickshank Legacy	9,901	376	-	(376)	9,901
Barbara Thomson Legacy	11,396	441	-	(441)	11,396
Invested Funds	145	213	(169)	(44)	145
Invested Funds	19,595	471	-	(471)	19,595
Tocher Bequest	8,876	248	-	-	9,124
Sylvester Thompson Church Purposes - Capital	109,521	-	-	-	109,521
Sylvester Thompson Benevolent Purposes - Capital	219,053	-	-	-	219,053
	<b>378,487</b>	<b>1,749</b>	<b>(169)</b>	<b>(1,332)</b>	<b>378,735</b>
Unrealised Gain/(Loss) of Value of Assets	36,694	(15,487)	-	-	21,207
Realised Loss on disposal of investment	(249)	-	-	-	(249)
	<b>414,932</b>	<b>(13,738)</b>	<b>(169)</b>	<b>(1,332)</b>	<b>399,693</b>
<b>Restricted Funds</b>					
Sylvester Thompson Income Fund - Deserving Causes	157,568	15,545	(11,324)	-	161,789
New Church Development Loan Fund	5,766	-	(696)	-	5,070
Organ Fund	-	47,085	-	-	47,085
Guild	1,646	48,710	(3,376)	-	46,980
Traidcraft	269	720	(835)	-	154
Sunday Club	278	92	(555)	620	435
	<b>165,527</b>	<b>112,152</b>	<b>(16,786)</b>	<b>620</b>	<b>261,513</b>
Gain/(Loss) in Value of assets	14,789	(8,331)	-	-	6,458
	<b>180,316</b>	<b>103,821</b>	<b>(16,786)</b>	<b>620</b>	<b>267,971</b>
<b>Unrestricted Funds</b>					
General Fund	13,996	70,620	(81,007)	3,212	6,821
Debtors	3,507	(268)	-	-	3,239
Creditors	(822)	462	-	-	(360)
<b>Total General Fund</b>	<b>16,681</b>	<b>70,814</b>	<b>(81,007)</b>	<b>3,212</b>	<b>9,700</b>
Fabric Fund	3,038	1,093	(2,805)	-	1,326
Debtors (Fabric Fund)	-	-	-	-	-
	<b>3,038</b>	<b>1,093</b>	<b>(2,805)</b>	<b>-</b>	<b>1,326</b>
Reserve Fund	54,020	265	-	(2,500)	51,785
Miss F. Forbes	60,208	2,744	-	(1,580)	61,372
New Church Development Fund	(2,274)	1,487	(5,614)	5,250	(1,151)
Sylvester Thompson Income Fund - Church Purposes	64,809	7,278	-	(3,670)	68,417
<b>Total Designated Funds</b>	<b>179,801</b>	<b>12,867</b>	<b>(8,419)</b>	<b>(2,500)</b>	<b>181,749</b>
Gain/(Loss) in Value of Assets	15,005	(4,985)	-	-	10,020
	<b>194,806</b>	<b>7,882</b>	<b>(8,419)</b>	<b>-</b>	<b>191,769</b>
<b>Buildings</b>	<b>160,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>160,000</b>
	<b>371,487</b>	<b>78,696</b>	<b>(89,426)</b>	<b>712</b>	<b>361,469</b>
	<b>966,735</b>	<b>168,779</b>	<b>(106,381)</b>	<b>-</b>	<b>1,029,133</b>



## **Meldrum & Bourtie Parish Church of Scotland**

### **Notes forming part of the financial statements for the year ended 31 December 2018**

#### **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.
Traidcraft	This fund is used as the operating account for the Traidcraft Group and was originally funded by the trustees. Any income as a result of trading is donated to the Fairtrade Exchange. Fundraising income is donated to the Missionary Partners and/or Fairtrade Charities
Organ Fund	This fund was set up during 2018 due to receipt of a generous legacy bequeathed from the estate of the late Hilda Webster for the purpose of maintaining and possible eventual replacement of the organ.

#### **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.

## Meldrum & Bourtie Parish Church of Scotland

### Notes forming part of the financial statements for the year ended 31 December 2018

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.
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 various funds and are shown in these accounts

	2018 £	2017 £
Meldrum Amenities Improvement Group	100	96
Meldrum Academy Parent Council	90	90
Local Benevolent Donations via Minister	8,680	2,400
Donation to Inverurie Food Bank	1,200	700
Donation to Scottish Bible Society	100	100
Easter & Christmas Gifts to Homes	272	280
Wider Distribution of Kirk News	1,000	1,050
Donation to Rainbow Rogues	-	30
Donation to School Leavers	50	60
Donation to Heartedge	250	-
Donation to Scottish Churches Trust	50	-

### **From Organisations**

Archie Foundation	<u>240</u>	<u>-</u>
	<u>12,032</u>	<u>4,806</u>

### **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 £4,765 being sent to Christian Aid.

A retiring offering from the Harvest Thanksgiving service combined with other donations resulted in a total of £128 being sent to assist in the work of Inverurie Food Bank.

Retiring offerings at Christmas services resulted in £400 being sent to The Scottish Charity Air Ambulance and £400 being sent to Toilet Twinning.

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

<b><u>Capital Account</u></b>	<b>2018</b> £	<b>2017</b> £
Consolidated Fabric Fund Held at 31st December at cost	<u>622</u>	<u>622</u>
Consolidated Fabric Fund Market Value at 31st December	<u>914</u>	<u>952</u>

**Revenue Account**

Consolidated Fabric Fund - Revenue	<u>66</u>	<u>33</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.

<b><u>Temporary Funds Account</u></b>	<b>2018</b> £	<b>2017</b> £
Temporary Funds Balance	<u>(997)</u>	<u>(992)</u>