

**Registered Charity No SC023266**

**St Mary's Scottish Episcopal Church, Aberfoyle**

**Report and Accounts for the year ended 30th September 2013**

# St Mary's Scottish Episcopal Church, Aberfoyle

## Reference and Administrative Information:

**Registered Scottish Charity No SC023266**

**Principal Address** St Mary's Church,  
Main Street  
Aberfoyle  
STIRLING  
FK8 3UJ

**Website** [www.stmarychurchaberfoyle.org.uk](http://www.stmarychurchaberfoyle.org.uk)

**Charity Trustees** *Members of the Vestry*

Rev Richard Grosse	Rector
Mark Seymour	Chairman
David Thompson	Secretary
Nicholas Cooke	Treasurer (until Aug 13)
Margie Stephen	Lay Reader
Barbara Carruthers	
Susan Forsyth	
Anne Winther	
Alastair Gardner (Treasurer Aug 13)	<i>(elected 9 December 2012)</i>
Jean Sykes	<i>(elected 9 December 2012)</i>
James Gardner	<i>(elected 9 December 2012)</i>

**Bankers** Bank of Scotland  
55 Main Street  
CALLANDER  
Perthshire  
FK17 8BD

**Investment Managers** Smith & Williamson  
206 St Vincent Street  
GLASGOW  
G2 5SG

**Independent Examiner** Stephen Nisbet  
81a Watergate  
PERTH  
PH1 5TP

# **St Mary's Scottish Episcopal Church, Aberfoyle**

## **Annual Report of the Members of the Vestry (Trustees Report)**

### ***Introduction***

The Vestry is pleased to present the annual accounts for St Mary's, Aberfoyle for the year ended 30th September 2013.

We are a friendly, community focused congregation whose objective is to advance the mission of the Christian Church through worship, service and fellowship. We aim to do this by supporting existing church members through worship and social contact and by encouraging new members through our 'Casting The Net' mission action plan, which was adopted by St Mary's congregation in 2013 and is actively supported by our Diocese. Our Rector also holds monthly outreach services in the villages of Balfroon and Killearn. We are in a Linkage with St Andrew's, Callander, with whom we share a Rector and Lay Reader.

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

### ***Activities and Achievements***

The Church continued to maintain regular weekly services with sung Eucharist every Sunday, occasionally alternating with evensong. A members' prayer group meets regularly, and a popular programme of regular 'Godly Play' sessions with the children in our congregation during Church services has been successfully maintained. Regular joint events are organized with St Andrew's and a quarterly Linkage newsletter is published and distributed. The Church Room is actively used after Church each Sunday for refreshments, and for Vestry and other meetings

Several successful fundraising events were held in aid of St Mary's during the year; the Telemann Ensemble, the talk by Mary Bates and most recently Feis Fhioit , which between them raised £980.

Our Church Giving Fund has continued to support good causes both locally and around the world. From the proceeds of special collections at the Harvest and Christmas Carols services and other receipts, the Vestry approved £200 in donations from the Fund to charities nominated by members of the congregation as listed in the Notes to the Accounts.

During the coming year, Vestry has commenced the repayment in instalments of the remaining interest free loan of £15,000 which was generously provided by a member of our congregation for the completion of the Renovation project in 2009. Efforts will also continue to raise new funds for the partial floodlighting of the exterior of the Church building.

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

### ***Income***

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

The 2013 Accounts have been prepared on a receipts and payments basis which reflects the cash flow of St Mary's in the year.

### ***Reserves***

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

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

### ***Investments***

Monies which are not needed to fund day to day expenditure are invested in a range of securities which are managed for St Mary's by Smith & Williamson Investment Management of Glasgow. The investment policy currently in place aims to achieve a balance between longer term growth and current income through discretionary management in accordance with the ethical investment policy of the SEC, i.e. no investments will be made in companies who derive more than 15% of their revenue from tobacco, gambling, armaments or pornography. St Mary's portfolio is invested entirely in collective financial stocks which in 2013 enjoyed a period of steady growth in market value, which has benefited the General Fund reserve, while maintaining an attractive level of income in today's markets.

### ***Structure, Governance and management***

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

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

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

### ***Vestry Responsibilities***

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

### ***Relationship with Diocese and Province***

St Mary's is supported by the Diocese and the Province through the pastoral oversight of the Bishop, with payroll and legal services also provided at Diocesan level, as well as access to grants from central Scottish Episcopal Church funds. The church is represented at Diocesan level by the Rector and the Lay Representative to the Area Synod, as well as a member of the Diocesan Administration Group. As a member of the SEC, St Mary's has an obligation to contribute to the costs of the Diocese and the Province through payment of an annual Quota. This amount is based on the relative level of income of the church in comparison with that of other churches in the Diocese and Province.

**Conclusion**

The finances continue to be in reasonable shape which is a reflection of the generosity of our congregation who continue to support St Mary's year after year. Going forward, there is a need to consider our income and expenditure given the current loss being reporting in this financial year. The costs of St Mary's are very much a "fixed cost base" with minimal ability to make any significant reductions. Therefore, Vestry will be reviewing our sources of income in 2014 as ideally we need to increase our income to match our running costs so St Mary's is in effect self sufficient.

This year has seen a change in Treasurer, as Alastair Gardner has kindly offered to take on this role following the appeal at the AGM in December 2012, letting Nick Cooke stand down after some 17 years in office. Our thanks to Nick for his outstanding support and dedication in managing the financials of St Mary's over such a long term.

**Approved by the Trustees and signed on their behalf**

Signed .....

David Thompson  
Vestry Secretary

23<sup>rd</sup> January 2013

## **Independent Examiner's Report to the Vestry Members of St Mary's Scottish Episcopal Church, Aberfoyle**

I report on the accounts of the charity for the period ended 30 September 2013 which are set out on pages 7 to 11.

### **Respective responsibilities of trustees and examiner**

The charity's trustees are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. The charity trustees consider that the audit requirement of Regulation 10(1) (d) of the Accounts Regulations does not apply. It is my responsibility to examine the accounts as required under section 44(1) (c) of the Act and to state whether particular matters have come to my attention.

### **Basis of independent examiner's statement**

My examination is carried out in accordance with Regulation 11 of the Charities Accounts (Scotland) Regulations 2006. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeks explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.

### **Independent examiner's statement**

In the course of my examination, no matter has come to my attention:

1. which gives me reasonable cause to believe that in any material respect the requirements:
  - to keep accounting records in accordance with Section 44(1) (a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations, and
  - to prepare accounts which accord with the accounting records and comply with Regulation 9 of the 2006 Accounts Regulations,

have not been met, or

2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Stephen Nisbet  
Ind-Ex Accountancy Services  
81a Watergate  
Perth  
PH1 5TF

DATE

# St Mary's Scottish Episcopal Church, Aberfoyle

## Receipts and Payments Account for the Year Ended 30th September 2013

	Notes	Unrestricted	Restricted	Total Funds	2012
		£	£	£	£
<b>Receipts</b>					
Donations	2	38,171	900	<b>39,071</b>	44,711
Net receipts from fundraising events	3	980	0	<b>980</b>	1,372
Receipts from investments other than land & buildings	4	1,589	0	<b>1589</b>	1,498
Interest Free Loan		2,100	0	<b>2,100</b>	0
<i>Total Receipts</i>		<u>42,821</u>	<u>900</u>	<u><b>43,721</b></u>	<u>47,581</u>
<b>Payments</b>					
Payments relating to charitable activities	5	44,308	0	<b>44,308</b>	40,601
Loan Repayments		0	2,000	<b>2,000</b>	0
Grants and donations paid	6	200	0	<b>200</b>	270
		<u>44,508</u>	<u>2,000</u>	<u><b>46,508</b></u>	<u>40,871</u>
<b>Governance costs</b>					
Independent examination		400	0	<b>400</b>	400
<i>Total Payments</i>		<u>44,908</u>	<u>2,000</u>	<u><b>46,908</b></u>	<u>41,271</u>
<i>Surplus/ (Deficit) for the year</i>		<u>(2,087)</u>	<u>(1,100)</u>	<u>(3,187)</u>	<u>6,310</u>

# St Mary's Scottish Episcopal Church, Aberfoyle

## Statement of Balances as at 30th September 2013

	Note	Unrestricted	Restricted	Total Funds	2012
<b><i>Cash at bank &amp; in hand</i></b>		£	£	£	£
Balance at beginning of year		3,804	3,565	7,369	1,058
Surplus / (deficit) for the year		(2,087)	(1,100)	(3,187)	6,310
Transfers between funds		<u>(1,924)</u>	<u>1,924</u>	<u>0</u>	<u>0</u>
<b><i>Total Cash Funds at end of year</i></b>		<u>(207)</u>	<u>4,389</u>	<u>4,182</u>	<u>7,368</u>
<b><i>Investments</i></b>					
Market value at end of year	7	44,289	0	44,289	40,302
<b><i>Assets retained for Charity's own use – Rectory</i></b>					
Historic Cost		20,654	0	20,654	20,654
(Insurance value £306,205)					
<b><i>Total Assets</i></b>		<u>64,736</u>	<u>4,389</u>	<u>69,125</u>	<u>68,324</u>
<b>Represented By:</b>					
<b><i>Fund Balances (Cash, Investments &amp; Assets retained) at end of year</i></b>					
General Fund reserve		64,736	0	64,736	64,759
Restricted reserve - Renovation and Church Giving Funds		<u>0</u>	<u>4,389</u>	<u>4,389</u>	<u>3,565</u>
		<u>64,736</u>	<u>3,565</u>	<u>69,125</u>	<u>68,324</u>
<b><i>Other Assets and Liabilities - for Information only</i></b>					
<b>Assets</b>					
Debtors - St Andrew's share of Linkage costs		0	0	0	0
<b>Liabilities</b>					
Interest free loan - Renovation Fund		0	13,000	13,000	15,000
Interest Free Loan – Other		2,100	0	2,100	0
Creditors – St Andrew's share of Linkage costs		<u>0</u>	<u>0</u>	<u>0</u>	<u>546</u>
		<u>2,100</u>	<u>13,000</u>	<u>15,100</u>	<u>15,546</u>

### On behalf of the Trustees

Mark Seymour  
Vestry Chairman

Signed .....

DATE

St Mary's Scottish Episcopal Church, Aberfoyle

## Notes to the Accounts

### 1. Accounting policies

#### *Basis of Preparation*

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

#### *Restricted Funds*

The restricted funds represent the Renovation Fund and Church Giving Fund balances.

#### *Joint Linkage Costs*

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

#### *Church Buildings*

The asset value of the Church is not shown in the statement of balances. The Vestry believes that it is not possible to place a market value on the building. The current valuation of the building and contents for insurance purposes is £1.5 million.

#### *Special collections*

During the year, the Church made special collections for the Church Giving Fund, from which the Vestry approved donations to the Bishop's Lent Appeal and one other UK registered charity during the year.

### 2. Donations received

	2013	2012
<u>Unrestricted donations</u>	£	£
Congregational giving under Gift Aid, including tax recovered	34,410	38,016
Other congregational and general giving	3,330	4,903
For weddings and funerals	0	100
	<u>37,710</u>	<u>43,019</u>

Restricted donations represent receipts, including the associated Gift Aid tax recovery, from the congregation and others specifically for (a) the Church Renovation Project or (b) Church Giving Funds.

### 3. Receipts from Fundraising activities

<u>Unrestricted Receipts</u>	2013	2012
	£	£
Net proceeds from concerts in the Church and other events	<u>980</u>	<u>1,372</u>
	<u>980</u>	<u>1,372</u>

### 4. Receipts from investments other than land & buildings.

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

### 5. Payments relating to charitable activities

	2013	2012
<i>Unrestricted</i>	£	£
Share of Rector's emoluments	41,455	21,142
Share of Rector and Lay Reader's travel & other expenses	(14,400)	1,758
Share of Council Tax & other Rectory occupancy costs		2,290
Diocesan Quota	7,316	5,830
Organist and organ maintenance payments	1,857	2,123
Church building running costs and insurance	6,381	5,660
Worship and music, and young people	749	833
Newsletter & website costs	395	283
Fundraising Expenses	341	104
Legal and administrative expenses	<u>214</u>	<u>578</u>
	<u>44,308</u>	<u>40,601</u>
 <i>Restricted</i>		
<u>Renovation Fund</u> :		
Church railings renovation	0	0
Sundry expenses	<u>0</u>	<u>0</u>
	<u>0</u>	<u>0</u>

### 6. Grants and Donations paid

	2013	2012
<u>Church Giving Fund</u> :	£	£
Grants made to: Christian Aid	200	200
Diocesan Lent Appeal	<u>0</u>	<u>70</u>
	<u>200</u>	<u>270</u>

## 7. Movements in Investments

	Unrestricted	Restricted	Total Funds	2012
	£	£	£	£
Market value at beginning of year	40,302	0	<b>40,302</b>	36,989
Additions at cost	3,926	0	<b>3,926</b>	14,107
Disposal proceeds	(3,662)	0	<b>(3,662)</b>	(14,226)
Realised gain / (loss) in year	1,700	0	<b>1,700</b>	950
Unrealised gain / (loss) in year	<u>2,023</u>	<u>0</u>	<u><b>2,023</b></u>	<u>2,482</u>
<i>Market value at end of year</i>	<u>44,289</u>	<u>0</u>	<u><b>44,289</b></u>	<u>40,302</u>

## 9. Remuneration and Expenses paid to Vestry Members

None of the Trustees received any remuneration relating to their position as Vestry members. However, the Rector received a stipend and pension fund contributions in accordance with the SEC approved stipendiary amounts. The full stipend for the year was £25,834, with pension contributions of 34.9%. Additionally, expenses were paid as detailed in note 5. All these costs were shared with St Andrew's, Callander. As is customary, the Rector also occupies the Rectory building owned by St Mary's, on a rent-free basis. The Council Tax and other agreed Linkage occupancy costs for the Rectory accommodation are also paid for by St Mary's and St Andrew's.