

**Registered Charity No SC023266**

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

**Report and Accounts for the year ended 30th September 2011**

# 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  
Mark Seymour  
David Thompson  
Nicholas Cooke  
Margie Stephen  
Barbara Carruthers  
Susan Forsyth  
Philip Gaskell  
Jonathan North  
Bill Richardson  
Anne Winther

Rector  
Chairman  
Secretary  
Treasurer  
Lay Reader

### 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 2011.

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, by encouraging new members through our 'Casting The Net' mission action plan supported by our Diocese, and providing monthly outreach services in the villages of Balfron 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 presents a summary of our financial activities during the year and gives an overview of the general activities which have taken place in the life of our Church in that period.

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

During the year, the Church continued to maintain regular weekly services with sung Eucharist every Sunday, occasionally alternating with evensong. Congregational numbers have been steady. A prayer group meets regularly, and a new programme of regular 'Godly Play' sessions with the children in our congregation during Church services has been successfully launched this year. 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

The benefits of the major upgrading of the fabric and facilities in our beautiful Church building achieved through the completion of our Renovation project in 2010 have been appreciated by the many visitors and local audiences who have attended recent public concerts and other events. This year, these included a Christmas concert by the local Strathendrick Singers; an illustrated talk by Patrick Mileham on the Stirlingshire insurrection of 1820 given to a meeting of the Loch Ard History Group; a memorable organ recital by Bill Ritchie played on our newly restored Binns/Willis pipe organ; and a return visit from Russia by the popular Lyra Vocal Ensemble based in St Petersburg. For a fifth consecutive year, St Mary's also hosted another successful fundraising concert given in the Church by the Kyiv Classic Accordion Duo from the Ukraine, in aid of the Hippokrat Society.

Our Church Giving Fund has been actively supporting 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 £725 in donations from the Fund to five charities nominated by members of the congregation as listed in the Notes to the Accounts.

With the completion of the Renovation project, we have now repaid a short term bridging loan of £10,000 kindly provided by the Scottish Episcopal Church in 2010 and are now addressing the longer term repayment of the remaining interest free loan of £15,000 which was generously provided by a member of our congregation for the same purpose.

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 has also benefited in the past from legacies.

As a result of a further stewardship initiative in the year to increase congregational giving, we are pleased to report that unrestricted General Fund income has more than covered operational expenditure and generated a cash surplus of £5,000. It is essential that General Fund reserves are rebuilt in order to meet the significant liability to St Mary's accruing from the outstanding loan referred to above. There was a further net unrealized loss on the market value of investments in the year, reflecting the generally turbulent state of global markets.

The 2011 Accounts have been prepared on a receipts and payments basis which reflects the cash flow of St Mary's in the year. This has required a significant restatement of the 2010 figures which were originally prepared on an accruals accounts basis.

### ***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 offer relatively good security and annual income.

### ***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 and the payroll and other services provided at Diocesan level, as well as access to grants from central SEC 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 members of the Vestry would like to thank all those who contribute their time, talents, energy and money so generously to ensure the continuation and development of St Mary’s as a centre of worship and a focus for the community in Strathendrick and the Trossachs.

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

Signed .....

David Thompson  
Vestry Secretary

18<sup>th</sup> January 2012

## **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 2011 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

18<sup>th</sup> January 2012

# St Mary's Scottish Episcopal Church, Aberfoyle

## Receipts and Payments Account for the Year Ended 30th September 2011

	Notes	Unrestricted	Restricted	Total Funds	2010
		£	£	£	£
<b>Receipts</b>					
Donations	2	41,063	2,041	<b>43,104</b>	38,100
Grants received	3	0	836	<b>836</b>	24,146
Net receipts from fundraising events	4	1,360	29	<b>1,389</b>	1,130
Receipts from investments other than land & buildings	5	1,387	1	<b>1,388</b>	1,350
<i>Total Receipts</i>		<u>43,810</u>	<u>2,907</u>	<u><b>46,717</b></u>	<u>64,726</u>
<b>Payments</b>					
Payments relating to charitable activities	6	38,638	5,198	<b>43,836</b>	110,172
Grants and donations paid	7	0	725	<b>725</b>	1,200
Loan capital repayments		0	10,000	<b>10,000</b>	0
Loan interest paid		<u>0</u>	<u>560</u>	<u><b>560</b></u>	<u>0</u>
		<u>38,638</u>	<u>16,483</u>	<u><b>55,121</b></u>	<u>111,372</u>
<b>Governance costs</b>					
Independent examination		150	0	<b>150</b>	150
<i>Total Payments</i>		<u>38,788</u>	<u>16,483</u>	<u><b>55,271</b></u>	<u>111,522</u>
<i>Surplus/ (Deficit) for the year</i>		<b>5,022</b>	<b>(13,576)</b>	<b>(8,554)</b>	<b>(46,796)</b>

# St Mary's Scottish Episcopal Church, Aberfoyle

## Statement of Balances as at 30th September 2011

	Note	Unrestricted	Restricted	Total Funds	2010
		£	£	£	£
<b>Cash at bank &amp; in hand</b>					
Balance at beginning of year		2,898	6,714	<b>9,612</b>	56,408
Surplus / (deficit) for the year		5,022	(13,576)	<b>(8,554)</b>	(46,796)
Transfers between funds		<u>(7,884)</u>	<u>7,884</u>	<u><b>0</b></u>	<u>0</u>
<b>Total Cash Funds at end of year</b>		<u>76</u>	<u>982</u>	<u><b>1,058</b></u>	<u>9,612</u>
<b>Investments</b>					
Market value at end of year	8	36,989	0	<b>36,989</b>	38,130
<b>Assets retained for Charity's own use – Rectory</b>					
Historic Cost		<u>20,654</u>	<u>0</u>	<u><b>20,654</b></u>	<u>20,654</u>
(Insurance value £306,205)					
<b>Total Assets</b>		<u>57,719</u>	<u>982</u>	<u><b>58,701</b></u>	<u>68,396</u>
<b>Represented By:</b>					
<b>Fund Balances (Cash, Investments &amp; Assets retained) at end of year</b>					
General Fund		57,719	0	<b>57,719</b>	61,682
Renovation and Church Giving Funds		<u>0</u>	<u>982</u>	<u><b>982</b></u>	<u>6,714</u>
		<u>57,719</u>	<u>982</u>	<u><b>58,701</b></u>	<u>68,396</u>
<b>Other Assets and Liabilities - for Information only</b>					
<b>Assets</b>					
Debtors - St Andrew's share of Linkage costs		685	0	<b>685</b>	2,640
<b>Liabilities</b>					
Interest free loans - Renovation Fund		0	15,000	<b>15,000</b>	15,500
SEC Development loan – Renovation Fund		0	0	<b>0</b>	10,000

### On behalf of the Trustees

Mark Seymour  
Vestry Chairman

Signed .....

18<sup>th</sup> January 2012

# 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 five UK registered charities during the year.

### 2. Donations received

<u>Unrestricted donations</u>	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Congregational giving under Gift Aid, including tax recovered	34,523	30,800
Other congregational and general giving	6,190	5,252
For weddings and funerals	350	0
	<u>41,063</u>	<u>36,052</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.

## St Mary's Scottish Episcopal Church, Aberfoyle

### 3. Grants

<u>Restricted Receipts</u>	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Renovation Fund – Big Lottery ‘Awards For All’ grant	0	9,997
„ „ Heritage Lottery Fund - final grant payment	0	7,235
„ „ Listed Places of Worship Grant Scheme	836	6,914
	<u>836</u>	<u>24,146</u>

### 4. Receipts from Fundraising activities

<u>Unrestricted Receipts</u>	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Net proceeds from public concerts and events in the Church	1,099	898
Net proceeds from ‘Bring & Buy’ sales in Church Room	<u>261</u>	<u>149</u>
	<u>1,360</u>	<u>1,047</u>

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

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

### 6. Payments relating to charitable activities

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
<i>Unrestricted</i>		
Share of Rector's emoluments	19,171	20,581
Share of Rector and Lay Reader's travel & other expenses	2,624	4,289
Share of Council Tax & other Rectory occupancy costs	2,128	4,413
Diocesan Quota	6,069	6,030
Organist and organ maintenance payments	1,134	1,385
Church building running costs and insurance	6,254	6,884
Worship and music costs	960	1,144
Newsletter & website costs	238	233
Administrative expenses	60	133
	<u>38,638</u>	<u>45,092</u>
<i>Restricted</i>		
<u>Renovation Fund :</u>		
Main contractors fees	0	24,317
Architect and Quantity Surveyor fees	0	2,517
Church rewiring	0	1,354
Church repainting	0	820
Church carpets and chairs	0	1,986
Organ restoration	0	1,701
Stained glass renovation	0	6,175
Interpretation panels	0	5,875
New audio system	0	2,802
Church railings renovation	5,165	180
Sundry expenses	<u>33</u>	<u>1,353</u>
	<u>5,198</u>	<u>65,080</u>

## St Mary's Scottish Episcopal Church, Aberfoyle

<b>7. Grants and Donations paid</b>	<b>2011</b>	<b>2010</b>
<i>Restricted : Church Giving Fund:</i>	<b>£</b>	<b>£</b>
Grants made to: Help For Heroes	0	250
Matthew Miller Cancer Fund	0	250
Medecins Sans Frontieres –Haiti Appeal	0	400
Mercy Ships UK	0	100
Christian Aid, including the East Africa Appeal	150	200
Artlink Central	100	0
Callander Youth Project Trust	100	0
Chesney Trust	100	0
British Red Cross – Japan Tsunami Appeal	200	0
Diocesan Lent Appeal	75	0
	<u>725</u>	<u>1,200</u>

## 8. Movements in Investments

	<b>Unrestricted</b>	<b>Restricted</b>	<b>Total Funds</b>	<b>2010</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Market value at beginning of year	38,130	0	<b>38,130</b>	35,050
Additions at cost	2,983	0	<b>2,983</b>	9,339
Disposal proceeds	(2,941)	0	<b>(2,941)</b>	(9,383)
Realised gain / (loss) in year	61	0	<b>61</b>	(454)
Unrealised gain / (loss) in year	<u>(1,244)</u>	<u>0</u>	<u><b>(1,244)</b></u>	<u>3,578</u>
<i>Market value at end of year</i>	<u>36,989</u>	<u>0</u>	<u><b>36,989</b></u>	<u>38,130</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 £22,862, with pension contributions of 34.9%. Additionally, expenses were paid as detailed in note 6. 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.