

Registered Charity No SC023266

St Mary's Scottish Episcopal Church, Aberfoyle

Report and Accounts for the year ended 30th September 2012

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

Charity Trustees *Members of the Vestry*

Rev Richard Grosse	Rector
Mark Seymour	Chairman
David Thompson	Secretary
Nicholas Cooke	Treasurer
Margie Stephen	Lay Reader
Barbara Carruthers	
Susan Forsyth	
Anne Winther	
Alastair Gardner	<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 2012.

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 2012 and is actively supported by our Diocese. Our Rector also holds monthly outreach services in the villages of Balfroon and Killlearn. 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. Michael, Lord Forsyth, a member of our congregation, gave a very popular illustrated lecture in Aberfoyle village hall entitled 'At the Top of the Bottom of the World', an account of his ascent of Mount Vinson, the highest mountain in Antarctica. In March, Judy Urquhart, another member of our congregation, gave an interesting lecture in the Church on the life story of her late father Brigadier Roy Urquhart, entitled 'The Road to Arnhem'. In May, the High Society Jazz Band entertained a good audience in the Church to a wide ranging selection of contemporary music, much enjoyed by all. For a sixth consecutive year, St Mary's hosted another successful concert in the Church by the Kyev Classic Accordion Duo from the Ukraine, in aid of the essential work of the Hippokrat Society in their home country.

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 £270 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 will commence 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 2012 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 2012 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 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

23rd 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 2012 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

23rd January 2013

St Mary's Scottish Episcopal Church, Aberfoyle

Receipts and Payments Account for the Year Ended 30th September 2012

	Notes	Unrestricted	Restricted	Total Funds	2011
		£	£	£	£
Receipts					
Donations	2	43,019	1,692	44,711	43,104
Grants received	3	0	0	0	836
Net receipts from fundraising events	4	1,372	0	1,372	1,389
Receipts from investments other than land & buildings	5	1,498	0	1,498	1,388
<i>Total Receipts</i>		<u>45,889</u>	<u>1,692</u>	<u>47,581</u>	<u>46,717</u>
Payments					
Payments relating to charitable activities	6	40,601	0	40,601	43,836
Grants and donations paid	7	0	270	270	725
Loan capital repayments		0	0	0	10,000
Loan interest paid		0	0	0	560
		<u>40,601</u>	<u>270</u>	<u>40,871</u>	<u>55,121</u>
Governance costs					
Independent examination		400	0	400	150
<i>Total Payments</i>		<u>41,001</u>	<u>270</u>	<u>41,271</u>	<u>55,271</u>
<i>Surplus/ (Deficit) for the year</i>		<u>4,888</u>	<u>1,422</u>	<u>6,310</u>	<u>(8,554)</u>

St Mary's Scottish Episcopal Church, Aberfoyle

Statement of Balances as at 30th September 2012

	Note	Unrestricted	Restricted	Total Funds	2011
<i>Cash at bank & in hand</i>		£	£	£	£
Balance at beginning of year		76	982	1,058	9,612
Surplus / (deficit) for the year		4,888	1,422	6,310	(8,554)
Transfers between funds		<u>(1,161)</u>	<u>1,161</u>	<u>0</u>	<u>0</u>
<i>Total Cash Funds at end of year</i>		<u>3,803</u>	<u>3,565</u>	<u>7,368</u>	<u>1,058</u>
<i>Investments</i>					
Market value at end of year	8	40,302	0	40,302	36,989
<i>Assets retained for Charity's own use – Rectory</i>					
Historic Cost		20,654	0	20,654	20,654
(Insurance value £306,205)					
<i>Total Assets</i>		<u>64,759</u>	<u>3,565</u>	<u>68,324</u>	<u>58,701</u>
Represented By:					
<i>Fund Balances (Cash, Investments & Assets retained) at end of year</i>					
General Fund reserve		64,759	0	64,759	57,719
Restricted reserve - Renovation and Church Giving Funds		<u>0</u>	<u>3,565</u>	<u>3,565</u>	<u>982</u>
		<u>64,759</u>	<u>3,565</u>	<u>68,324</u>	<u>58,701</u>
<i>Other Assets and Liabilities - for Information only</i>					
Assets					
Debtors - St Andrew's share of Linkage costs		0	0	0	685
Liabilities					
Interest free loan - Renovation Fund		0	15,000	15,000	15,000
Creditors – St Andrew's share of Linkage costs		<u>546</u>	<u>0</u>	<u>546</u>	<u>0</u>
		<u>546</u>	<u>15,000</u>	<u>15,546</u>	<u>15,000</u>

On behalf of the Trustees

Mark Seymour
Vestry Chairman

Signed

23rd January 2013

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

<u>Unrestricted donations</u>	2012	2011
	£	£
Congregational giving under Gift Aid, including tax recovered	38,016	34,523
Other congregational and general giving	4,903	6,190
For weddings and funerals	100	350
	<u>43,019</u>	<u>41,063</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>	2012	2011
	£	£
Renovation Fund – Listed Places of Worship Grant Scheme	0	836

4. Receipts from Fundraising activities

<u>Unrestricted Receipts</u>	2012	2011
	£	£
Net proceeds from concerts in the Church and other events	1,372	1,099
Net proceeds from 'Bring & Buy' sales in Church Room	0	261
	<u>1,372</u>	<u>1,360</u>

5. Receipts from investments other than land & buildings.

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

6. Payments relating to charitable activities

	2012	2011
<i>Unrestricted</i>	£	£
Share of Rector's emoluments	21,142	19,171
Share of Rector and Lay Reader's travel & other expenses	1,758	2,624
Share of Council Tax & other Rectory occupancy costs	2,290	2,128
Diocesan Quota	5,830	6,069
Organist and organ maintenance payments	2,123	1,134
Church building running costs and insurance	5,660	6,254
Worship and music, and young people	833	960
Newsletter & website costs	283	238
'Casting the Net' expenses	104	0
Legal and administrative expenses	578	60
	<u>40,601</u>	<u>38,638</u>

Restricted

Renovation Fund :

Church railings renovation	0	5,165
Sundry expenses	0	33
	<u>0</u>	<u>5,198</u>

St Mary's Scottish Episcopal Church, Aberfoyle

7. Grants and Donations paid	2012	2011
<i>Restricted : <u>Church Giving Fund</u>:</i>	£	£
Grants made to: Christian Aid	200	150
Artlink Central	0	100
Callander Youth Project Trust	0	100
Chesney Trust	0	100
British Red Cross – Japan Tsunami Appeal	0	200
Diocesan Lent Appeal	70	75
	<u>270</u>	<u>725</u>

8. Movements in Investments

	Unrestricted	Restricted	Total Funds	2011
	£	£	£	£
Market value at beginning of year	36,989	0	36,989	38,130
Additions at cost	14,107	0	14,107	2,983
Disposal proceeds	(14,226)	0	(14,226)	(2,941)
Realised gain / (loss) in year	950	0	950	61
Unrealised gain / (loss) in year	<u>2,482</u>	<u>0</u>	<u>2,482</u>	<u>(1,244)</u>
<i>Market value at end of year</i>	<u>40,302</u>	<u>0</u>	<u>40,302</u>	<u>36,989</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 £25,346, 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.