

Charity Registration No. SC017654

**DIOCESE OF ST ANDREWS, DUNKELD & DUNBLANE  
ADMINISTRATION GROUP'S REPORT AND ACCOUNTS  
FOR THE YEAR ENDED 31 OCTOBER 2010**

# **DIOCESE OF ST ANDREWS, DUNKELD & DUNBLANE**

## **LEGAL AND ADMINISTRATIVE INFORMATION**

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<b>Trustees</b>	The Most Rev D R Chillingworth, Bishop The Very Rev K W Rathband, Dean W F T Anderson, Chancellor C Liddell, Registrar
<b>Convener of the Administration Group</b>	Dr J Ferguson-Smith
<b>Diocesan Secretary</b>	Mrs A Rootes
<b>Charity number</b>	SC017654
<b>Principal address</b>	28A Balhousie Street PERTH PH1 5HJ
<b>Auditors</b>	Morris & Young, Statutory Auditor Chartered Accountants 6 Atholl Crescent PERTH PH1 5JN
<b>Solicitors</b>	J & H Mitchell, WS 51 Atholl Road PITLOCHRY Perthshire PH16 5BU
<b>Investment advisors</b>	Ashcourt Rowan Asset Management Limited 8 South Bridge CUPAR Fife KY15 5HY

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# DIOCESE OF ST ANDREWS, DUNKELD & DUNBLANE

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# **DIOCESE OF ST ANDREWS, DUNKELD & DUNBLANE**

## **ADMINISTRATION GROUP'S REPORT FOR THE YEAR ENDED 31 OCTOBER 2010**

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The Administration Group present their report and accounts for the year ended 31 October 2010.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with applicable law and the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005.

### **Structure, governance and management**

The Diocese is one of seven Dioceses of the Scottish Episcopal Church and is governed by its Constitution and Canon Law.

The Trustees who served during the year were:

The Most Rev D R Chillingworth, Bishop  
The Very Rev K W Rathband, Dean  
W F T Anderson, Chancellor  
C Liddell, Registrar

The Bishop holds office by virtue of election to the See. The remaining Trustees hold office at the will of the Bishop. The Bishop continued to serve as Primus of the Scottish Episcopal Church during the year.

New Trustees are invited to attend an orientation session with existing Trustees and senior management to familiarise themselves with the Diocese and the context within which it operates. An information pack is available for new Trustees that includes the latest Constitution, copy Minutes of Meetings of the Administration Group and copies of the last three years' Annual Synod Papers that incorporate annual reports of the Administration Group and accounts.

The present Constitution was adopted in 2004 and contains detailed provisions regarding the Diocesan Synod that meets at least once a year (including an Agenda for the meeting and Rules of Order that are to be followed when it meets). The Constitution also details the various Committees, Boards and Area Councils that form the operational organisation of the Diocese, and it outlines the powers and immunities conferred by the Digest of Resolutions of the General Synod on the Diocesan Trustees.

In terms of its Constitution, the Diocese has four Trustees, namely the Bishop, the Dean, the Chancellor and the Registrar.

The Standing Committee acts as the Executive Committee of the Diocese between meetings of the Synod. It implements Synod decisions, supervises and receives reports from various Boards and prepares for Synod meetings.

The Administration Group meets monthly, manages the administration and day-to-day finances of the Diocese with the assistance of the Secretary, prepares budgets and cashflows, sets Quota levels from Charges, and prepares and presents the annual accounts for approval by the Standing Committee.

The Diocesan Buildings Advisory Committee is a sub-group of the Administration Group, with specific responsibilities relating to church buildings.

The functions of the previous Board for Mission and Ministry are now embedded in the Casting the Net Groups in their ongoing work and development.

Area Councils of Dunkeld, Dunblane, St Andrews East and St Andrews West assist with communication between Charges and the Diocese, considering mission and administration issues of the Diocese.

# **DIOCESE OF ST ANDREWS, DUNKELD & DUNBLANE**

## **ADMINISTRATION GROUP'S REPORT (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2010**

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The Trustees have assessed the major risks to which the Diocese is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

### **Objectives and activities**

The objectives and main activities of the Diocese through the year have continued to be the provision of spiritual, administrative and financial support to the Charges throughout the Diocese, including the administration of grants and provision of training.

The Diocese continued to work to meet its objectives. Casting the Net is recognised as the principal process for Diocesan activity.

Grants provided through the Diocese are mainly resourced from central (Provincial) funds in the Scottish Episcopal Church, but also include direct grants from Diocesan Funds.

### **Achievements and performance**

The Diocese has maintained its level of support to Charges across the Diocese. The Casting the Net initiative is well developed in a number of areas, and resources are focused on its further development across the Diocese.

### **Financial review**

The financial position of the Diocese is shown in the accompanying financial statements.

The Administration Group considers that in the event of a significant drop in funding of activities not involving the administering of Provincial grants, the reserves represented by unrestricted funds not designated for specific use are adequate to maintain the Diocese's current activities for a reasonable period until replacement funding is obtained. It is the Group's policy to maintain that adequacy.

The Statement of Financial Activities shows an Unrestricted Fund overall surplus of £54,656 (2009 - £62,727 surplus) after allowing for realised investment gains of £5,957 (2009 - £545 gains), unrealised investment gains of £28,221 (2009 - £16,077 gains) and investment manager's fees of £862 (2009 - £794) met from capital. There was a revenue surplus for the year amounting to £18,491 (2009 - £46,899 revenue surplus), thus increasing the brought forward revenue surplus of £129,904 to a surplus to be carried forward of £148,395 (see Note 22 of the Accounts).

The investment powers of the Diocese are governed by its Constitution. The Diocese engage Ashcourt Rowan Asset Management as investment managers. The policy is to adopt a medium risk strategy based on obtaining a balanced return from income and capital over the medium term.

### **Asset cover for funds**

Note 23 sets out an analysis of the assets attributable to the various funds and a description of the assets. These assets are sufficient to meet the Diocese's obligations on a fund by fund basis.

### **Plans for the future**

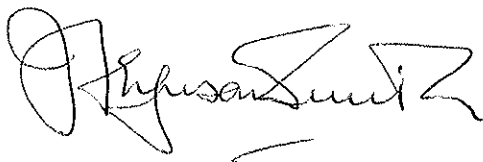
Planning for the future is based on the further development of Casting the Net. This process has reached a stage of review where the learning and experience so far is being built into further improvement and effectiveness.

# DIOCESE OF ST ANDREWS, DUNKELD & DUNBLANE

## ADMINISTRATION GROUP'S REPORT (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2010

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On behalf of the Administration Group



Dr J Ferguson-Smith

Convener

Dated: 20 January 2011

# **DIOCESE OF ST ANDREWS, DUNKELD & DUNBLANE**

## **STATEMENT OF ADMINISTRATION GROUP'S RESPONSIBILITIES**

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The Administration Group are responsible for preparing the Administration Group's Report and the accounts 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 Administration Group to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Diocese and of the incoming resources and application of resources of the Diocese for that year.

In preparing these accounts, the Administration Group are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Administration Group are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the Diocese and enable them to ensure that the accounts comply with the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 and the provisions of the founding document. 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.

# **DIOCESE OF ST ANDREWS, DUNKELD & DUNBLANE**

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE ADMINISTRATION GROUP OF DIOCESE OF ST ANDREWS, DUNKELD & DUNBLANE**

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We have audited the accounts of Diocese of St Andrews, Dunkeld & Dunblane for the year ended 31 October 2010 set out on pages 7 to 26. These accounts have been prepared in accordance with the accounting policies set out on pages 9 and 10.

This report is made solely to the Administration Group, as a body, in accordance with Section 44(1) (c) of the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the Administration Group those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Diocese and the Administration Group as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of Administration Group and auditors**

As described in the statement of Administration Group's responsibilities, the Administration Group are responsible for preparing the Administration Group's Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

We have been appointed as auditors under section 44(1) (c) of the Charities Trustee Investment (Scotland) Act 2005 and report in accordance with regulations made under that Act. Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

We also report to you if, in our opinion, the information given in the Administration Group's Report is not consistent with those accounts, if the Diocese has not kept proper accounting records, if the Diocese's accounts are not in agreement with these accounting records or if we have not received all the information and explanations we require for our audit.

We read the Administration Group's Report and consider the implications for our report if we become aware of any apparent misstatements within it.

#### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the Administration Group in the preparation of the accounts, and of whether the accounting policies are appropriate to the Diocese's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

# DIOCESE OF ST ANDREWS, DUNKELD & DUNBLANE

## INDEPENDENT AUDITORS' REPORT (CONTINUED)

### TO THE ADMINISTRATION GROUP OF DIOCESE OF ST ANDREWS, DUNKELD & DUNBLANE

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#### Opinion

In our opinion:

- the accounts give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the Diocese as at 31 October 2010, and of its incoming resources and application of resources, for the year then ended; and
- the accounts have been prepared in accordance with the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006.



**Morris & Young, Statutory Auditor**

Chartered Accountants

Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006

6 Atholl Crescent

PERTH

PH1 5JN

Dated: 1 February 2011

# DIOCESE OF ST ANDREWS, DUNKELD & DUNBLANE

## STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 OCTOBER 2010

	Notes	Unrestricted funds £	Designated funds £	Total 2010 £	Total 2009 £
<b><u>Incoming resources from generated funds</u></b>					
Quota, donations and legacies	2	221,508	-	221,508	220,264
Investment income	3	13,270	410	13,680	11,584
		<u>234,778</u>	<u>410</u>	<u>235,188</u>	<u>231,848</u>
Incoming resources from charitable activities	4	51,929	-	51,929	42,376
Other incoming resources	5	1,250	-	1,250	250
		<u>287,957</u>	<u>410</u>	<u>288,367</u>	<u>274,474</u>
<b>Total incoming resources</b>					
<b><u>Resources expended</u></b>					
6					
<b>Costs of generating funds</b>					
Costs of managing investment properties		5,234	-	5,234	-
Investment management costs		862	118	980	909
		<u>6,096</u>	<u>118</u>	<u>6,214</u>	<u>909</u>
<b>Net incoming resources available</b>		<b>281,861</b>	<b>292</b>	<b>282,153</b>	<b>273,565</b>
<b>Charitable activities</b>					
Grants and donations payable		18,916	1,333	20,249	13,434
Ministry expenditure		121,386	1,733	123,119	98,539
Provincial support		73,747	-	73,747	71,134
		<u>214,049</u>	<u>3,066</u>	<u>217,115</u>	<u>183,107</u>
<b>Total charitable expenditure</b>		<b>214,049</b>	<b>3,066</b>	<b>217,115</b>	<b>183,107</b>
Governance costs		48,933	200	49,133	50,384
		<u>269,078</u>	<u>3,384</u>	<u>272,462</u>	<u>234,400</u>
<b>Total resources expended</b>		<b>269,078</b>	<b>3,384</b>	<b>272,462</b>	<b>234,400</b>
<b>Net incoming/(outgoing) resources before transfers</b>		<b>18,879</b>	<b>(2,974)</b>	<b>15,905</b>	<b>40,074</b>
Gross transfers between funds		1,599	(1,599)	-	-
		<u>20,478</u>	<u>(4,573)</u>	<u>15,905</u>	<u>40,074</u>
<b>Net incoming/(outgoing) resources</b>		<b>20,478</b>	<b>(4,573)</b>	<b>15,905</b>	<b>40,074</b>
<b>Other recognised gains and losses</b>					
Realised gains/(losses) on investment assets		5,957	(76)	5,881	909
Unrealised gains/(losses) on investment assets		28,221	510	28,731	16,537
		<u>54,656</u>	<u>(4,139)</u>	<u>50,517</u>	<u>57,520</u>
<b>Net movement in funds</b>		<b>54,656</b>	<b>(4,139)</b>	<b>50,517</b>	<b>57,520</b>
Fund balances at 1 November 2009		784,076	47,635	831,711	774,191
		<u>838,732</u>	<u>43,496</u>	<u>882,228</u>	<u>831,711</u>
<b>Fund balances at 31 October 2010</b>		<b>838,732</b>	<b>43,496</b>	<b>882,228</b>	<b>831,711</b>

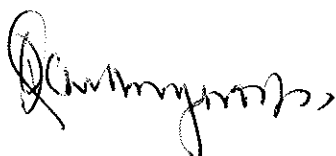
# DIOCESE OF ST ANDREWS, DUNKELD & DUNBLANE

## BALANCE SHEET AS AT 31 OCTOBER 2010

	Notes	2010		2009	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	14		305,597		307,511
Investments	15		460,842		426,164
			<u>766,439</u>		<u>733,675</u>
<b>Current assets</b>					
Debtors	16	24,163		23,013	
Cash at bank and in hand	17	186,456		157,741	
			<u>210,619</u>		<u>180,754</u>
<b>Creditors: amounts falling due within one year</b>	18	<u>(94,830)</u>		<u>(82,718)</u>	
<b>Net current assets</b>			<u>115,789</u>		<u>98,036</u>
<b>Total assets less current liabilities</b>			<u><u>882,228</u></u>		<u><u>831,711</u></u>
<b>Funds</b>					
Unrestricted funds:					
Designated funds	20		43,496		47,635
General fund	21		690,337		654,172
			<u>733,833</u>		<u>701,807</u>
Revenue surplus	22		148,395		129,904
			<u><u>882,228</u></u>		<u><u>831,711</u></u>

The accounts were approved on behalf of the Administration Group by the Standing Committee on 20 January 2011

The Most Rev D. R. Chillingworth  
Bishop



# **DIOCESE OF ST ANDREWS, DUNKELD & DUNBLANE**

## **NOTES TO THE ACCOUNTS**

### **FOR THE YEAR ENDED 31 OCTOBER 2010**

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#### **1 Accounting policies**

##### **1.1 Basis of preparation**

The accounts have been prepared under the historical cost convention modified to the extent that the cost of fixed assets is the cost borne by the Diocese i.e. net of funding from other sources at the time of acquisition and also as modified by the revaluation of investments.

The accounts have been prepared in accordance with applicable accounting standards, the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006.

##### **1.2 Changes in accounting policies**

The particular accounting policies adopted are described below. They have all been consistently applied throughout the year and the preceding year, except as otherwise stated below.

##### **1.3 Incoming resources**

Donations include, where applicable, Gift Aid Tax recovered thereon, and are accounted for in the year of receipt. Legacies are recognised at the earlier of when they are received or when they can be accurately quantified.

Quota from Charges is credited to the Statement of Financial Activities (SOFA) in the year for which they are receivable.

Grants receivable are credited to the SOFA in the year for which they are receivable.

Income from investments and rental income is included in the SOFA in the year of receipt.

##### **1.4 Resources expended**

Expenditure is recognised on an accruals basis as a liability is incurred.

Costs of generating funds are those incurred in managing investments.

Charitable activities include grants payable and Provincial Quota that are charged to the SOFA in the year for which they are payable. Charitable activities costs include both the direct costs and support costs relating to those activities.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the Diocese and include the audit fees and costs linked to the strategic management of the Diocese.

All costs are allocated between the expenditure categories of the SOFA on a basis consistent with the use of the resources. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis e.g. staff time or usage.

# DIOCESE OF ST ANDREWS, DUNKELD & DUNBLANE

## NOTES TO THE ACCOUNTS (CONTINUED)

### FOR THE YEAR ENDED 31 OCTOBER 2010

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#### 1 Accounting Policies

(continued)

##### 1.5 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land and buildings are stated at cost less depreciation. Tangible fixed assets are capitalised when the cost exceeds £50. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Freehold land is not depreciated	
Freehold buildings	nil
Fixtures, fittings & equipment	2 to 10 years

Investment properties are included in the balance sheet at their market value. No depreciation is charged on these properties in accordance with applicable accounting standard SSAP19 Accounting for Investment Properties.

No depreciation is charged on land and buildings because they are maintained in a state of repair such that the estimated residual value of land and buildings at the date of the balance sheet is not less than their net book value. The annual charge for depreciation would therefore be immaterial.

##### 1.6 Leasing and hire purchase commitments

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

##### 1.7 Investments

Fixed asset investments are stated at market value as at the balance sheet date.

The policy of recognising financial investments at their market value gives rise to unrealised gains or losses that are disclosed in the SOFA.

Realised gains and losses on investments are calculated as the difference between sales proceeds and opening market value (purchase date if later). Unrealised gains and losses are calculated as the difference between the market value at the year-end and opening market value (purchase date if later).

##### 1.8 Pensions

The Diocese is required to offer its employees participation in the pension scheme of the Scottish Episcopal Church, that is further detailed in Note 19 below. Pension costs charged in the SOFA represent the contributions payable by the Diocese in the year.

##### 1.9 Fund accounting

Unrestricted funds are available for use at the discretion of the Administration Group in furtherance of the general objectives of the Diocese. Designated funds comprise funds which have been set aside at the discretion of the Administration Group for specific purposes. The purposes and uses of the designated funds are set out in Note 20 of the Accounts.

##### 1.10 Taxation

The Diocese is a charity and is not liable to Corporation Tax. See Note 13 below.

# DIOCESE OF ST ANDREWS, DUNKELD & DUNBLANE

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2010

### 2 Quota, donations and legacies

	2010 £	2009 £
Donations and gifts	8,160	4,213
Quota from Charges	213,348	216,051
	<u>221,508</u>	<u>220,264</u>

### 3 Investment income

	Unrestricted funds £	Designated funds £	Total 2010 £	Total 2009 £
Rental income	3,517	-	3,517	-
Income from listed investments	8,257	363	8,620	8,649
Interest received	1,496	47	1,543	2,935
	<u>13,270</u>	<u>410</u>	<u>13,680</u>	<u>11,584</u>

Certain investment income is designated to be used for specific purposes and has been so used.

# DIOCESE OF ST ANDREWS, DUNKELD & DUNBLANE

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2010

### 4 Incoming resources from charitable activities

		2010	2009
		£	£
Provincial grants	(see A & B below)	40,449	33,974
Bishopric grants		8,910	8,402
Diocesan Curacy support		2,570	-
		<u>51,929</u>	<u>42,376</u>

Included within income relating to Provincial grants are the following grants:

Provincial grants - Diocesan Operations	19,274	20,465
Provincial grants - Charges Operations	21,175	13,509
	<u>40,449</u>	<u>33,974</u>

Included within income relating to bishopric grants are the following grants:

Bishopric - Dunderdale Fund - Endowment of Bishoprics	8,320	8,254
Bishopric - Bishop's Emergency Fund	590	148
	<u>8,910</u>	<u>8,402</u>

#### A Provincial grants - Diocesan operations

Diocesan Mission Co-ordinator	-	1,800
Dean	1,880	1,865
Training	9,121	9,490
Casting the Net staff	7,463	7,310
Other work	810	-
	<u>19,274</u>	<u>20,465</u>

#### B Provincial grants - Charges operations

Augmentation	6,207	5,819
Curates	6,235	190
Travel	3,300	3,250
Dunderdale Fund - Endowment of Charges	5,433	4,250
	<u>21,175</u>	<u>13,509</u>

# DIOCESE OF ST ANDREWS, DUNKELD & DUNBLANE

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2010

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5 Other incoming resources

	2010 £	2009 £
Net gain on disposal of fixed assets	1,250	-
HM Revenue & Customs Online Filing Incentive Payments	-	250
	<u>1,250</u>	<u>250</u>

# DIOCESE OF ST ANDREWS, DUNKELD & DUNBLANE

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2010

### 6 Total resources expended

	Staff costs £	Depreciation £	Other costs £	Grant funding £	Total 2010 £	Total 2009 £
<b>Costs of generating funds</b>						
Costs of managing investment properties	-	-	5,234	-	5,234	-
Investment management costs	-	-	980	-	980	909
<b>Total</b>	<b>-</b>	<b>-</b>	<b>6,214</b>	<b>-</b>	<b>6,214</b>	<b>909</b>
<b>Charitable activities</b>						
<u>Grants and donations payable</u>						
Grant funding of activities	-	-	-	15,657	15,657	9,219
Support costs	-	-	4,592	-	4,592	4,215
<b>Total</b>	<b>-</b>	<b>-</b>	<b>4,592</b>	<b>15,657</b>	<b>20,249</b>	<b>13,434</b>
<u>Ministry expenditure</u>						
Activities undertaken directly	64,744	-	37,975	-	102,719	81,940
Support costs	10,238	462	9,700	-	20,400	16,599
<b>Total</b>	<b>74,982</b>	<b>462</b>	<b>47,675</b>	<b>-</b>	<b>123,119</b>	<b>98,539</b>
<u>Provincial support</u>						
Activities undertaken directly	-	-	70,487	-	70,487	68,131
Support costs	-	-	3,260	-	3,260	3,003
<b>Total</b>	<b>-</b>	<b>-</b>	<b>73,747</b>	<b>-</b>	<b>73,747</b>	<b>71,134</b>
	<b>74,982</b>	<b>462</b>	<b>126,014</b>	<b>15,657</b>	<b>217,115</b>	<b>183,107</b>
<b>Governance costs</b>	<b>26,608</b>	<b>1,850</b>	<b>20,675</b>	<b>-</b>	<b>49,133</b>	<b>50,384</b>
	<b>101,590</b>	<b>2,312</b>	<b>152,903</b>	<b>15,657</b>	<b>272,462</b>	<b>234,400</b>

# DIOCESE OF ST ANDREWS, DUNKELD & DUNBLANE

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2010

### 7 Activities undertaken directly

	2010 £	2009 £
Other costs relating to Ministry expenditure comprise:		
Committee & Synod expenses	3,784	3,614
Dean's expenses	1,484	1,738
Bishop's emergency fund	590	148
Courses, study days & workshops	5,061	7,334
Bishop's travel & miscellaneous expenses	6,511	6,015
Bishop's house expenses	4,501	3,030
Use of St Ninian's Cathedral	1,000	1,000
Diocese companionship links	970	16
Bishop's training expenses	2,164	2,156
Casting the Net expenses	2,785	1,591
Legal and professional fees	49	1,522
Advertising	3,236	4,640
Diocesan Curacy expenses	1,370	-
Diocesan events	519	-
Rental property costs	2,090	-
Service cover	1,461	576
Bishop's miscellaneous expenses (Designated Fund)	400	3,823
	<u>37,975</u>	<u>37,203</u>
Other costs relating to Provincial support comprise:		
Provincial quota	70,487	68,131
	<u>70,487</u>	<u>68,131</u>

# DIOCESE OF ST ANDREWS, DUNKELD & DUNBLANE

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2010

### 8 Grants payable

	Number of grants	Total 2010 £	Total 2009 £
Grants to institutions (10 grants):			
Disbursement of Provincial grants (see below)	3	6,207	6,150
Disbursement of Diocesan grants:			
Charges re Dean	1	3,000	3,000
Dunfermline re Curacy	0	-	69
Building grants	5	6,200	-
Miscellaneous support	1	250	-
	<u>10</u>	<u>15,657</u>	<u>9,219</u>
<b>Disbursement of Provincial grants:</b>			
<b>Augmentation grants</b>			
St Serf's, Burntisland	1	3,038	3,412
St John's, Forfar	1	369	2,385
St Mary's, Newport-on-Tay	1	2,800	135
	<u>3</u>	<u>6,207</u>	<u>5,932</u>
<b>Curacy grants:</b>			
Holy Trinity, Dunfermline	0	-	190
<b>Travel grants:</b>			
Holy Trinity, Dunfermline	0	-	28
<b>Total disbursement</b>	<u>3</u>	<u>6,207</u>	<u>6,150</u>

# DIOCESE OF ST ANDREWS, DUNKELD & DUNBLANE

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2010

### 9 Support costs

	Grants and donations payable	Ministry expenditure	Provincial support	Total 2010	Total 2009
	£	£	£	£	£
Book-keeping/management accounts	4,592	4,592	3,260	12,444	11,433
Staff costs	-	10,238	-	10,238	7,042
Depreciation	-	462	-	462	442
Other costs	-	5,108	-	5,108	4,900
	<u>4,592</u>	<u>20,400</u>	<u>3,260</u>	<u>28,252</u>	<u>23,817</u>

Support costs include payments to the auditors of £nil (2009 - £nil) for audit fees and £12,444 (2009 - £11,433) for other services.

### 10 Governance costs

	2010	2009
	£	£
Other governance costs comprise:		
Diocesan Registrar - fees	1,261	2,911
Legal & professional fees	-	1,795
Audit & accountancy fees	4,944	4,700
Premises costs	8,197	8,787
Insurance	473	473
Printing, postage, stationery, telephone & sundries	5,600	5,257
Legal & professional fees - Designated Fund	200	200
	<u>20,675</u>	<u>24,123</u>

Governance costs include payments to the auditors of £2,225 (2009 - £2,115) for audit fees and £2,719 (2009 - £2,585) for other services.

# DIOCESE OF ST ANDREWS, DUNKELD & DUNBLANE

## NOTES TO THE ACCOUNTS (CONTINUED)

### FOR THE YEAR ENDED 31 OCTOBER 2010

#### 11 Trustees

The Most Rev D R Chillingworth, Bishop received remuneration of £33,650 (2009 - £33,213) and was reimbursed expenses totalling £2,911 (2009 - £3,655) during the year, as summarised below. In addition, pension contributions of £7,473 were paid by the Diocese in respect of the Bishop during the year (2009 - £5,602). C Liddell, Registrar, is a partner of J & H Mitchell who are legal agents for the Diocese. J & H Mitchell charged the Diocese Registrar's Fees of £1,261 (2009 - £2,225) and legal fees of £49 (2009 - £215) in respect of services provided during the year, all of which transactions were conducted at arm's length. At 31 October 2010 there was a balance outstanding to J & H Mitchell of £1,476 (2009 - £2,440). The Dean was reimbursed expenses totalling £1,484 (2009 - £1,738) during the year, as summarised below.

	2010	2009
	£	£
<b>Bishop's expenses:</b>		
Travel costs	2,879	3,359
Telephone, postage & stationery	9	146
Repairs	-	82
Entertaining	23	68
	<u>2,911</u>	<u>3,655</u>
<b>Dean's expenses:</b>		
Travel costs	<u>1,484</u>	<u>1,738</u>

# DIOCESE OF ST ANDREWS, DUNKELD & DUNBLANE

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2010

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### 12 Employees

#### Number of employees

The average monthly number of employees during the year was:

	2010 Number	2009 Number
Clergy	2	1
Operational	1	1
Administrative	2	2
	<u>5</u>	<u>4</u>

#### Employment costs

	2010 £	2009 £
Wages and salaries	76,818	60,192
Social security costs	6,533	5,197
Other pension costs	18,239	10,884
	<u>101,590</u>	<u>76,273</u>

There were no employees whose annual remuneration was £60,000 or more.

### 13 Taxation

The Diocese has been accepted as a charity for tax purposes. Relief from tax is therefore due under Section 505 of the Income and Corporation Taxes Act 1988 under Charity Number SC017654, Tax File Reference ED CR37942.

# DIOCESE OF ST ANDREWS, DUNKELD & DUNBLANE

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2010

### 14 Tangible fixed assets

	Land and buildings	Fixtures, fittings & equipment	Total
	£	£	£
<b>Cost</b>			
At 1 November 2009	297,173	21,148	318,321
Additions	-	398	398
Disposals	-	(3,500)	(3,500)
<b>At 31 October 2010</b>	<b>297,173</b>	<b>18,046</b>	<b>315,219</b>
<b>Depreciation</b>			
At 1 November 2009	-	10,810	10,810
On disposals	-	(3,500)	(3,500)
Charge for the year	-	2,312	2,312
<b>At 31 October 2010</b>	<b>-</b>	<b>9,622</b>	<b>9,622</b>
<b>Net book value</b>			
<b>At 31 October 2010</b>	<b>297,173</b>	<b>8,424</b>	<b>305,597</b>
At 31 October 2009	297,173	10,338	307,511
<b>Land and buildings</b>			
	£		
4 Newbigging Grange, Cargill, Perthshire - at cost	<b>297,173</b>		

The property listed above excludes any property in the name of the Diocese having a "nil" cost for accounts purposes.

The above assets are used for direct charitable purposes.

# DIOCESE OF ST ANDREWS, DUNKELD & DUNBLANE

## NOTES TO THE ACCOUNTS (CONTINUED)

### FOR THE YEAR ENDED 31 OCTOBER 2010

#### 15 Fixed asset investments

	Cash deposits £	Stock Exchange investments £	S.E.C. Unit Trust £	Loans to Charges £	Investment properties £	Total £
Market value at 1 November 2009	179,332	79,311	108,290	10,000	49,231	426,164
Disposals at opening market value	-	(32,564)	-	-	-	(32,564)
Acquisitions at cost	3,546	34,966	-	-	-	38,512
Change in value in the year	-	1,471	16,431	-	10,828	28,730
<b>Market value at 31 October 2010</b>	<b><u>182,878</u></b>	<b><u>83,184</u></b>	<b><u>124,721</u></b>	<b><u>10,000</u></b>	<b><u>60,059</u></b>	<b><u>460,842</u></b>
Historical cost:						
At 31 October 2010	<u>182,878</u>	<u>80,379</u>	<u>19,915</u>	<u>10,000</u>	<u>49,231</u>	<u>342,403</u>
At 31 October 2009	<u>179,332</u>	<u>81,685</u>	<u>19,915</u>	<u>10,000</u>	<u>49,231</u>	<u>340,163</u>

#### Investment properties

Joint ownership -

141 Napier Road, Glenrothes	34,000
4 Bracken Lane, Douglas Walk, Stirling (previously known as 71 Douglas Walk, Cornton Road, Stirling)	26,059
	<u>60,059</u>

The Diocese's share of 141 Napier Road, Glenrothes was valued by Glenrothes Rental Solutions Limited, Property Rental Consultants in June 2010 at a market value of £34,000.

In the opinion of the Trustees there has been no material change in the market value of 4 Bracken Lane, Douglas Walk, Stirling between the date of acquisition and 31 October 2010.

# DIOCESE OF ST ANDREWS, DUNKELD & DUNBLANE

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2010

### 15 Fixed asset investments

(continued)

#### Holdings of more than 5% of portfolio

The Diocese holds more than 5% of their portfolio in the following stocks:

Stock	Country of registration or incorporation	Class	%
<b>Significant holdings</b>			
S.E.C. Unit Trust	UK	St A Itin Prsts Fund	12
S.E.C. Unit Trust	UK	St A Parker Bequest	5
S.E.C. Unit Trust	UK	St A Inc Aug Fund	9

16 Debtors	2010 £	2009 £
Quota from Charges	17,799	18,103
Centralised Stipend Scheme	2,000	2,036
Debtors and prepayments	4,364	2,874
	<u>24,163</u>	<u>23,013</u>
The Centralised Stipend Scheme debtor of £2,000 arises from Scheme transactions for the year as follows:		
Funds held at 31 October 2009 to meet Scheme obligations	10,064	11,720
Received from Charges	510,840	513,781
Received from Provincial grants and Diocesan support	-	532
	<u>520,904</u>	<u>526,033</u>
Payments to clergy	363,559	372,108
PAYE & National Insurance Contribution remittances	142,532	142,793
Pension scheme remittances and other deductions	921	1,068
	<u>507,012</u>	<u>515,969</u>
Funds held at 31 October 2010 to meet Scheme obligations	13,892	10,064
Proportion thereof accountable to Charges	11,892	8,028
Proportion thereof accountable to Diocese	<u>2,000</u>	<u>2,036</u>

# DIOCESE OF ST ANDREWS, DUNKELD & DUNBLANE

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2010

### 17 Bank & cash balances

	2010 £	2009 £
General	162,641	138,291
Centralised Stipend Scheme	13,892	10,064
Appeals	4,661	3,121
Bishop's Emergency Fund	5,262	6,265
	<u>186,456</u>	<u>157,741</u>

### 18 Creditors: amounts falling due within one year

	2010 £	2009 £
Taxes and social security costs	2,375	1,588
Other creditors	62,356	48,994
Centralised Stipend Scheme	13,892	10,064
Appeals	4,873	3,205
Province	4,682	12,219
Bishop's emergency fund	5,262	6,265
Credit card	1,390	383
	<u>94,830</u>	<u>82,718</u>

### 19 Pension costs

The Diocese is required to offer its employees participation in the non-contributory defined benefit pension scheme of the Scottish Episcopal Church (SEC). The assets of the scheme are held separately from those of the Diocese in a fund administered by the SEC. The Diocese is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and so accounts for its contributions as if the scheme was a defined contribution scheme, in accordance with FRS17 paragraph 9. The pension cost charge represents contributions payable by the Diocese to the scheme and amounted to £18,239 (2009 - £10,884) with £143 remaining payable at the year end (2009 - £74). A full actuarial valuation of the scheme was carried out as at 31 December 2008 which estimated a deficit for the scheme of £8.8 million. As a result of this deficit, the contribution rate was increased from 25.3% to 34.9% with effect from 1 January 2010.

# DIOCESE OF ST ANDREWS, DUNKELD & DUNBLANE

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2010

### 20 Designated funds

The funds of the Diocese include the following designated funds which have been set aside out of unrestricted funds by the Administration Group for specific purposes:

	Balance at 1 November 2009	Movement in funds			Investments gains/(losses)	Balance at 31 October 2010
		Incoming resources	Resources expended	Transfers		
	£	£	£	£	£	£
Library Fund	21,668	410	(118)	-	434	22,394
Maude Pilkington Fund	18,809	-	-	-	-	18,809
Provincial Conference Fund	1,999	-	(400)	(1,599)	-	-
Administration Reorganisation Fund	5,159	-	(2,866)	-	-	2,293
	<u>47,635</u>	<u>410</u>	<u>(3,384)</u>	<u>(1,599)</u>	<u>434</u>	<u>43,496</u>

Income from the Library Fund is earmarked for disbursement at the Bishop's discretion to clergy buying approved theological works for personal or group study.

The Maude Pilkington Fund is capital earmarked for the purchase of bishopric housing.

The Provincial Conference Fund was a sum earmarked for the costs of future Provincial Conferences. The unexpended balance of this Fund was transferred back to unrestricted funds this year due to the uncertainty over the occurrence of future Provincial Conferences.

The Administration Reorganisation Fund is a sum earmarked to meet the costs of carrying out a strategic review of the administrative functions of the Diocese and to implement any required changes.

# DIOCESE OF ST ANDREWS, DUNKELD & DUNBLANE

## NOTES TO THE ACCOUNTS (CONTINUED)

### FOR THE YEAR ENDED 31 OCTOBER 2010

#### 21 General fund

	2010 £	2009 £
Balance at 31 October 2009	654,172	638,344
Realised gain/(loss) on disposal of fixed assets	1,250	-
Realised gain/(loss) on disposal of investments	5,957	545
Unrealised gain/(loss) on revaluation of investments	28,221	16,077
	<u>689,600</u>	<u>654,966</u>
Investment manager's fees	(862)	(794)
Transfer from Provincial Conference Designated Fund	1,599	-
	<u>690,337</u>	<u>654,172</u>

The General Fund is a combination of capital accumulated by the Diocese not earmarked for specific purposes and capital accumulated by the Diocese from legacies and other funds earmarked for support of the Bishopric.

#### 22 Revenue surplus

	2010 £	2009 £
Balance at 31 October 2009	129,904	83,005
Surplus for year	18,491	46,899
	<u>148,395</u>	<u>129,904</u>

# DIOCESE OF ST ANDREWS, DUNKELD & DUNBLANE

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2010

### 23 Analysis of net assets between funds

	Unrestricted funds £	Designated funds £	Total £
Fund balances at 31 October 2010 are represented by:			
Tangible fixed assets	305,597	-	305,597
Investments	425,128	35,714	460,842
Current assets	202,837	7,782	210,619
Creditors: amounts falling due within one year	(94,830)	-	(94,830)
	<u>838,732</u>	<u>43,496</u>	<u>882,228</u>
Unrealised (losses)/gains included above:			
On investments	(23,261)	1,279	(21,982)
	<u>(23,261)</u>	<u>1,279</u>	<u>(21,982)</u>
Reconciliation of movements in unrealised (losses)/gains			
Unrealised (losses)/gains at 1 November 2009	(51,482)	769	(50,713)
Net gains on revaluations in year	28,221	510	28,731
	<u>(23,261)</u>	<u>1,279</u>	<u>(21,982)</u>

### 24 Commitments under operating leases

At 31 October 2010 the Diocese had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2010 £	2009 £	2010 £	2009 £
Expiry date:				
Between two and five years	-	-	1,248	-
In over five years	7,200	7,200	-	-
	<u>7,200</u>	<u>7,200</u>	<u>1,248</u>	<u>-</u>