

Registered Charity No SC123456

St Albion's Scottish Episcopal Church
Accounts for the year ended 30 September 2012

Revised April 2012 (original version dated 2007)

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General Synod of the Scottish Episcopal Church
Scottish Charity No SC015962

St Albion's Scottish Episcopal Church

Reference and Administrative Information:

Registered Charity No SC123456

Principal Address: St Albion's Church, Newtown, Central Scotland
Internet: www.stalbions.org

Vestry Members:
(Charity Trustees)

The Revd A Blair, Rector
Revd R Kelly, Curate
Mr G Brown, Treasurer (*resigned 30 September 2012*)
Mr A Darling, Treasurer (*appointed 1 October 2012*)
Mr A Campbell, Secretary
Mr H Benn, Lay Rep (*appointed 1 November 2011*)
Mr J Prescott, People's Warden
Mrs M Beckett, Rector's Warden
Ms T Jowell (*appointed 10 October 2012*)

Bankers:

Royal Bank of Scotland
Edinburgh West End (A) Branch
142-144 Princes Street
EDINBURGH
EH2 4EQ

Solicitors:

Goldsmiths & Co
Edinburgh

Independent Examiner:

Mr T Dalyell
Banker
West Lothian

St Albion's Scottish Episcopal Church

Annual Report of the Members of the Vestry

Introduction

The members of the Vestry (Charity Trustees) are pleased to present the annual accounts for St Albion's the year ended 30 September 2012.

We are a small, friendly congregation whose objective is to advance the mission of the Christian Church (which is the building of the kingdom of heaven) through worship, service and fellowship. We aim to do this through supporting existing church members through worship and prayer gatherings and encouraging new members through community work such as running the café, opening our hall to other groups and other outreach work. We are twinned with St Trinnian's, Blairville with whom we share a Rector and Curate.

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 the past year.

Activities and Achievements

During the year, the church continued to maintain four services per week with sung Eucharist and evensong every Sunday. Congregational numbers have been steady. The prayer group has grown and there are now two groups which meet every month. The café continues to provide a welcome, reasonably priced service to local people every month. A mothers and toddlers group was started in the year which meets for coffee and prayers once a month in the church and has proved a successful outreach opportunity.

During the year, we launched a restoration appeal to raise £100,000 to pay for essential structural repairs to the church building. We had a successful first year with very generous support from the congregation and from Historic Scotland. We hope to continue the momentum into the new year and will be actively seeking further grant funding from different sources. A full report on the restoration project can be seen in the restoration appeal newsletter.

St Albion's also raised more than £3,000 for special appeals during the year. As explained in note 1 to the accounts, these are not included in the accounts. The church also gave a total of £1,000 out of general income to charities nominated by members of the congregation.

The church also benefited from support from members of the congregation in many other ways. Our curate lives in a flat provided rent-free by a supporter, an anonymous donor paid for the installation of a new loop system for the hard of hearing. We are grateful to our independent examiner who carried out their work for free.

Income

St Albion's relies heavily on the generosity of its congregation for most of its day to day funding. Additionally, smaller but significant amounts are generated by fundraising activities (such as the café and renting out the hall) and from bank interest and investment income. The church also benefits from legacies.

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In the past year, unrestricted income was not sufficient to cover our general expenditure. However, this was mostly due to the fact that members of the congregation gave significant amounts to the restoration appeal, rather than as general giving. Although the restoration appeal is important, we still need to ensure that we can cover our day to day expenses without depleting our reserves.

Reserves

St Albion's reserves fall into the category of unrestricted, restricted and endowment funds. Unrestricted funds can be spent on any relevant activity; restricted funds can only be spent on a defined activity (e.g. restoration appeal funds, grants for curates). The endowment fund was the capital initially used to set up the church and was invested in the Rectory building and in investments. The income from the investments can be used for general activities, but the capital must be maintained.

The Vestry members have 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 the Scottish Episcopal Church Unit Trust Pool (UTP), administered by Baillie Gifford. The investment policy of the UTP, which accords with that of the vestry, is to earn a return on the assets, over the long term, sufficient at least to maintain the real value of the distribution to unit holders. The UTP has developed an ethical investment policy. No investments will be made in companies who derive more than 15% of their revenue from tobacco, gambling or armaments. The majority of the UTP is invested in UK equities.

Structure, Governance and management

St Albion's is an unincorporated association, governed by a constitution dated 1875 and last amended in 1995. As a member congregation of the Diocese of Edinburgh 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 charities law, the members of the Vestry are the Charity Trustees of the church. Details of the vestry members are given on page 1.

Apart from the Rector, ordinary Vestry members are elected by the Congregation in annual meeting. Vestry members usually serve for a term of 3 years and may serve for a maximum of 2 consecutive terms. Two vestry members (the rector's warden and the church warden) are appointed by the Rector. The Rector himself is appointed by the Vestry and the Bishop of the Diocese.

New vestry members are given an induction pack outlining their roles and responsibilities. The vestry secretary regularly updates other members of the vestry on relevant changes in legislation and best practice relating to charities.

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Vestry Responsibilities

The vestry is responsible for managing and safeguarding the assets of the church and assist 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 (as amended). The vestry regularly considers the risks faced by St Albion's and ensures that appropriate risk management procedures are in place to mitigate those risks.

Relationship with Diocese and Province

St Albion's is supported by the Diocese and the Province through the pastoral oversight of the Bishop, central support functions provided at Diocesan level, and grants from central funds. The church is represented at Diocesan level by the Rector and the Lay Representative. Additionally two members of our congregation also serve on the Provincial ministry committee. As a member of the SEC, St Albion'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, energy and money so generously to ensure the continuation and development of St Albion's as a centre of worship and a focus for the community.

On behalf of the Trustees

Mr A Campbell
Vestry Secretary
31 October 2012

Independent Examiner's Report to the Vestry Members of St Albion's Episcopal Church

I report on the financial statements of the charity for the period ended 30 September 2012 which are set out on pages 6 to 10.

I report on the financial statements of the charity for the year ended 30 September 2012 which are set out on pages 5 to 7.

Respective responsibilities of Trustees and Examiner

The Church'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.(as amended) ("the 2006 Regulations") The Church's Trustees consider that the audit requirement of Regulation 10(1) (d) of the 2006 Regulations does not apply. It is my responsibility to examine the accounts as required under section 44(1) (c) of the 2005 Act and to state whether particular matters have come to my attention.

Basis of independent examiner's statement

My examination is carried out in accordance with Regulation 11 of the 2006 Regulations. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeks explanations from the trustees concerning 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 Regulations, and
 - to prepare accounts which accord with the accounting records and comply with Regulation 9 of the 2006 Accounts Regulation 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.

Mr Tam Dalyell
Banker
West Lothian
12 November 2012

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Receipts and Payments Account for the Year Ended 30 September 2012

	Notes	Unrest- ricted £	Rest- ricted £	Endow- ments £	<i>Total Funds</i> £	2011 £
Receipts						
Donations	2	14,530	22,500	0	37,030	23,350
Legacies	3	1,000	500	0	1,500	3,000
Grants	4	0	16,000	0	16,000	4,500
Receipts from fundraising activities	5	1,800	1,400	0	3,200	1,500
Receipts from investments other than land & buildings	6	1,600	1,000	2,000	4,600	1,500
Rent from land & buildings		0	0	0	0	1,000
Proceeds from sale of fixed assets	7	300	0	0	300	0
Proceeds from sale of investments		0	0	0	0	1,000
<i>Total Receipts</i>		<u>19,230</u>	<u>41,400</u>	<u>2,000</u>	<u>62,630</u>	<u>35,850</u>
Payments						
Payments relating to charitable activities	8	29,870	21,500	0	51,370	32,800
Expenses for fundraising activities	9	500	100	0	600	400
Grants and donations relating directly to charitable activities	10	1,000	0	0	1,000	800
Governance costs		0	0	0	0	0
Purchase of fixed assets	7	1,000	0	0	1,000	0
Purchase of investments		0	10,000	0	10,000	0
<i>Total Payments</i>		<u>32,370</u>	<u>31,600</u>	<u>0</u>	<u>63,970</u>	<u>34,000</u>
<i>Surplus / (deficit) for the year</i>		(13,140)	9,800	2,000	(1,340)	1,850

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Statement of Balances as at 30 September 2012

	Unrest- ricted	Rest- ricted	Endow- ments	Total Funds	2011
	£	£	£	£	£
<i>Cash at bank & in hand</i>					
<i>(including deposit account)</i>					
Balance at beginning of year	10,000	5,000	0	15,000	13,150
Surplus / (deficit) for the year	(13,140)	9,800	2,000	(1,340)	1,850
Transfers between funds	<u>2,000</u>	<u>0</u>	<u>(2,000)</u>	<u>0</u>	<u>0</u>
<i>Total Cash Funds at end of year</i>	<u>(1,140)</u>	<u>14,800</u>	<u>0</u>	<u>13,660</u>	<u>15,000</u>
<i>Investments (SEC Unit Trust Pool)</i>					
Market value at beginning of year	15,000	10,000	20,000	45,000	45,250
Additions at cost	0	10,000	0	10,000	0
Disposal proceeds	0	0	0	0	(1,000)
Unrealised gain / (loss) in year	<u>500</u>	<u>250</u>	<u>750</u>	<u>1,500</u>	<u>750</u>
<i>Market value at end of year</i>	<u>15,500</u>	<u>20,250</u>	<u>20,750</u>	<u>56,500</u>	<u>45,000</u>
<i>Assets retained for Charity's own use – Rectory</i>					
Historic Cost	<u>0</u>	<u>0</u>	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>
<i>(Insurance value £300,000)</i>					
<i>Fund Balances (Cash, Investments & Assets retained)</i>					
At beginning of year	25,000	15,000	35,000	75,000	73,400
Cash Surplus /deficit for year	(13,140)	9,800	2,000	(1,340)	1,850
Movements in investments	500	10,250	750	11,500	(250)
Transfers	<u>2,000</u>	<u>0</u>	<u>(2,000)</u>	<u>0</u>	<u>0</u>
At end of year	<u>14,360</u>	<u>35,050</u>	<u>35,750</u>	<u>85,160</u>	75,000
<i>Other Assets and Liabilities - for Information only</i>					
Assets					
Photocopier	1,000	0	0	1,000	800
Debtors - VAT recoverable on restoration costs	0	1,750	0	1,750	0
Debtors - tax due back on gift aid	0	1,000	0	1,000	3,000
Liabilities					
Work certified on restoration project not yet paid for	0	6,000	0	6,000	0

On behalf of the Trustees

Mr A Campbell
Vestry Secretary
31 October 2012

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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 asset of the rectory, fixed assets are not capitalised.

Restricted Funds

The restricted fund balance represents the church restoration project fund. During the year, restricted income is also received for travel and curate stipend. However, the related expenditure exactly matches the income for these items so there are no balances on these funds at the year end.

Joint Costs

St Albion's shares a rector and curate with St Trinnian's Church. A formal agreement dated 1 December 2000 states that each charge is responsible for meeting 50% of the costs of clergy (including expenses associated with travel and accommodation). For administrative reasons, St Albion's pays all the shared non-stipend costs during the year, but recoups 50% from St Trinnians at the year end. As this is purely an administrative arrangement, these accounts show only the 50% of the costs that relate to St Albion's and correspondingly do not show the income received from St Trinnians to cover their share of the costs.

Church Buildings

The church and the hall are not shown in the statement of balances. The Trustees believes that it is not possible to place a market value on them. The valuation of the buildings for insurance purposes is £1.4mn.

Special collections

During the year, the church made several special collections for different charities. These funds were banked and the total collected paid over to the respective charity. Because the church was simply collecting the money on behalf of individual donors and forwarding it to the nominated charity, this income and expenditure is not included in these accounts as part of the income and expenditure of the church. Further details are given in note 11.

2. Donations

	2012	2011
	£	£
<u>Unrestricted donations</u>		
Congregational Giving	11,500	18,000
Gift Aid	2,000	4,500
For use of hall	200	0
For weddings and funerals	330	400
Collections at other services	<u>500</u>	<u>450</u>
	<u>14,530</u>	<u>23,350</u>

Restricted donations represents receipts (and the associated tax recovery) from the congregation and others specifically for the restoration appeal

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3. Legacies

During the year, the church received a bequest of £500 from the estate of Miss X for the repair of the stained glass windows. This is included in restricted income. Other bequests received during the year totalled £1,000 (2011: £3,000) and are available for general expenditure

4. Grants	2012	2011
<u>Restricted Receipts</u>	<u>£</u>	<u>£</u>
Curate grant from Diocese	5,500	4,150
Travel grant from Diocese	500	350
Grant towards restoration appeal from Historic Scotland	<u>10,000</u>	<u>0</u>
	<u>16,000</u>	<u>4,500</u>

The Diocese pays 50% of the costs of the curate (including pension costs). Our curate and his costs are shared with St Trinnian's so the curate grant is also shared with that church.

5. Receipts from fundraising activities

<u>Unrestricted fundraising receipts</u>	2012	2011
	<u>£</u>	<u>£</u>
Café	1,200	1,100
Coffee mornings etc	<u>600</u>	<u>400</u>
	<u>1,800</u>	<u>1,500</u>

The restricted income represents receipts from activities specifically undertaken for the restoration appeal (concerts and silent auction).

6. Receipts from investments other than land & buildings

These amounts represent bank interest on deposit accounts and investment income from the SEC Units

7. Sale and purchase of fixed assets

During the year the church sold its old photocopier and bought a new one.

8. Payments relating to charitable activities

<i>Unrestricted</i>	2012	2011
	<u>£</u>	<u>£</u>
Share of Rector's emoluments	12,000	11,500
Self-funded share of curate costs	5,500	5,000
Quota	3,000	2,800
Organist & director of music honoraria and other payments	1,700	1,600
Share of Travel & other reimbursed expenses	3,250	3,000
Share of Council tax & other rectory related costs	1,600	1,400
Church building running costs	2,200	2,000
Worship-related costs	400	300
Administrative expenses	<u>220</u>	<u>200</u>
	<u>29,870</u>	<u>27,800</u>
 <i>Restricted</i>		
Grant-funded curate costs	5,500	5,000
Restoration work on church buildings	<u>16,000</u>	<u>0</u>
	<u>21,500</u>	<u>5,000</u>

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	2012	2011
9. Payments relating to Fundraising Activities		
<i>Unrestricted</i>		
Café supplies	<u>500</u>	<u>400</u>
<i>Restricted</i>		
Administrative costs for restoration appeal	<u>100</u>	<u>0</u>
10. Grants & Donations		
Twin church in Uganda	600	500
Famine relief appeal	<u>400</u>	<u>300</u>
	<u>1,000</u>	<u>800</u>

11. Special Collections

During the year, the church made 3 special collections. The funds received (and associated tax credits) were paid directly to the charity and are not shown in these accounts.

For information purposes, the amounts collected (including gift aid) were as follows:

	£	£
Bishop's Lent Appeal	2,751	2,550
Homelessness Sunday collection	671	200
Local Alzheimer's group	<u>230</u>	<u>0</u>
	<u>3,652</u>	<u>2,750</u>

12. Remuneration and Expenses paid to Vestry Members

None of the vestry members received any remuneration or expenses relating to their position as vestry members. However, the Rector and the Curate received stipends (and pension contributions) in accordance with the SEC approved stipendiary amounts for their posts as Rector and Curate. The full stipend for the year was £19,000, with pension contributions of 24%. the curate received 90% of the full stipend. Additionally, expenses were paid as detailed in note 8. All these costs were shared with St Trinnian's. As is customary, the Rector also occupies, on a rent-free basis, the Rectory building owned by St Albion's. The council tax on the Rectory and on the Curate's accommodation are also paid for by St Albion's and St Trinnian's.