

Augustine United Church

Financial statements

31 December 2016

Charity Number SC000385

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Office bearers and professional advisers

The Board of Trustees

Revd Fiona Bennett
Ms. L Bowry
Mrs. D Caldwell
Mr. B Forsyth
Mr. S Hoare
Mrs D Morris
Mr. T Murray
Dr. A Peden
Dr. N Robinson
Dr. R Somerville
Mrs. K Ziffo

Charity Secretary

Kathleen Ziffo

Principal Address

41 George IV Bridge
Edinburgh
EH1 1EL

Auditors

Henderson Loggie
34 Melville Street
EDINBURGH
EH3 7HA

Bankers

Bank of Scotland
300 Lawnmarket
Edinburgh
EH1 2PH

Trustees' report

for the year ended 31 December 2016

The Trustees present their report and the financial statements of the charity for the year ended 31 December 2016.

Structure, governance and management

Augustine United Church (AUC) is an unincorporated charity with registered charity number SC000385. As a congregation of the United Reformed Church day-to-day oversight of Church life is exercised by a Church Council consisting of the elders, office bearers and the ministers who are the Trustees, elected by the authoritative meeting of the Church Members known as Church Meeting. AUC brings together Christians from Congregational, Presbyterian, Churches of Christ and the Metropolitan Community Church origins. It is part of a Local Ecumenical Partnership with St Columba's-by-the-Castle, Scottish Episcopal Church and Greyfriars, Church of Scotland, with whom it is committed to work to establish a united and positive Christian presence in the centre of Edinburgh. The Church Centre situated on George IV Bridge offers a permanent home to Christian Aid and Jubilee Scotland. We welcome in the name of Christ all who wish to use our building for the promotion of peace, freedom of thought and freedom of expression.

Advancing AUC's objectives and activities in 2016

AUC is a progressive and inclusive Christian Community, whose purpose is to worship, work and grow together with the aim of developing justice and wellbeing in our lives, community and world.

We made the decision in 2012, that for now we could best achieve this purpose by remaining in our current building, but in order to do so we had to address the urgent issue of replacing the roof. We embarked on a project to complete this work, which led us on an unexpected yet fruitful journey into researching and communicating more of our heritage. Our building work and the establishment of our heritage project was completed in 2016.

Alongside our building and heritage work in 2016, we continued our on-going program of activities which seeks to:

- promote Progressive Christianity;
- develop our Ministries of Mental Health, Our Tribe (LGBTQI) and Youth and Children Work; and
- increase Room Rental.

For the period 2014-2016 our priorities have been to:

- establish a more effective system of Pastoral Care throughout AUC;
- make a priority of our Children and Youth Work in order to respond to the changing ages and needs of our young people and their families;
- continue to move towards financial self-sufficiency; and
- communicate more effectively within our own community and to the wider world about what we stand for and have to offer.

Heritage and Roof Project

The decision in 2012 to replace the roof and insulation above the Sanctuary and Vestry required major fundraising. The Augustine Building Challenge (ABC) was launched. We were fortunate to obtain a grant from the Heritage Lottery Fund and Historic Environment Scotland, which covered half the total cost. Both organisations supported Augustine through the development and delivery phases of the project. The original aim was to make the building warm and watertight. However, in addition to this purely building aspect, we were encouraged by them during the early stages to develop ways of attracting and informing the public about the rich heritage of Augustine. Research was commissioned into the architectural, cultural and theological aspects of our heritage. The aim was to set the history of the building, and the activities within it, into the context of what was happening culturally in the Edinburgh of the day.

Trustees' report *(continued)*
for the year ended 31 December 2016

Heritage and Roof Project *(continued)*

The end results proved both interesting and informative. The many thousands who cross our threshold may not see the new slates on the roof, but they cannot miss seeing the information available. This information includes a booklet, "The Church on the Bridge", free leaflets and a video emphasising the culture, ethos and continuing aims of the congregation. Display panels in the church entrance reinforce the information in the video and printed material. A team of guides recruited from the congregation will meet and assist visitors, particularly on open days in the future. The audio-visual system, microphones, projectors and associated equipment have been upgraded to the standards expected by our users.

The project's completion was formally recognised at a launch event in November when thanks were expressed to all who had contributed to the success of both the heritage and the building works. After four years it was heartening to know that all the aims had been met and even surpassed and all within the original budget.

Pastoral Care System

Through 2016 we have changed and adapted our Pastoral Care System.

We have worked to develop and promote opportunities for individuals to meet and offer each other support, through 2 drop in session per month of Coffee, Cake and Conversation, monthly Church Lunches and ensuring our education and discussion opportunities are relationship based.

These events have proved very popular with increased attendance over the months.

The Mental Health Drop-In which is run in partnership with the Chaplaincy at the Royal Edinburgh Hospital has had ever increasing attendance over 2016. They have also offered periodic Walking Groups, Discussions Groups and workshops and events as part of the 2016 Scottish Mental Health Arts and Film Festival, which have all been well attended and greatly appreciated.

Our ministers meet with individuals one-on-one when requested or as they see needs arise. Flowers from the church services are distributed to people at times of struggle or celebration. Those in care homes and hospitals are visited by a small Home and Hospital Team which includes the ministers.

The ministers meet with new attendees as well as meet with members and associates annually.

Specific care is now taken at the start of each worship service to invite members to identify regular attenders who are absent and to notify a Minister or leader of the Pastoral Visitors.

Younger adults also have an informal network of keeping in touch and doing things together.

The challenge identified in 2016, and which is on-going, is to communicate all these pastoral opportunities within the church and beyond.

Children and Young People (C&YP)

We have responded to the changing needs of our children and young people in a number of ways.

Augustine Assignments has been established (a monthly Saturday afternoon session) for youngsters between 11 and 18. It started in 2016 and continues with an enthusiastic but small number of youngsters. One of our younger members is a member of UK wide URC Youth Committee.

Our Junior Church includes children of varying ages and abilities. Our weekly program offers diverse ways to engage with topics and activities which are skilfully crafted to respond to the needs and interests of the children. Twice in 2016 we successfully created "Noisy Liturgy", where a story was told through musical sounds and involved all ages and abilities of children. It was a tremendous success and an activity we plan to build on in 2017.

Trustees' report *(continued)* **for the year ended 31 December 2016**

Children and Young People (C&YP) *(continued)*

One member of our Junior Church team has now been appointed as Safeguarding Coordinator for C&YP activities (and for overseeing our responsibilities to any vulnerable adults). During 2016 we had updates from our Synod Safeguarding Officer for all people working with C&YP and visiting elderly people, and for Trustees to recognise their responsibility to ensure safe conditions. A newly updated Policy Statement plus many procedural changes have been made in order to ensure safer wellbeing for all in AUC. These are still being finalised. An Elder who belongs to our Junior Church Staff has been appointed to help improve the ways that the needs and concerns of C&YP are communicated.

We are now formally a Student Christian Movement Link Church (connected with Edinburgh University SCM group). Several of the students from the Edinburgh group are part of our worshipping congregation.

Communications

In 2015 and 2016 we began reviewing our Communications and developing a Strategy to ensure better internal Augustine Communication by use of traditional methods of giving out notices - on paper and verbally, in our newsletter, and by use of our upgraded web-site and social media, including Facebook (for now a closed group within the AUC community).

Part of our remit for our Roof Renewal and Heritage Project has been to better inform visitors who use the building, as well as passers-by and tourists, about our heritage, church community and activities. We have new electronic notice boards in the inner and outer foyers and in one window in order to advertise activities. Over 2016 we had a footfall in the building of over 40,000.

Financial Self Sufficiency

As discussed in the Financial Review we are now developing a further strategy for financial self-sufficiency after our success in completing and fully funding the Heritage and Roof Project. This is to fund the future requirements of our work and the needs of a building over 150 years old.

Planning ahead - 2016-2018

In August 2016 we had an Away Day to review our ministry and mission in order to plan for the future. We identified key elements from which we will produce priorities in the coming year.

Participation:

- To strengthen the core of volunteers who support AUC's organisational life, including the Centre.
- To encourage more use and celebration of people's gifts and ideas to shape our Church Life.
- To make our partnerships (TLC, SCM, Edinburgh University, URC, ECT, EIFA) more effective.
- To continue to develop awareness of social opportunities and mutual pastoral responsibility and skills throughout the congregation.

Financial Self Sufficiency:

- To enable our membership to collectively address financial self-sufficiency.

Inclusivity:

- To perpetually challenge ourselves to be more inclusive.
- To make Christianity more accessible to those with no knowledge of it.

Environment:

- To explore how can we "learn, act & pray" in order to care for our environment more fully as individuals, as a congregation, as a society.

Communication:

- To identify how to make our worship, education, theology and social justice activities more accessible through the internet for people who cannot make it to the building.
- To explore marketing AUC & AUC membership.
- To develop and utilise our Heritage project.

Trustees' report *(continued)* **for the year ended 31 December 2016**

Financial Review

Our financial activities in 2016 were dominated by matters relating to the building. After several years spent raising funds and grants we embarked on the delivery phase of the Heritage and Roof Project we describe earlier. In our report last year we anticipated that the project would test our human resources and require several more years of fundraising to rebuild reserves to safe levels and maximise the use of the renewed infrastructure for our own mission activities and community use.

In the event, the project went very well financially. It was completed on time and within the original budget. We finished the year with a substantially renewed and improved building and facilities. Due to the efforts of our small staff and volunteers our congregational and letting activities were kept going with some disruption and additional costs and we even managed a creditable 7% increase in rental income. We have reason to be very grateful to our contractors and advisers for their consideration and efficiency.

However, the financial outcome is also impacted by other factors:

- the building was revalued in January 2017. A change in the valuation methodology resulted in a reduction of £700,000 in reinstatement value. This is reflected in the 2016 accounts. The reduction is not thought to be significant as it merely cancels previous upward revaluations and has no impact on the Congregation's continued use of the building;
- the discovery of significant dry rot resulted in £35,000 of unexpected repair costs; and
- there have been changes in the mix of our income. While, overall, our total income net of grants was maintained this was entirely due to increased rental income which, just, compensated for a reduction in voluntary giving after some years of increases. In part this may be due to reduced pressure to fund-raise for the roof project but more significant is a reduction in Freewill Offerings of 7%. This form of giving is important not just for the income stream but as an earnest of commitment to our Christian activity and Outreach. It has been affected by the passing of some of our older and better off members and requires ongoing consideration by all of us.

If we put to one side the reduction in the valuation of the building, the deficit at the net income level was £84,054 (2015: surplus of £11,138) Of this deficit £68,023 relates to planned expenditure on the Heritage and Roof Project and £16,031 to our normal activity including the dry rot work. The serious impact is on our General and Fabric Funds which are essential to finance our on-going congregational activity and to provide finance for future upkeep of our listed building. While we have always been aware that after the roof project we would have to rebuild reserves, the unexpected dry rot rectification costs have made rebuilding even more essential. While, without unexpected building costs, the outcome of our normal operations should be much more positive in 2017 we must be ready for future repair costs in a 150 year old building and we have decided on immediate action.

- we are exploring ways to maximise voluntary and rental income;
- an exercise is underway to scrutinise all expenditure; while
- we shall continue, as resources permit, to maintain our programme of maintenance to pre-empt avoidable repair costs.

In concluding our Financial Review we wish to thank:

- our staff who worked so hard throughout 2016 to make a success of our increasing activities under often difficult conditions;
- the many volunteers from within the congregation who gave their time and skills, and learned new skills, to advance the project; and
- the many users of the building who continued loyally to support us in 2016 through the disruption.

Trustees' report *(continued)* **for the year ended 31 December 2016**

Risk management

The Trustees formally review the policies in place to manage the risks the Church faces at their annual meeting to approve their report and the accounts. Steps are taken to ensure the management of these risks is strengthened where necessary. The key risk facing the Church continues to be in relation to meeting the future maintenance requirements of the listed Church building. During the year the Centre, Property and Finance group has met four times to support the Treasurer and Trustees in more detailed management of financial and property issues while group members have developed individual roles on specific issues.

Remuneration of key management personnel

All key management personnel are unpaid volunteers, except our Minister who is paid a stipend by the URC.

Reserves policy

The Church aims to have sufficient reserves to meet the immediate running costs of the Church activities, the maintenance of buildings and to permit new activities to be undertaken to further the work of the United Reformed Church. The Church currently has total reserves of £5,462,018 (2015: £6,246,072) made up of unrestricted reserves of £13,378 (2015: £25,328); restricted reserves of £248,640 (2015: £320,744); and endowed reserves of £5.2m. (2015: £5.9m). The unrestricted reserves of the Church not held in fixed assets represent the free reserves of the Church and are £12,286 (2015: £25,328). The current levels of reserves are regarded as sufficient for immediate needs but need urgently to be strengthened to support future mission requirements as well as the inevitable demands in maintaining a listed building.

Responsibilities of the trustees


Law applicable to charities in Scotland require the trustees to prepare an annual report and financial statements for each financial year which give a true and fair view of the state of affairs of the charity's financial activities during the year and of its financial position at the year end. The trustees are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (UK GAAP). In preparing those financial statements, which give a true and fair view, the trustees should follow best practice and:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enables them to ensure that the financial statements comply with The Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as required). The trustees are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approval of the report

At the time of approving the report the trustees are aware of no relevant audit information of which the charity's auditors are unaware and have taken all steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information. Approved by the trustees on 7 May 2017 and signed on their behalf by:



Kathleen Ziffo
(Church Secretary)

HENDERSON LOGGIE

Chartered Accountants

34 Melville Street

Edinburgh

EH3 7HA

Independent auditors' report to the trustees of Augustine United Church

We have audited the financial statements of The Augustine United Church for the year ended 31 December 2016 which comprise the statement of financial activities, the balance sheet, the statement of cashflows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the charity's trustees, 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 (as amended). Our audit work has been undertaken so that we might state to the charity's trustees, as a body, 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Trustees' Responsibilities Statement, the trustees are responsible for the preparation of financial statements which give a true and fair view.

We have been appointed as auditors under section 44(1)(c) of Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with regulations made under that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Revised Ethical Standard 2016.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustee's report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incurred based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements, or inconsistencies we consider the implications for our report.

Independent auditors' report to the trustees of Augustine United Church

(continued)

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Society's affairs as at 31 December 2016 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 and the regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charity Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Henderson Loggie

Henderson Loggie

Statutory Auditors

(Eligible to act as an auditor in terms of section 1212 of the Companies Act 2006)

7 May 2017

Statement of financial activities (including Income and Expenditure Account)

for the year ended 31 December 2016

| | Note | 2016 Unrestricted Funds £ | 2016 Restricted Funds £ | 2016 Endowment Funds £ | 2016 Total Funds £ | 2015 Total Funds £ |
|---------------------------------------|-----------|------------------------------------|----------------------------------|---------------------------------|-----------------------------|-----------------------------|
| Income | | | | | | |
| Donations and legacies | 2 | 52,415 | 199,197 | - | 251,612 | 116,936 |
| Other trading activities | 4 | 101,841 | - | - | 101,841 | 95,167 |
| Income from investments | | 128 | - | - | 128 | 1,163 |
| Total income and endowments | | 154,384 | 199,197 | - | 353,581 | 213,266 |
| Expenditure | | | | | | |
| Expenditure on raising funds | 5 | 47,123 | - | - | 47,123 | 45,176 |
| Expenditure on charitable activities: | | | | | | |
| Ministry and mission costs | 6 | 50,566 | - | - | 50,566 | 48,818 |
| Worship costs | 7 | 68,645 | 33,312 | - | 101,957 | 76,079 |
| Roof and communications | 9 | - | 237,989 | - | 237,989 | 32,055 |
| Total expenditure | | 166,334 | 271,301 | - | 437,635 | 202,128 |
| Net (expenditure)/income | | (11,950) | (72,104) | - | (84,054) | 11,138 |
| Loss on revaluation of fixed assets | | - | - | (700,000) | (700,000) | - |
| Net movement in funds | | (11,950) | (72,104) | (700,000) | (784,054) | 11,138 |
| Total funds brought forward | 18 | 25,328 | 320,744 | 5,900,000 | 6,246,072 | 6,234,934 |
| Total funds carried forward | 18 | 13,378 | 248,640 | 5,200,000 | 5,462,018 | 6,246,072 |

The statement of financial activities includes all gains and losses recognised in the year.

All incoming resources and resources expended derive from continuing activities.

Balance sheet
at 31 December 2016

| | Note | 2016 £ | 2016 £ | 2015 £ | 2015 £ |
|--|-------|----------------|------------------|----------------|------------------|
| Fixed assets | | | | | |
| Tangible fixed assets | 15 | | 5,239,228 | | 5,901,755 |
| Current assets | | | | | |
| Debtors | 16 | 59,316 | | 59,614 | |
| Cash at bank and in hand | | 181,990 | | 314,039 | |
| | | <u>241,306</u> | | <u>373,653</u> | |
| Current liabilities | | | | | |
| Creditors falling due within one year | 17 | (18,516) | | (29,336) | |
| Net current assets | | | <u>222,790</u> | | <u>344,317</u> |
| Total assets less current liabilities | | | <u>5,462,018</u> | | <u>6,246,072</u> |
| Funds | | | | | |
| Unrestricted funds | 18,19 | | 13,378 | | 25,328 |
| Restricted funds | 18,19 | | 248,640 | | 320,744 |
| Endowment funds | 18,19 | | 5,200,000 | | 5,900,000 |
| Total funds | 18,19 | | <u>5,462,018</u> | | <u>6,246,072</u> |

The notes on pages 12 to 19 form part of these financial statements.

Signed:

Kathleen A. Ziffo

Kathleen Ziffo
Trustee

Approved and authorised for issue by the Trustees on 2 May 2017.

Statement of cash flows
for the year ended 31 December 2016

| | 2016 £ | 2016 £ | 2015 £ | 2015 £ |
|--|-----------|------------------|-----------|----------------|
| Cash flows from operating activities | | | | |
| Net Income | (84,054) | | 11,138 | |
| Depreciation charges | 13,375 | | 663 | |
| Decrease/(increase) in debtors | 298 | | (33,034) | |
| (Decrease)/increase in creditors | (10,820) | | 20,042 | |
| Investment income | (128) | | (1,163) | |
| | <hr/> | | <hr/> | |
| Cash used in operating activities | | (81,329) | | (2,354) |
| Cash flows from investing activities | | | | |
| Interest received | 128 | | 1,163 | |
| Payments to acquire fixed assets | (50,848) | | (1,716) | |
| | <hr/> | | <hr/> | |
| Cash used in investing activities | | (50,720) | | (553) |
| | | <hr/> | | <hr/> |
| Decrease in cash and cash equivalents in the year | | (132,049) | | (2,907) |
| Cash and cash equivalents at beginning of year | | 314,039 | | 316,946 |
| | | <hr/> | | <hr/> |
| Cash and cash equivalents at end of year | | 181,990 | | 314,039 |
| | | <hr/> | | <hr/> |
| Cash and cash equivalents comprise: | | | | |
| Cash at bank and in hand | | 181,990 | | 314,039 |
| | | <hr/> | | <hr/> |

Notes

(forming part of the financial statements)

1 Accounting policies

Basis of accounting

The principal accounting policies adopted in the preparation of the financial statements are set out below.

Basis of preparation

The financial statements have been prepared under the historical cost accounting rules, and in accordance with applicable accounting standards, as modified by the revaluation of UK listed investments. The charity is a Public Benefit Entity and the financial statements comply with the charity's Constitution, the Statement of Recommended Practice (SORP) FRS 102 'Accounting and Reporting by Charities, FRS 102, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

Going concern

The financial statements are drawn up on a going concern basis as the Church has adequate funding for the next 12 months. There are no material uncertainties that exist or material changes in the way the charity operates and the Trustees consider it appropriate to prepare financial statements on a going concern basis.

Income

Income is recognised when the charity has entitlement to the funds, when it is probable that the income will be received and the amount can be measured reliably. Donations, legacies and similar income sources are included in the period in which they are receivable, which is when the charity becomes entitled to the resource. Such income is only deferred when:

- The donor specifies that the grant or donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement.

Investment income is credited to the statement of financial activities on the basis of interest receivable during the year.

Expenditure

Expenditure, which includes irrecoverable VAT, is recognised on an accruals basis when there is a legal or constructive obligation to pay for expenditure.

- Expenditure on raising funds are those costs incurred in rental of the Church buildings and relate to the costs of maintaining the property. These costs are apportioned 70% to cost of raising funds and 30% to worship expenses.
- Expenditure on charitable activities include costs associated with worship and other general church expenses.
- Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements. They are attributed as support cost to worship and other general church expenditure.

Notes (continued)
(forming part of the financial statements)

1 Accounting policies (continued)

Fixed assets

Fixed assets are included on the balance sheet at cost or valuation on relevant expenditure above £500. Depreciation is provided in the year in which the fixed assets are purchased. The rate of depreciation is calculated so as to write off the cost less estimated residual value of each asset evenly over its expected useful life as follows:

| | |
|---------------------------|-------------------|
| Equipment and furnishings | 25% straight line |
|---------------------------|-------------------|

No depreciation is provided on the land and buildings since the expected useful life of the Church exceeds 50 years. Buildings are maintained and funding sought for major repair works. Where the trustees consider there is a permanent diminution in the value of the property, full provision is made in the statement of financial activities.

Financial instruments

The charity has only financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Cash and cash equivalents

Cash at bank and in hand includes cash and highly liquid short term investments with a maturity of 3 months or less from the date of acquisition or opening of the deposit or similar account.

Debtors

Other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid net of any trade discounts due.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in a transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Funds structure

Unrestricted funds are donations and other incoming resources receivable or generated for the objects of the charity without further specified purpose and are available as general funds.

Restricted funds are to be used for specific purposes as laid down by the donor.

The endowment fund is made up of the value of the Church building.

2 Donations and legacies

| | Unrestricted £ | Restricted £ | 2016 £ | Unrestricted £ | Restricted £ | 2015 £ |
|-----------------------------------|-------------------|-----------------|----------------|-------------------|-----------------|----------------|
| Offerings | | | | | | |
| Freewill offerings | 41,541 | - | 41,541 | 47,424 | - | 47,424 |
| Open offerings | 7,216 | - | 7,216 | 5,037 | - | 5,037 |
| Donations | | | | | | |
| Donations for benevolent purposes | 1,169 | - | 1,169 | 1,040 | - | 1,040 |
| Donations | 1,498 | 16,519 | 18,017 | 1,737 | 18,212 | 19,949 |
| Grants receivable (note 3) | 991 | 182,678 | 183,669 | 2,411 | 41,075 | 43,486 |
| | 52,415 | 199,197 | 251,612 | 57,649 | 59,287 | 116,936 |

Notes (continued)

3 Grants receivable

| | Unrestricted £ | Restricted £ | Total 2016 £ | Unrestricted 2015 £ |
|--------------------------------|-------------------|-----------------|--------------------|---------------------------|
| Listed places of worship | 691 | 38,300 | 38,991 | 5,216 |
| URC National Synod of Scotland | 300 | - | 300 | 20,000 |
| Heritage Lottery Fund | - | 72,189 | 72,189 | 18,270 |
| Historic Environment Scotland | - | 72,189 | 72,189 | - |
| | <u>991</u> | <u>182,678</u> | <u>183,669</u> | <u>43,486</u> |

4 Income from trading activities

| | Unrestricted 2016 £ | Unrestricted 2015 £ |
|------------------------------------|---------------------------|---------------------------|
| <i>Income from use of premises</i> | | |
| Rents | 39,222 | 42,783 |
| Service charges | 3,351 | 4,457 |
| Other uses of premises | 59,268 | 47,927 |
| | <u>101,841</u> | <u>95,167</u> |

5 Expenditure on raising funds

| | Unrestricted 2016 £ | Unrestricted 2015 £ |
|--------------------------------------|---------------------------|---------------------------|
| Bad debts written off/(written back) | 85 | (35) |
| Premises costs (note 8) | 47,038 | 45,211 |
| | <u>47,123</u> | <u>45,176</u> |

6 Expenditure on charitable activities - Ministry and Mission costs

| | Unrestricted 2016 £ | Unrestricted 2015 £ |
|----------------------|---------------------------|---------------------------|
| Ministry and mission | 39,600 | 39,000 |
| Ministers' expenses | 7,354 | 6,857 |
| Pulpit supply | 1,011 | 275 |
| Organ | 1,375 | 1,485 |
| URC Synod | 1,226 | 1,201 |
| | <u>50,566</u> | <u>48,818</u> |

Notes (continued)

7 Expenditure on charitable activities - Worship and general expenses

| | Unrestricted 2016 £ | Restricted 2016 £ | Total 2016 £ | 2015 £ |
|-----------------------------------|---------------------------|-------------------------|--------------------|---------------|
| Benevolent payments | 2,047 | - | 2,047 | 1,725 |
| Office and miscellaneous expenses | 5,103 | - | 5,103 | 7,996 |
| Worship and other ministry | 4,604 | - | 4,604 | 5,075 |
| Website costs | 699 | - | 699 | 1,125 |
| Maintenance costs | 31,889 | 20,600 | 52,489 | 36,843 |
| Depreciation | 663 | 12,712 | 13,375 | 663 |
| Governance costs (note 11) | 3,480 | - | 3,480 | 3,276 |
| Premises costs (note 8) | 20,160 | - | 20,160 | 19,376 |
| | <u>68,645</u> | <u>33,312</u> | <u>101,957</u> | <u>76,079</u> |

8 Premises costs

| | Unrestricted 2016 £ | Unrestricted 2015 £ |
|--|---------------------------|---------------------------|
| Rates and council tax | 141 | 551 |
| Furniture and equipment | 2,572 | 828 |
| Heating and lighting | 12,129 | 15,741 |
| Insurance | 5,197 | 5,433 |
| Professional fees | - | 952 |
| Salaries and employment costs (note 10) | 46,318 | 41,082 |
| Exceptional room hire costs | 841 | - |
| | <u>67,198</u> | <u>64,587</u> |
| Allocated to expenditure on raising funds (note 5) | 47,038 | 45,211 |
| Allocated to worship and general expenses (note 7) | 20,160 | 19,376 |

Premises costs are allocated to cost of generating funds and worship expenses. The allocation has been calculated by the trustees at 70% to cost of generating funds and 30% worship expenses.

9 Roof and communications project

| | Restricted 2016 £ | Restricted 2015 £ |
|-------------------------|-------------------------|-------------------------|
| Development phase costs | - | 32,055 |
| Delivery phase costs | 237,989 | - |
| | <u>237,989</u> | <u>32,055</u> |

Notes (continued)

10 Analysis of staff costs

| | 2016 £ | 2015 £ |
|-------------------------------|---------------|---------------|
| Salaries and wages | 45,566 | 40,608 |
| Social security costs | 462 | 234 |
| Other employment costs | 72 | 240 |
| Employer pension contribution | 218 | - |
| | <u>46,318</u> | <u>41,082</u> |

Staff costs include the salary costs of the lay staff.

All key management personnel are unpaid volunteers, except the Minister who is paid a stipend by the United Reform Church. In 2016 her stipend was £27,660.

No employee was paid in excess of £60,000.

11 Governance costs

| | Unrestricted 2016 £ | Unrestricted 2015 £ |
|---------------------------|---------------------------|---------------------------|
| Audit and accountancy fee | <u>3,480</u> | <u>3,276</u> |

12 Trustees remuneration

During the year payments of expenses totalling £145 (2015: £290) were made to one trustee (2015: two trustees). In addition the minister received expenses and allowances of £6,553 (2015: £6,124) and was paid a stipend and received benefit from a pension contribution from the United Reformed Church Ministry and Mission Fund. The contribution from the Church to this fund in the year was £39,600 (2015: £39,000).

13 Staff numbers

The average number of full time equivalent employees (including casual and part time staff) during the year was as follows:

| | 2016 | 2015 |
|----------------------|----------|----------|
| Lay members of staff | <u>4</u> | <u>3</u> |

14 Auditors' remuneration

The auditors' remuneration of £3,480 (2015: £3,276) related solely to the audit.

Notes (continued)

15 Fixed assets

| | Land and buildings – specialised property £ | Equipment & furnishing £ | Total £ |
|--------------------------|---|--------------------------------|------------------|
| Cost or valuation | | | |
| At start of year | 5,900,000 | 31,068 | 5,931,068 |
| Additions | - | 50,848 | 50,848 |
| Revaluation | (700,000) | - | (700,000) |
| | <hr/> | <hr/> | <hr/> |
| At end of year | 5,200,000 | 81,916 | 5,281,916 |
| | <hr/> | <hr/> | <hr/> |
| Depreciation | | | |
| At start of year | - | 29,313 | 29,313 |
| Charge for year | - | 13,375 | 13,375 |
| | <hr/> | <hr/> | <hr/> |
| At end of year | - | 42,688 | 42,688 |
| | <hr/> | <hr/> | <hr/> |
| Net book value | | | |
| At 31 December 2016 | 5,200,000 | 39,228 | 5,239,228 |
| | <hr/> | <hr/> | <hr/> |
| At 31 December 2015 | 5,900,000 | 1,755 | 5,901,755 |
| | <hr/> | <hr/> | <hr/> |

The following information relates to tangible fixed assets carried at valuations:

| | |
|--|------------------|
| Land and buildings | £ |
| Church building – valued at depreciated replacement cost | 5,200,000 |

The value of the Church building is based on the latest valuation performed by Allied Scotland (Chartered Surveyors) in January 2017.

The trustees are not aware of any material change in value and therefore the valuations set out above have not been updated.

16 Debtors

| | 2016 £ | 2015 £ |
|--------------------------------|---------------|-----------|
| Prepayments and accrued income | 21,036 | 31,793 |
| Grants receivable | 38,280 | 27,821 |
| | <hr/> | <hr/> |
| | 59,316 | 59,614 |
| | <hr/> | <hr/> |

Notes (continued)

17 Creditors

| | 2016 £ | 2015 £ |
|------------------------------|-----------|-----------|
| Other creditors and accruals | 18,516 | 29,336 |

18 Analysis of fund movements

| | Balance at 1 January 2016 £ | Income £ | Expenditure £ | Losses on revaluation £ | Balance at 31 December 2016 £ |
|-------------------------------|--------------------------------------|-------------|------------------|-------------------------------|--|
| Unrestricted fund | | | | | |
| - General fund | 25,328 | 154,384 | (166,334) | - | 13,378 |
| Restricted funds | | | | | |
| - Fabric Fund | 110,302 | 199,197 | (271,301) | - | 38,198 |
| - Ministerial Accommodation | 210,442 | - | - | - | 210,442 |
| | 320,744 | 199,197 | (271,301) | - | 248,640 |
| Capital Endowment Fund | 5,900,000 | - | - | (700,000) | 5,200,000 |
| Total funds | 6,246,072 | 353,581 | (437,635) | (700,000) | 5,462,018 |

The Fabric Fund was set up to provide for major renovation work which may be needed. The church is a listed building which has required substantial building work in recent years and it will require continuing work. The "Development Phase" of the project concluded in early February 2016 and the entire cost of this phase was reflected in the 2015 accounts. During the current year work was completed on the "Delivery Phase" of the Roof and Communications Project.

Income in the Fabric Fund includes congregational fundraising and grants receivable. Expenditure includes all costs of the Delivery Phase. In accordance with our accounting policies, equipment and furnishings installed as part of the project have been capitalised in the Fabric Fund and will be depreciated at the rate of 25%. The balance on the Fund is essentially the net book value of those items at 31 December 2016.

The Ministerial Accommodation fund has been set up to hold the proceeds of sale of the former Manse for use in the event that future Ministers need housing assistance.

The Capital Endowment Fund reflects the value of the Church building.

Notes (continued)

19 Analysis of group net assets between funds

| | Unrestricted funds £ | Restricted funds £ | Capital endowment £ | Total funds £ |
|----------------------------------|----------------------------|--------------------------|---------------------------|---------------------|
| Fixed assets | 1,092 | 38,136 | 5,200,000 | 5,239,228 |
| Net current assets/(liabilities) | 12,286 | 210,504 | - | 222,790 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| | 13,378 | 248,640 | 5,200,000 | 5,462,018 |
| | <hr/> | <hr/> | <hr/> | <hr/> |

20 Ultimate controlling party

The charity is constituted by Trust Deed and is controlled by the elected trustees.