

# **Augustine United Church**

## **Financial statements**

**31 December 2020**

**Charity Number SC000385**

## Contents

|  | Page |
|--|------|
| Office bearers and professional advisers                                     | 1    |
| Trustees' report   | 2    |
| Independent examiner's report to the trustees of Augustine United Church     | 7    |
| Statement of financial activities (including income and expenditure account) | 8    |
| Balance sheet  | 9    |
| Statement of cash flows  | 10   |
| Notes  | 11   |

## **Office bearers and professional advisers**

### **Annual Report 2020**

#### **Office bearers and professional advisers**

##### **The Board of Trustees**

Revd. Fiona Bennett  
Ms. Eilidh Carmichael (Retired December 2020)  
Ms. Harriet Davidson  
Mr. Ben Forsyth  
Mrs. Linda Harrison  
Mr. Stephen Hoare  
Dr. Anne MacKenzie  
Mr. Jayson Manning's (Appointed January 2020, resigned July 2020)  
Mr. Tom Murray (Retired December 2020)  
Dr Alexander Peden (Appointed January 2020)  
Revd. Maxwell Reay  
Mrs. Kathleen Ziffo (Retired August 2020)  
Dr. Ewen Harley (Appointed January 2021)  
Mr. Thomas McPolin (Appointed January 2021)  
Mr. Denis Mallon (Appointed January 2021)  
Ms. Sheila Storrier (Appointed January 2021)  
Ms. Katrina Tweedie (Appointed January 2021)

##### **Charity Secretary**

Mrs. Linda Harrison (Appointed August 2020)

##### **Principal Address**

41 George IV Bridge  
Edinburgh  
EH1 1EL

##### **Independent Examiner**

James Davidson  
MHA Henderson Loggie  
11-15 Thistle Street  
Edinburgh  
EH2 1DF

##### **Bankers**

Bank of Scotland  
300 Lawnmarket  
Edinburgh  
EH1 2PH

## **Trustees' report**

### ***for the year ended 31 December 2020***

The Trustees present their report and the financial statements of the charity for the year ended 31 December 2020.

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

Augustine United Church is an unincorporated trust and a registered charity, number SCO 00385. As a congregation of the United Reformed Church (URC), day-to-day oversight of church life is exercised by a Church Council Meeting 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.

At the beginning of September, the Trustees gathered on two separate evenings with the Revd Dr John McNeil Scott, Principal of the Scottish College (SURCC), to consider the role of Trustees in charitable organisations and their place within AUC. We were sad to see two Elders step back from Church Council, one relocating and one to begin maternity leave, but look forward to being joined by three new Elders and to be re-joined by another to serve from January 2021, whilst maintaining a strong core of serving Elders and Office Bearers. Training in the role of Trustee will take place during 2021.

The historical origins of AUC have their roots in the Congregational, Presbyterian, Churches of Christ and the Metropolitan Community Church; and we welcome those from all denominations and none. It is part of a Local Ecumenical Covenant with St Columba's-by-the-Castle (Scottish Episcopal Church) and Greyfriars Kirk (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 ('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.

### **Who we are**

Augustine United Church is an active, inclusive Christian community.

We affirm and include people of all ages, abilities, sexualities, gender identities, races and faiths. Our purpose is to worship, work and grow together to promote justice and wellbeing in our lives, community and globally.

### **2020 Priorities**

Following our Shaping a Healthy Future (SHF) independent review, begun in 2019 and culminating in an Away Day attended by 53 at Colinton Kirk on 22<sup>nd</sup> February 2020, the following priorities were agreed:

1. Accommodation, Staff & Finance: to urgently address the key person dependency risk; to grow all income streams to address the financial viability risk; to carefully plan, manage and monitor Augustine's financial future; to monitor alternative accommodation options; to re-energise the Centre, Property & Finance function; to celebrate & raise awareness & ownership of the AUC centre ministry.
2. Church Life Ministry Teams and Lay Leadership: to refresh awareness of each CLMT and the CLMT model; to offer a programme of conversations to enliven and sustain lay participation; to create and maintain role descriptions for key lay roles.
3. Congregation: to raise Edinburgh's awareness of Augustine's inclusive community; to review and improve the experience of newcomers and visitors; to develop online services & community; to continue the worship, social, pastoral and education programmes; to develop Heritage & Visitor ministry.

Each point was further subdivided and all Church Life Ministry Teams (CLMTs) were asked to consider the part they play in each action point, with Church Council retaining the oversight for priorities progression.

## **Trustees' report** *(continued)* **for the year ended 31 December 2020**

### **Things to celebrate in 2020**

There was much to be celebrated as AUC moved into 2020. We received requests from three to come into membership following the momentum of the Shaping a Healthy Future Away Day, taking membership up by one to 84, as two members also sadly passed away during the year. Pledges from those present to commit to the work, mission and ministry of the church were made at the event, described as inspiring and elating. Moving on from the Away Day and the setting of priorities for 2020, and beyond, was soon met by the COVID-19 pandemic with swift response to this life-changing scene that is also to be highly celebrated.

A new Church Secretary was appointed, although pressure of work during the pandemic delayed handover beyond the AGM in May until mid-August.

The enlarged **Communications CLMT** responded by ensuring worship was uninterrupted. This swift move online continued to evolve, with new technical equipment installed by the AUC Staff Team to develop facilities that will enhance worship and Church Lets alike. Two editors came forward for the SEEDS magazine, developing the content in the Autumn issues, culminating in a spectacular 100<sup>th</sup> edition in December 2020, used as a springboard to introduce a new look and feel for SEEDS from January 2021. The website has received many hours of attention, creating a very active hub of current information, along with new initiatives to create an AUC virtual tour and AUC Heritage video, available to all and to be used in a new online membership course to be introduced in 2021.

**Centre, Property & Finance (CP&F)** worked with the Staff Team to support them through the furlough scheme, with the Church Administrator keeping in close contact with the four staff and the AUC regular Lets to ensure all were fully informed every step of the way. On the recommendation of Church Council and with the agreement of the Church Meeting, CP&F sought a new Treasurer, Centre Manager and Buildings Manager in preparation for the retirement of the person who has held those roles together, thereby meeting the first of our SHF priorities during 2020 as planned. Our new Centre Manager was appointed in July. Our new Treasurer and Building Manager take office in January 2021. We are grateful that our retiring Treasurer will offer support during the time of transition.

The **Worship & Education CLMT** developed the online worship with the Communications CLMT and offered Contextual Bible Study, repeated three times across each week, with between 5 and 7 separately from within and out-with the congregation attending each group. Involvement in worship leading has increased over the period of online worship, with some who had not been confident to be involved in worship in the building willing to pre-record readings, prayers and music contributions, including from our young people. Attendance has remained fairly constant as we have met online, with an average of 63 in the early months of the year to become an average of 65 attending live streamed worship online. Our worship and social times are regularly joined by people from around the UK and the USA. The recordings of each service are uploaded to Facebook following Sunday services, with between 50 and 70 hits during each week.

Joint worship online has continued with our ecumenical partners, St Columba's by the Castle and Greyfriars Kirk, with a memorial meal in place of communion to recognise our different understanding of the Eucharist.

The **Pastoral CLMT** established phone links connecting folk across the congregation, ensuring that everybody continued to feel part of a warm, inclusive community even in these strange days. The minister sent out monthly communications to all members in the form of letters, cards and postcards. At the beginning of Advent, to hold the congregation together through shared experience, all received Jesse Tree cards to colour or hang on the string and pegs provided. Daily Facebook posts have gone out for encouragement and support, with posts once a week taking a justice & peace theme. A National Synod of Scotland Youth and Children's grant bought 35 of the URC Advent boxes to be sent to Junior Church families and to families associated with the church. Some of the older members have begun to receive activity packs through Murrayfield, an ecumenical initiative. Worship each Sunday is followed by social time in Zoom for 45 minutes, including four or five randomly allocated breakout groups of 4 or 5 people or families to ensure all have the opportunity to catch up with others in the congregation, with time also

## **Trustees' report** *(continued)* **for the year ended 31 December 2020**

spent in the larger group. The monthly "Coffee, Cake & Conversation" social times have transformed into a Wednesday lunchtime Zoom drop-in session for an hour each week. Although the monthly lunches in the church have not been possible for most of the year, a Christmas Day event was held in Zoom with contributions from those gathered and similarly the Carol Singalong was held online between Christmas and New Year. An online Burns Ceilidh is being planned for January 2021, to include live playing of the bagpipes by one of our members.

**Junior Church** received weekly worksheets prepared by our Team during lockdown, much appreciated by our own families, but of such good quality that they were promoted across the National Synod of Scotland. Liaising with all families has continued throughout lockdown, particularly when input to worship was being prepared and the hugely appreciated Christmas gifts for the older members of the congregation were being created. On 13<sup>th</sup> December, blended worship focused on families with recorded input from Junior Church and the TLC Youth group, being valued immensely across our intergenerational community.

The **TLC Youth group** increased the frequency of their meetings to be weekly, moving back to fortnightly in the summer and taking the opportunity to meet in the garden of one of the families when Government Guidance allowed. Remote events like an Easter Egg Hunt were also arranged, involving liaison with adults to set up the hunt in each garden before the online event.

The faithful commitment and support of those who work with your children and young people, and in pastoral support of the whole congregation, has been outstanding throughout this difficult time.

Our LGBTQI+ ministry "**Our Tribe**" continues to work in partnership with the worldwide denomination of Metropolitan Community Church. Meetings have continued monthly throughout the year, online during the pandemic, with a range of visiting speakers, discussions and worship. The majority of those who would have gathered in the building continued to attend online and were joined by new participants. Pastoral support beyond the monthly meetings has been ongoing.

The **Visitor & Heritage** project continued to develop, with HerStory, an urban pilgrimage reflecting AUC values, being adapted to be suitable for personal use from the continually improving website and two further guided pilgrimages in progress. The virtual tour of the building adds to the sharing of core values from AUC's heritage with people across the world and builds foundations for this ministry with huge and exciting potential.

Our **Justice & Peace** focus has continued despite the difficulties faced by online meeting. Worship, SEEDS and weekly Facebook posts have been a helpful way to increase awareness for the charities and causes we have continued to support: Open Doors meals; Scottish Churches Housing Action; Fresh Start; Edinburgh Direct Aid (Syrian refugees); Eco-Congregation; Fairtrade; Christian Aid; Amnesty International. Through the autumn the congregation were encouraged to support our Christmas Appeals directly or through donations collected and distributed by AUC, with individual articles highlighting each in SEEDS. Sadly, our new Convener and Elder for this CLMT was affected by COVID-19, taking the difficult decision to step back, with others in the Team ensuring the work continued effectively. We look forward to welcoming the new Convener in January 2021.

AUC continues to keep a watching eye on the implications on the Church, along with the other City of Edinburgh Churches, of the City Mobility Plan, the 10-year plan in replacement of the Local Transport Strategy 2014-19, following a consultation with the congregation, responding jointly with other local churches, and individual objections to the Parking Action Plan in late 2019.

### **The COVID-19 pandemic**

The response to change brought about by the pandemic has been phenomenal, and yet devastating. As the year ended the Centre Staff Team were on flexible furlough, having begun to make huge progress towards opening the building safely in the autumn, following closely the Scottish tier system. Considerable effort by the Centre Manager and the Staff Team to put in place policies and processes to set the building up for in-person blended worship on three occasions in the late autumn, including offering training, and with a view to potential Lets was thwarted by the second lockdown following the inspiring worship on 13<sup>th</sup>

## **Trustees' report** *(continued)* **for the year ended 31 December 2020**

December. Income from Lets has not been possible for a longer period than hoped and anticipated. The 2020 priorities have not been able to be addressed as planned, although new directions have been taken in developing many significantly.

Signs of a vaccination programme, despite an elongated lockdown through Christmas and into the New Year, brings hope as AUC continues to develop all it offers flexibly to take the 2020 priorities that had to be put on hold to fruition in 2021 and to develop with enthusiasm those priorities that were managed or catapulted into being during 2020.

### **Financial Review**

Our last report was finalised in June 2020 when we were able to describe the financial impact of the pandemic and the measures taken to address the issues we foresaw:

"Financially, the impact was immediate. Our sessional letting ceased entirely in the last week of March. Four of our five staff were furloughed from 24 March and a number of our longer-term lessees are suffering extreme financial distress, exacerbated by the cancellation of the 2020 Fringe. Our objectives are to continue congregational life and work (albeit remotely), to protect our staff so far as we are able, and to be as supportive as we can of the many groups and charities with whom the Church Centre has built such close relations.

Our immediate steps have been:

- closure of the building.
- deferral, rather than cancellation, of bookings where that is possible.
- constructive discussion with longer term tenants experiencing difficulties.
- severe cost cuts
- steps to preserve congregational giving.
- reorganising our reserves to ensure that the total reserves of £226,048 at 31 December 2019 are available to support Augustine through the emergency and the recovery period, which may itself be protracted"

The situation we described continued throughout 2020 with significant impact on congregational life, sources of income and the entire community of charitable and community groups we work with. Despite that, we largely met the immediate objectives we set out.

With normal congregational life disrupted we have managed to equip ourselves to operate remotely and conduct most congregational and financial activities on-line. With the help of government grants we have retained all our staff and maintained their previous income levels. We have been as supportive and accommodating to our users and tenants as we could be. This has involved temporary reductions in rent, delayed payments on leases and considerable anxiety about the consequences.

The goodwill and assistance were not one-way. Our Centre Manager, Rachel Fitzgerald, and her staff deserve our particular thanks for their efforts to safeguard the building, support congregational life with all the changes described elsewhere and in preparing both for the short periods in which the congregation were able to use the building and the oft delayed plans to re-open for community use. Users and tenants have been as supportive of us as they are able and we are particularly grateful to the organisations which have rolled over, rather than cancel, their sessional bookings.

At the year end we took satisfaction from an anticipated deficit of "only" £4,800 achieved as the result of a variety of measures:

- a 57% reduction in room and lease rents.
- a creditable increase of 23% in congregational giving to counter a steep reduction in one-off donations from weddings, funerals, legacies and fund raising in the building.
- £22,000 of government job support grants,
- a temporary reduction in our regular contributions to the URC early in lock-down.

**Trustees' report** *(continued)*  
**for the year ended 31 December 2020**

- reduced costs from reduced use of the building and deferral of maintenance and improvement expenditure.

However, the results for 2020 were totally transformed by settlement in February of all outstanding rents for the year notwithstanding the real financial pressures on the tenants involved. We are immensely grateful for their efforts. This enables us to record a surplus of £15,662 for the year.

Our available funds on 31 December £276,981 are considered adequate for the immediate future.

**Looking forward to 2021** and beyond AUC faces a range of challenges.

We must balance the need to encourage congregational giving with the recognition that many face personal financial stress. We have increased the ways in which financial contributions can be made. The Paypal button on the website has already brought in significant income during the latter part of 2020. We are now set up for contactless giving when use of the building resumes. We hope that this will encourage contributions from new as well as established supporters.

We remain heavily dependent on Festival Fringe income which must be in some doubt due to uncertainty for 2021 and the financial pressure on tenants from meeting 2020 commitments in full. The recovery of sessional letting is likely to be slow and unpredictable. Although government Job Support has been extended until the end of September we anticipate that it will wind down before sessional letting income recovers. It is important for us to maintain our Staff Team so that Church and letting activity in the building can resume as soon as permitted.

Our 2021 pledge to the URC's Mission and Ministry fund is a large fixed cost. During 2020 we asked for a temporary reduction in contribution when we anticipated a large deficit for the year. We will have the possibility of asking for a reduction in our 2021 contribution if our financial position becomes difficult.

The 160<sup>th</sup> anniversary of the opening of the building will be on 8<sup>th</sup> November. We recognise the importance of caring for this historic building. In November the Quinquennial inspection was carried out by our conservation architect. The final report was received in January. No new problems requiring urgent action were identified. Discussion will take place to plan work on items marked as "essential" (action within three years) and "desirable" (action within five years if funds permit). As we anticipate financial challenges during 2021 the emphasis will be on regular maintenance to keep the building wind and watertight, the annual cost of which is considerable. Internal renovation and improvement will be done as funds become available.

During 2020 we anticipated that we would have to use some of our reserves. This did not turn out to be the case. It seems even more likely that our reserves will be called on during 2021. As we move through the year we will have a better idea what our financial position might be like in 2022, and whether more significant changes will be needed.

Approved by the trustees on *4th* May 2021 and signed on their behalf by:

*Linda M Harrison*

Linda Harrison  
(Church Secretary)



# Independent Examiner's report to the trustees of Augustine United Church

I report on the accounts of the charity for the year ended 31 December 2020 which are set out on pages 8 to 19.

This report is made to the trustees, as a body, in accordance with the terms of my engagement. My work has been undertaken to enable me to report my opinion as set out below and for no other purpose. To the fullest extent permitted by law I do not accept or assume responsibility to anyone other than the charity and the trustees, as a body, for my work or for this report.

## Respective responsibilities of directors and examiner

The charity's trustees are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). The charity trustees consider that the audit requirement of Regulation 10(1) (a) to (c) of the Accounts Regulations does not apply. It is my responsibility to examine the accounts as required under section 44(1) (c) of the Act and to state whether particular matters have come to my attention.

## Basis of independent examiner's statement

My examination is carried out in accordance with Regulation 11 of the 2006 Accounts Regulations (as amended). An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts and seeks explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.

## Independent examiner's statement

In the course of my examination, no matter has come to my attention other than as disclosed below:

1. which gives me reasonable cause to believe that in any material respect the requirements:
  - to keep accounting records in accordance with Section 44(1) (a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations (as amended); and
  - to prepare accounts which accord with the accounting records and comply with Regulation 8 of the 2006 Accounts Regulations (as amended);

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.



**James Davidson CA**  
Independent Examiner

5 May 2021

**Statement of financial activities (including income and expenditure account)**  
*for the year ended 31 December 2020*

|  |             | 2020<br>Unrestricted<br>Funds<br>£ | 2020<br>Endowment<br>Funds<br>£ | 2020<br>Total<br>Funds<br>£ | 2019<br>Total<br>Funds<br>£ |
|--|-------------|------------------------------------|---------------------------------|-----------------------------|-----------------------------|
|  | <i>Note</i> |                                    |                                 |                             |                             |
| <b>Income</b>                                |             |                                    |                                 |                             |                             |
| Donations and legacies                       | 2           | 108,532                            | -                               | 108,532                     | 95,148                      |
| Income from charitable activities            | 4           | 77,827                             | -                               | 77,827                      | 129,820                     |
| Income from investments                      |             | 87                                 | -                               | 87                          | 95                          |
| Other income - insurance                     |             | -                                  | -                               | -                           | 7,970                       |
| <b>Total income and endowments</b>           |             | <b>186,446</b>                     | <b>-</b>                        | <b>186,446</b>              | <b>233,033</b>              |
| <b>Expenditure</b>                           |             |                                    |                                 |                             |                             |
| Expenditure on raising funds                 | 5           | 51,390                             | -                               | 51,390                      | 58,693                      |
| <i>Expenditure on charitable activities:</i> |             |                                    |                                 |                             |                             |
| Ministry and mission costs                   | 6           | 53,021                             | -                               | 53,021                      | 59,391                      |
| Worship costs                                | 7           | 66,373                             | -                               | 66,373                      | 103,184                     |
| <b>Total expenditure</b>                     |             | <b>170,784</b>                     | <b>-</b>                        | <b>170,784</b>              | <b>221,268</b>              |
| <b>Net income</b>                            |             | <b>15,662</b>                      | <b>-</b>                        | <b>15,662</b>               | <b>11,765</b>               |
| Transfers between funds                      | 16          | -                                  | -                               | -                           | -                           |
| <b>Net movement in funds</b>                 |             | <b>15,662</b>                      | <b>-</b>                        | <b>15,662</b>               | <b>11,765</b>               |
| Total funds brought forward                  | 16          | 261,319                            | 5,200,000                       | 5,461,319                   | 5,449,554                   |
| <b>Total funds carried forward</b>           | <b>16</b>   | <b>276,981</b>                     | <b>5,200,000</b>                | <b>5,476,981</b>            | <b>5,461,319</b>            |

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 2020*

|  | Note  | 2020<br>£      | 2020<br>£        | 2019<br>£      | 2019<br>£        |
|--|-------|----------------|------------------|----------------|------------------|
| <b>Fixed assets</b>                          |       |                |                  |                |                  |
| Tangible fixed assets                        | 13    |                | 5,205,344        |                | 5,201,084        |
| <b>Current assets</b>                        |       |                |                  |                |                  |
| Debtors                                      | 14    | 48,354         |                  | 31,982         |                  |
| Cash at bank and in hand                     |       | 236,989        |                  | 249,219        |                  |
|  |       | <u>285,343</u> |                  | <u>281,201</u> |                  |
| <b>Current liabilities</b>                   |       |                |                  |                |                  |
| Creditors falling due within one year        | 15    | (13,706)       |                  | (20,966)       |                  |
| <b>Net current assets</b>                    |       |                | <u>271,637</u>   |                | <u>260,235</u>   |
| <b>Total assets less current liabilities</b> |       |                | <u>5,476,981</u> |                | <u>5,461,319</u> |
| <b>Funds</b>                                 |       |                |                  |                |                  |
| Unrestricted funds                           | 16,17 |                | 276,981          |                | 261,319          |
| Endowment funds                              | 16,17 |                | 5,200,000        |                | 5,200,000        |
| <b>Total funds</b>                           | 16,17 |                | <u>5,476,981</u> |                | <u>5,461,319</u> |

The notes on pages 11 to 19 form part of these financial statements.

Signed:

*Linda H Harrison*

**Linda Harrison**  
Trustee

Approved and authorised for issue by the Trustees on *6th* May 2021.

**Statement of cash flows**  
*for the year ended 31 December 2020*

|   | 2020<br>£ | 2020<br>£ | 2019<br>£ | 2019<br>£ |
|---|-----------|-----------|-----------|-----------|
| <b>Cash flows from operating activities</b>                         |           |           |           |           |
| Net Income  | 15,662    |           | 11,765    |           |
| Depreciation charges  | 2,142     |           | 13,254    |           |
| (Increase)/decrease in debtors                                      | (16,372)  |           | 10,736    |           |
| (Decrease) in creditors   | (7,260)   |           | (3,490)   |           |
| Investment income   | (87)      |           | (95)      |           |
|   |           |           |           |           |
| <b>Cash (used in)/provided by operating activities</b>              |           | (5,915)   |           | 32,170    |
|   |           |           |           |           |
| <b>Cash flows from investing activities</b>                         |           |           |           |           |
| Interest received   | 87        |           | 95        |           |
| Payments to acquire fixed assets                                    | (6,402)   |           | -         |           |
|   |           |           |           |           |
| <b>Cash (used in)/provided by investing activities</b>              |           | (6,315)   |           | 95        |
|   |           |           |           |           |
| <b>(Decrease)/increase in cash and cash equivalents in the year</b> |           | (12,230)  |           | 32,265    |
| Cash and cash equivalents at beginning of year                      |           | 249,219   |           | 216,954   |
|   |           |           |           |           |
| <b>Cash and cash equivalents at end of year</b>                     |           | 236,989   |           | 249,219   |
|   |           |           |           |           |
| <b>Cash and cash equivalents comprise:</b>                          |           |           |           |           |
| Cash at bank and in hand  |           | 236,989   |           | 249,219   |

## 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).

These financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

#### ***Going concern***

The trustees have considered the impact of the COVID-19 pandemic and consider it appropriate to prepare the financial statements on a going concern basis for the reasons as set on pages 5-6.

#### ***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)**

***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.

**Judgements in applying key sources of estimation uncertainty**

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

In preparing these financial statements, the trustees have made the following judgements:

- Tangible fixed assets are depreciated over a period to reflect their estimated useful lives. The applicability of the assumed lives is reviewed annually, taking into account factors such as physical condition, maintenance and obsolescence.
- Fixed assets are also assessed as to whether there are indicators of impairment. This assessment involves consideration of the economic viability of the purpose for which the asset is used.

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

**2 Donations and legacies**

|                                   | Unrestricted<br>2020<br>£ | Restricted<br>2020<br>£ | Total<br>2020<br>£ | Unrestricted<br>2019<br>£ | Restricted<br>2019<br>£ | Total<br>2019<br>£ |
|-----------------------------------|---------------------------|-------------------------|--------------------|---------------------------|-------------------------|--------------------|
| <b>Offerings</b>                  |                           |                         |                    |                           |                         |                    |
| Freewill offerings                | 55,927                    | -                       | 55,927             | 45,260                    | -                       | 45,260             |
| Open offerings                    | 1,306                     | -                       | 1,306              | 6,582                     | -                       | 6,582              |
| <b>Donations</b>                  |                           |                         |                    |                           |                         |                    |
| Donations for benevolent purposes | 961                       | -                       | 961                | 449                       | -                       | 449                |
| Donations                         | 23,944                    | -                       | 23,944             | 19,214                    | 20,069                  | 39,283             |
| Grants receivable (note 3)        | 26,392                    | -                       | 26,392             | 3,574                     | -                       | 3,574              |
|                                   | <u>108,530</u>            | <u>-</u>                | <u>108,530</u>     | <u>75,079</u>             | <u>20,069</u>           | <u>95,148</u>      |

**3 Grants receivable**

|                                | Unrestricted<br>2020<br>£ | Unrestricted<br>2019<br>£ |
|--------------------------------|---------------------------|---------------------------|
| Listed places of worship       | 2,261                     | 1,574                     |
| URC National Synod of Scotland | 2,120                     | 2,000                     |
| CJRS Grants                    | 22,011                    | -                         |
|                                | <u>26,392</u>             | <u>3,574</u>              |

**4 Income from charitable activities**

|                                    | Unrestricted<br>2020<br>£ | Unrestricted<br>2019<br>£ |
|------------------------------------|---------------------------|---------------------------|
| <b>Income from use of premises</b> |                           |                           |
| Rents                              | 59,754                    | 56,633                    |
| Service charges                    | 4,224                     | 7,816                     |
| Other uses of premises             | 13,849                    | 65,371                    |
|                                    | <u>77,827</u>             | <u>129,820</u>            |

**5 Expenditure on raising funds**

|                         | Unrestricted<br>2020<br>£ | Unrestricted<br>2019<br>£ |
|-------------------------|---------------------------|---------------------------|
| Bad debts written off   | 443                       | 131                       |
| Premises costs (note 8) | 50,946                    | 58,562                    |
|                         | <u>51,390</u>             | <u>58,693</u>             |

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

**6 Expenditure on charitable activities - Ministry and Mission costs**

|                          | <b>Unrestricted<br/>2020<br/>£</b> | <b>Unrestricted<br/>2019<br/>£</b> |
|--------------------------|------------------------------------|------------------------------------|
| Ministry and mission     | <b>38,902</b>                      | 42,960                             |
| Ministers' expenses      | <b>6,126</b>                       | 8,226                              |
| Organ                    | <b>1,110</b>                       | 1,430                              |
| URC Synod                | <b>1,059</b>                       | 1,019                              |
| Visitor Ministry project | <b>5,824</b>                       | 5,756                              |
|                          | <b>53,021</b>                      | 59,391                             |

**7 Expenditure on charitable activities - Worship and general expenses**

|                                   | <b>Unrestricted<br/>2020<br/>£</b> | <b>Restricted<br/>2020<br/>£</b> | <b>Total<br/>2020<br/>£</b> | <b>Total<br/>2019<br/>£</b> |
|-----------------------------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Benevolent payments               | <b>1,875</b>                       | -                                | <b>1,875</b>                | 1,499                       |
| Office and miscellaneous expenses | <b>6,660</b>                       | -                                | <b>6,660</b>                | 6,424                       |
| Worship and other ministry        | <b>4,580</b>                       | -                                | <b>4,580</b>                | 4,030                       |
| Maintenance costs                 | <b>22,946</b>                      | -                                | <b>22,946</b>               | 39,004                      |
| Depreciation                      | <b>2,142</b>                       | -                                | <b>2,142</b>                | 13,254                      |
| Governance costs (note 10)        | <b>2,400</b>                       | -                                | <b>2,400</b>                | 3,900                       |
| Premises costs (note 8)           | <b>21,834</b>                      | -                                | <b>21,834</b>               | 25,099                      |
| Consultancy fees                  | <b>3,915</b>                       | -                                | <b>3,915</b>                | 9,855                       |
| Miscellaneous                     | <b>21</b>                          | -                                | <b>21</b>                   | 119                         |
|                                   | <b>66,373</b>                      | -                                | <b>66,373</b>               | 103,184                     |

Included in 2019 were £12,712 of restricted depreciation costs.



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

**8 Premises costs**

|  | <b>Unrestricted<br/>2020<br/>£</b> | Unrestricted<br>2019<br>£ |
|--|------------------------------------|---------------------------|
| Rates and council tax                              | <b>2,434</b>                       | 3,503                     |
| Furniture and equipment                            | <b>696</b>                         | 1,083                     |
| Heating and lighting                               | <b>8,494</b>                       | 18,559                    |
| Insurance  | <b>3,670</b>                       | 3,464                     |
| Professional fees                                  | <b>1,440</b>                       | 1,650                     |
| Salaries and employment costs (note 9)             | <b>56,046</b>                      | 54,304                    |
| Exceptional room hire costs                        | -                                  | 1,098                     |
|  | <hr/> <b>72,780</b> <hr/>          | <hr/> 83,661 <hr/>        |
| Allocated to expenditure on raising funds (note 5) | <b>50,946</b>                      | 58,562                    |
| Allocated to worship and general expenses (note 7) | <b>21,834</b>                      | 25,099                    |
|  | <hr/> <hr/>                        | <hr/> <hr/>               |

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 Analysis of staff costs**

|                               | <b>2020<br/>£</b>         | 2019<br>£          |
|-------------------------------|---------------------------|--------------------|
| Salaries and wages            | <b>53,495</b>             | 52,140             |
| Employer pension contribution | <b>2,490</b>              | 2,164              |
| Employer pension contribution | <b>61</b>                 | -                  |
|                               | <hr/> <b>56,046</b> <hr/> | <hr/> 54,304 <hr/> |

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 2020 her stipend was £30,750.

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

**10 Governance costs**

|                             | <b>Unrestricted<br/>2020<br/>£</b> | Unrestricted<br>2019<br>£ |
|-----------------------------|------------------------------------|---------------------------|
| Independent examination fee | <b>2,400</b>                       | -                         |
| Audit fee                   | -                                  | 3,900                     |
|                             | <hr/> <hr/>                        | <hr/> <hr/>               |

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

**11 Trustees remuneration**

During the year payments of expenses totalling £720 (2019: £865) were made to one trustee (2019: 2 trustees). In addition, the minister received expenses and allowances of £5,405 (2019: £7,506) 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 £38,902 (2019: £42,960).

**12 Staff numbers**

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

|                      | 2020 | 2019 |
|----------------------|------|------|
| Lay members of staff | 3    | 3    |

**13 Fixed assets**

|                             | Land and buildings – specialised property<br>£ | Equipment & furnishing<br>£ | Total<br>£ |
|-----------------------------|--|-----------------------------|------------|
| <b>Cost or valuation</b>    |  |                             |            |
| At start of and end of year | 5,200,000                                      | 84,083                      | 5,284,083  |
| Additions                   | -  | 6,402                       | 6,402      |
| At end of year              | 5,200,000                                      | 90,485                      | 5,290,485  |
| <b>Depreciation</b>         |  |                             |            |
| At start of year            | -  | 82,999                      | 82,999     |
| Charge for year             | -  | 2,142                       | 2,142      |
| At end of year              | -  | 85,141                      | 85,141     |
| <b>Net book value</b>       |  |                             |            |
| At 31 December 2020         | 5,200,000                                      | 5,344                       | 5,205,344  |
| At 31 December 2019         | 5,200,000                                      | 1,084                       | 5,201,084  |

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

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

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

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.

**14 Debtors**

|                                | 2021<br>£     | 2020<br>£     |
|--------------------------------|---------------|---------------|
| Prepayments and accrued income | 45,857        | 30,407        |
| Grants receivable              | 2,497         | 1,575         |
|                                | <u>48,354</u> | <u>31,982</u> |

**15 Creditors**

|                              | 2021<br>£     | 2020<br>£     |
|------------------------------|---------------|---------------|
| Other creditors and accruals | 13,706        | 20,966        |
|                              | <u>13,706</u> | <u>20,966</u> |

**16 Analysis of fund movements**

|                               | Balance at<br>1 January<br>2020<br>£ | Income<br>£    | Expenditure<br>£ | Transfers<br>£ | Balance at<br>31 December<br>2020<br>£ |
|-------------------------------|--------------------------------------|----------------|------------------|----------------|--|
| <b>Unrestricted fund</b>      |                                      |                |                  |                |  |
| - General fund                | 35,271                               | 186,446        | (170,784)        | (15,709)       | 35,224                                 |
| <b>Designated funds</b>       |                                      |                |                  |                |  |
| - Fabric Fund                 | 90,420                               | -              | -                | 15,622         | 106,042                                |
| - Ministerial Accommodation   | 135,628                              | -              | -                | 87             | 135,715                                |
|                               | <u>261,319</u>                       | <u>186,446</u> | <u>(170,784)</u> | <u>-</u>       | <u>276,981</u>                         |
| <b>Capital Endowment Fund</b> | 5,200,000                            | -              | -                | -              | 5,200,000                              |
| <b>Total funds</b>            | <u>5,461,319</u>                     | <u>186,446</u> | <u>(170,784)</u> | <u>-</u>       | <u>5,476,981</u>                       |

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.

Incoming resources in the Fabric Fund includes congregational fundraising and grants receivable. Resources expended includes all maintenance costs and depreciation.

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.

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

**16 Analysis of fund movements** *(continued)*

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

|                               | Balance at<br>1 January<br>2019<br>£ | Income<br>£           | Expenditure<br>£        | Transfers<br>£   | Balance at<br>31 December<br>2019<br>£ |
|-------------------------------|--------------------------------------|-----------------------|-------------------------|------------------|--|
| <b>Unrestricted fund</b>      |                                      |                       |                         |                  |  |
| - General fund                | 30,958                               | 212,869               | (208,556)               | -                | 35,271                                 |
| <b>Designated funds</b>       |                                      |                       |                         |                  |  |
| - Fabric Fund                 | -                                    | -                     | -                       | 90,420           | 90,420                                 |
| - Ministerial Accommodation   | -                                    | -                     | -                       | 135,628          | 135,628                                |
|                               | <u>30,958</u>                        | <u>212,869</u>        | <u>(208,556)</u>        | <u>226,048</u>   | <u>261,319</u>                         |
| <b>Restricted funds</b>       |                                      |                       |                         |                  |  |
| - Fabric Fund                 | 83,063                               | 20,069                | (12,712)                | (90,420)         | -                                      |
| - Ministerial Accommodation   | 135,533                              | 95                    | -                       | (135,628)        | -                                      |
|                               | <u>218,596</u>                       | <u>20,164</u>         | <u>(12,712)</u>         | <u>(226,048)</u> | <u>-</u>                               |
| <b>Capital Endowment Fund</b> | <u>5,200,000</u>                     | <u>-</u>              | <u>-</u>                | <u>-</u>         | <u>5,200,000</u>                       |
| <b>Total funds</b>            | <u><u>5,449,554</u></u>              | <u><u>233,033</u></u> | <u><u>(221,268)</u></u> | <u><u>-</u></u>  | <u><u>5,461,319</u></u>                |

With effect from 31 December 2019, and with agreement of the Synod of Scotland, both the Fabric Fund and Ministerial Funds shall be held as designated funds and available to support the ongoing activities of Augustine United Church as Church Council shall decide. As such, the full balances have been transferred at 31 December 2019 from restricted funds to designated.

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

**17 Analysis of group net assets between funds**

| <b>2020</b>        | <b>Unrestricted<br/>funds<br/>£</b> | <b>Capital<br/>endowment<br/>£</b> | <b>Total<br/>funds<br/>£</b> |
|--------------------|-------------------------------------|------------------------------------|------------------------------|
| Fixed assets       | <b>5,344</b>                        | <b>5,200,000</b>                   | <b>5,205,344</b>             |
| Net current assets | <b>271,637</b>                      | <b>-</b>                           | <b>271,637</b>               |
|                    | <hr/>                               | <hr/>                              | <hr/>                        |
|                    | <b>276,981</b>                      | <b>5,200,000</b>                   | <b>5,476,981</b>             |
|                    | <hr/>                               | <hr/>                              | <hr/>                        |
| <b>2019</b>        | <b>Unrestricted<br/>funds<br/>£</b> | <b>Capital<br/>endowment<br/>£</b> | <b>Total<br/>funds<br/>£</b> |
| Fixed assets       | 1,084                               | 5,200,000                          | 5,201,084                    |
| Net current assets | 260,235                             | -                                  | 260,235                      |
|                    | <hr/>                               | <hr/>                              | <hr/>                        |
|                    | 261,319                             | 5,200,000                          | 5,461,319                    |
|                    | <hr/>                               | <hr/>                              | <hr/>                        |

**18 Ultimate controlling party**

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