

**Mid Deeside Parish
Church of Scotland**

TRUSTEES' REPORT AND ACCOUNTS

Year ended 31st December 2019

Congregation No: 321931

Charity No: SC 012967

Mid Deeside Parish Church of Scotland
Reference and administrative information

Charity name: Mid Deeside Parish, Church of Scotland
Charity registration number: SC 012967
Congregation reference no: 321931
Contact address: St Marnan Road
Torphins, Banchory
Kincardineshire
AB31 4JQ

Trustees - Kirk Session members:

Ms Tracy Anderson	Mrs Ruth Jones
Mr Bob Auckland	Mr Alistair Kellas
Mrs Pam Auckland	Mrs Dorothy Keir
Mr Alan Bainbridge	Mr Dave McGregor
Mr Arthur Beaton	Mrs Alice McLean
Mrs Sheila Blair	Mr Andrew McMurtrie
Mrs Irene Bonner	Mrs Sheila McMurtrie
Mr Danny Brown	Mr Rob Mackay
Mr Frank Crichton	Mrs Mary Marshall
Mrs Shiona Davidson	Mr Neil Mathers
Mrs Hilary Dow	Miss Maureen Mearns
Mr Peter Ferries	Mrs Lilian Milne
Mrs Alison Findlay	Mrs May Murray
Mr Archie Findlay	Mr Richard Orren
Mr Colin Guy	Mrs Margaret Stewart
Mrs Sharon Guy	Mr Brian Still
Mrs Anne Hilton	Mrs Lesley Stone
Mr Charlie Hilton	Mr David Wildgoose
Mr Pete Howe	Mrs Edna Wildgoose
Mr Maurice Jones	

Principal office-bearers:

Minister: Rev Holly Smith (from 8.8.19)
Interim Moderator: Rev Tony Stephen (to 8.8.19)
Session Clerk: Mrs Pam Auckland
Church Treasurer: Mr Bob Auckland

Independent examiner:

Mr Raymond Donald
8 Battock Terrace
Torphins
AB31 4JD

Bankers:

Clydesdale Bank plc
38 High Street
Banchory
AB31 5RS

Mid Deeside Parish Church of Scotland
Trustees' Report
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Structure, governance and management

Governing Document

The Church is administered in accordance with the Unitary Constitution of the Church of Scotland.

Recruitment and appointment of Trustees

Members of the Kirk Session are the charity trustees. The Kirk Session members are the elders of the Church and are chosen from those members of the Church who are considered to have the appropriate gifts and skills.

Organisational structure

The Kirk Session, which meets six to eight times a year, is responsible for spiritual affairs within the Church. It is represented at Presbytery by an elected elder. Day to day affairs are looked after by various Teams which report regularly to Kirk Session via a Steering Group made up of representatives from each Team and the Minister or Moderator and the Session Clerk.

The Congregational Roll at 31st December 2019 stood at 485 members (2018: 537).

Objectives

The Church of Scotland is Trinitarian in doctrine, Reformed in tradition and Presbyterian in polity. It exists to glorify God and to work for the advancement of Christ's Kingdom throughout the world. As a national Church, it acknowledges a distinctive call and duty to bring the ordinances of religion to the people in every parish of Scotland through a territorial ministry. It co-operates with other churches in various ecumenical bodies in Scotland and beyond.

The Kirk Session is keen to try to encourage young people to become involved in the work and worship of the church and plans are in place for Messy Church sessions in 2020 as well as social activities like the Christmas Tree Festival. A job description for a part time youth/family worker has been drawn up and funds should be available to employ someone for this role for at least two years. The appointment of the Rev. Holly Smith as our minister has seen a regular increase in attendance at weekly worship and Holly is also visiting the local schools, both primary and secondary.

Activities, achievements and performance

Thursday 8th August was the date for the induction of our new minister, Rev. Holly Smith, who came to us from Texas after a year of familiarisation at Mannofield Church in Aberdeen. Holly and her husband and family moved into the new manse which was purchased in August following the sale of the original manse in March. Holly has settled in very well and her energy and enthusiasm for sharing God's love are an inspiration to all.

Morning worship takes place each Sunday in the church building in Torphins. Communion is held bi-monthly and a service takes place in Annesley Care Homes on a monthly basis. The morning service is now being live-streamed to the church Facebook page and a number of people take advantage of this provision.

There was the usual excellent attendance at our Church Garden Praise service in August though the weather meant that it had to take place indoors once again. The Granite City Brass Band accompanied the singing with their accustomed professionalism.

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Activities, achievements and performance (continued)

Volunteers are available to give a lift to anyone requiring transport to church and a number of residents in the local Care Homes take advantage of this.

Children's Christian education is looked after in Rocking Stones which is attended by nine young people (2018: 7). Infants are cared for in Pebbles. The Rocking Stones leaders plan teaching and activities appropriate to those in attendance. The young people led the Nativity service and attend Communion.

A regular inter-generational activity is the Knit One, Purl One group which meets monthly to teach and share knitting and crochet skills.

The Garden Gang continue to work hard each week from Spring till Christmas to keep the grounds at all our properties looking tidy and colourful and the Rocking Stones have joined in by planting fruit trees at the church. This summer they enjoyed the first fruits from their trees.

Music Box, our group for parents or carers with pre-school children, meets in the church hall in Lumphanan every Monday during term time for singing, snack and playtime. This lively group continues to grow with up to 20 families taking part.

To encourage outreach, the congregation lets out the Ha'berry bungalow and gardens to Torphins Playgroup for its sole use during the school terms. Also, the local primary school makes use of the church for its Christmas and summer assemblies.

There are two House Groups which meet regularly for study and fellowship. These are open to anyone who wishes to join and around 16 people currently attend one or the other group.

The Church encourages the congregation to read God's word every day and currently makes available the quarterly booklet, "The WORD for Today", which is a daily study aid providing encouraging words and helpful bible references. In addition, around 30 members of the congregation subscribe to the Church of Scotland's monthly "Life and Work" magazine.

A Prayer Group, which meets each Sunday before worship, prays for all those for whom prayer request slips have been completed. The slips are available in the church foyer for anyone to use.

The Pastoral Care Co-ordination Team holds regular meetings which results in a good knowledge of those in the Parish who might appreciate a visit and then arranges for these visits to take place. The team is also developing a card and flower ministry which will enable contact with a greater number of people.

The Guild continues to enjoy the very loyal, committed support of some 25 members. Visitors are welcomed at the monthly meetings too. The Guild play an important role in congregational life, actively promoting and fund raising for national Guild projects, organising and leading the World Day of Prayer service and helping out with local church activities and fund-raising events.

The Choir, which has around 14 members, meets every week and takes part in special worship services as well as leading the congregational singing on a Sunday.

Mid Deeside Parish Church of Scotland

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Year ended 31st December 2019

Activities, achievements and performance (continued)

Members have been helping the congregation to learn a number of new hymns. The choir also entertains at the Holiday at Home in the summer and at the Christmas Tree Festival.

The Praise Band continues to rehearse weekly and is always keen to welcome new members. It accompanies praise at morning worship from time to time and the brass players also take part in the Christmas services.

The Banner Group creates beautiful banners to enhance the worship space and members have also tackled other sewing projects such as making drawstring bags which have been filled with activities for small children to use in the church.

A Church Newsletter is published three times a year in hard copy and distributed to all homes within the three villages. It is an important part of our outreach and contains news of the various activities, dates of services and events, puzzles and articles. Copies are also passed on to others who live outwith the Parish.

The Communications Team also produces a fortnightly 'Keeping in Touch' (KIT) e-mail which anyone can request to receive. This provides information about week to week activities and services and church family news as well as reports from the Church of Scotland and beyond. Some recipients also print out a copy to pass on to a friend or neighbour who does not have e-mail. KIT is a much valued method of communication, especially for those unable to attend worship regularly. The number of people receiving KIT continues to increase.

The Church website www.middeesidechurch.org.uk continues to be developed. The site includes details of most aspects of Mid Deeside Church's events, groups and dates/venues. The newsletter can be downloaded in PDF form via the website.

From October to April there is a Soup Lunch on the second Thursday of the month and these are so popular that the tables are nearly all filled by the published starting time of noon! These events provide a chance for people to come along and chat with friends whilst attempting to answer the questions on the quiz sheet. There is always a good deal of competition to have the top score in the quiz. On the fourth Thursday of these months a Games afternoon takes place where people can join in Scrabble, whist, dominoes and other table games and enjoy a news and a cup of tea.

The congregation continues to support the Fair Trade movement with a Traidcraft stall every Sunday and other events throughout the year including the Big Brew and our own Christmas Shopping Evening. The congregation and friends also continue to support the Blythswood Shoe Box appeal each Christmas.

Members of the congregation and wider community took part in a 'Reverse Advent Calendar' initiative in December. Each day items known to be required by the local Food Bank were added to a bag or box which was delivered to the church after Christmas. Three car-loads of food and toiletries were delivered to the Food Bank in early January.

The Holiday at Home week with afternoon activities for senior citizens held in July, is always fully subscribed and the organising team provide a great programme of entertainment and activities as well as tea and fine pieces for all.

Mid Deeside Parish Church of Scotland

Trustees' Report

Year ended 31st December 2019

Activities, achievements and performance (continued)

Christian Aid Week was supported with a soup lunch and donations by envelope and this year the total raised at our fete at the end of May and the Kincardine O'Neil sale in September along with other fundraising activities were also donated to Christian Aid. In 2019 a total of £5,494 (2018: £701) was raised and donated to Christian Aid.

The 'Bread of Life' Charity Shop, which opened in June 2014, goes from strength to strength and volunteers and customers celebrated its fifth anniversary with coffee and cake in the shop. There is a large team of volunteers who work in the shop sorting goods, preparing the window displays, serving at the counter and banking the takings. The policy of the shop is to support the church and worthwhile causes within the Parish.

In 2019 a total of £16,836 (2018: £6,149) was distributed out of the Charity Shop trading surplus to various causes in the Parish as follows:

Lumphanan Playpark improvement project- toddlers play equipment	£1,000
Torphins Primary School- New sound system for hall	£1,520
Torphins Scouting Groups- Gardening equipment and shed	£600
Torphins Paths Group- paths improvements	£1,900
Torphins Playgroup	£730
Torphins Medical Practice- portable ECG machine	£1,811
Lumphanan Paths Group- preliminary expenses	£1,460
Torphins Over 55s Friendship Club- bus for summer outing	£330
Defibrillator pads- ongoing commitment	£37
Torphins Primary School- Fischy Music subscription- ongoing support	£298
Lumphanan Moving Pictures- film licences & hall hire	£700
Torphins Community Council- LED Christmas lights	£2,500
Kincardine O'Neil Twinning- entertaining French visitors	£500
Mesolithic Deeside Fieldwalking Group- exploration of site at Kincardine O'Neil	£500
Torphins Bowling Club- toilet improvements	£1,000
Young grower award- new trophy	£200
Grants to assist young people's foreign trips	£1,750

In addition, £500 was given to the church's organ restoration project (this is shown within transfers between funds in note 2 of the accounts). The Charity Shop will donate up to £500 at a time, as required, to the Benevolent Fund which is a fund available to the minister to make discretionary and confidential grants to those in real need in the Parish.

We were pleased to host a meeting of elders from the churches in our Presbytery cluster group to fulfil the instruction from the General Assembly to reflect on the state of decline of the national Church and how that affects the Church locally, to determine what our vision and mission is for the next three years and to explore how the fresh vision for eldership applies to our particular local context.

Three Fun Nights for primary school aged children were held in October 2018, Christmas 2018 and Easter 2019 and the children enjoyed crafts, games, bible stories and food. The number attending increased with each event and parents who stayed were able to have a cup of tea and time to chat with each other.

Mid Deeside Parish Church of Scotland

Trustees' Report

Year ended 31st December 2019

Activities, achievements and performance (continued)

Our fledgling Men's Group had its first meeting in May when an evening of games and challenges in a round robin style contest was followed by a simple supper.

World Communion Sunday was celebrated in October along with Harvest Thanksgiving with a variety of breads from around the world being served. This was followed by the ever popular soup lunch and many members of the community received one of the baskets of flowers generously donated by a green fingered member of the congregation.

Members of the congregation and the wider community continue to support the Joyful Motherhood Project in Malawi by sending hand knitted jerseys, blankets and soft toys for newborn babies. The significant cost of posting these items is mainly covered by donations and fundraising events. This support is much valued by the staff at Joyful Motherhood and they send regular reports of their work to keep us up to date.

Our now annual Christmas Tree Festival took place in December with nearly 40 trees displayed in the sanctuary and hallway. Entertainment and refreshments were provided and we were particularly delighted to welcome the Torphins Primary School Choir who sang on the Friday afternoon.

One down-side of our lovely warm sanctuary is that the organ is suffering from the lack of humidity. The music team have had a quotation to remedy this and have organised pancake teas and a concert to raise the funds to pay for the repair.

One of our objectives when building our church complex was to provide a building which would also serve our community. The facilities continue to be used by a wide variety of community groups, for example the community choir, the Bridge Club, exercise classes, Mah Jong, baby yoga and massage, the Over 55s Friendship Club, counselling sessions and groups from beyond the Parish come for meetings and away-days.

Financial review

Presentation of accounts

Once again, this year's Accounts include only those funds held locally by the congregation. Those funds held by the General Trustees at the Church of Scotland in Edinburgh are shown in the Appendix. Legal titles for all church properties are also held by the General Trustees.

Church buildings, equipment and grounds

In 2019 the congregation replaced its old manse with a more modern building which will be easier and less expensive to maintain in the longer term. The newer manse is also more attractive for a minister with a family which has been borne out. The old manse was sold for £345,333 and the new manse was purchased for £371,500. In addition, there were marketing, registration, valuation and transaction costs over the past two years amounting to £2,435 (net of interest income) and legal fees totalling £4,550 were incurred.

Once again, a lot of work was carried out and expenditure incurred on the fabric of buildings, equipment and upkeep of grounds. A summary cost analysis is included on the next page.

Mid Deeside Parish Church of Scotland

Trustees' Report

Year ended 31st December 2019

Financial review (continued)

Church buildings, equipment and grounds (continued)

Fabric, equipment & grounds (including repairs & maintenance):		2019	2018	2017
		£	£	£
Church & extension	Service & repairs to boiler	323	127	130
	Service for fire alarm system & extinguishers	436	129	-
	Service/filters for heat recovery system	633	-	274
	Painting, decorating & lighting	-	-	171
	Organ maintenance & estimates	-	144	-
	Roof vent repair and roof security	-	9,242	-
	Repairs to downpipe	297	-	-
	Repairs to kitchen worktop	100	-	-
	Window cleaning	210	-	-
	Handrails for dias	120	50	-
	Other	165	229	329
Old Manse	Architect fees, surveys & planning costs	1,030	2,206	-
	Valuation fees	-	-	400
	Roof slate repairs	-	147	-
	Other - inspections, boiler & chimney	123	136	184
New Manse	Kitchen equipment & white goods	1,627	-	-
	Lawnmower	418	-	-
	Other garden equipment & fixtures	282	-	-
	Other	163	-	-
Ha'berry	Carpet	-	547	-
	External joinery repairs (incl. rear porch)	-	-	6,006
	Tree surgery & pruning	-	300	-
	Other, including inspection costs	94	43	15
Charity shop – 'Bread of Life'	Joinery, electrics, heating, inspections, etc.	505	650	671
Lumphanan church hall	Electric heater & seven-day timer	7	55	-
	Drains, painting, inspections, etc.	94	61	6
Upkeep of grounds	Grit & salt, grit spreader, boxes & shovels	36	385	-
	Traffic cones, safety equipment, signage, etc.	97	129	188
	Snow clearing charges	400	-	-
	Tree surgery & pruning	-	650	-
	Bedding plants, young trees & gardening	165	323	-
	Ride-on mower service & repairs	174	-	-
	Road sign to church	300	-	-
Electronic equipment	Portable wi-fi sound system	-	1,134	-
	Laptop computers (x2)	1,829	-	-
	Printer	35	-	-
	Microphone	474	-	-
	Control4 software (installation)	215	-	-
		10,352	16,687	8,374

In 2019 there were no large repairs, but the new manse was kitted out and two laptop computers were purchased. In 2018 there was a large repair to the vent on the top of the church roof which had to be replaced. These fabric related costs were funded through the locally held general, fabric, organ restoration and charity shop funds.

Mid Deeside Parish Church of Scotland

Trustees' Report

Year ended 31st December 2019

Financial review (continued)

General Fund

The General Fund is one of the four 'unrestricted' funds shown in the body of the Accounts, and as it is used for running most of the congregation's activities further analyses is set out in the sections below.

The main items of operational income and expenditure in the General Fund are summarised in the following table:

General Fund		2019	2018	2017
		£	£	£
Operating income	Giving & Gift Aid reclaimed	63,697	64,742	60,354
	Legacies	7,724	-	-
	Fundraising (incl. sales of works)	3,341	2,498	3,948
	Rental income (incl. funerals)	12,903	15,852	8,540
	Investment income & interest	451	208	191
	Sale of church pews/ firewood	50	-	334
		88,166	83,300	73,367
Operating expenses	Ministries & Mission allocation	(26,584)	(20,481)	(32,114)
	Nomination Committee expenses	(59)	(1,588)	-
	Locum & pulpit supply	(1,060)	(5,357)	(2,255)
	Minister's travel & telephone	(615)	-	(2,736)
	Minister's removal & disturbance costs	(1,912)	-	-
	Presbytery dues	(502)	(436)	(422)
	Organists & cleaners	(4,889)	(4,190)	(4,064)
	Fabric, equipment & upkeep of grounds	(9,640)	(3,839)	(1,444)
	Heat & light	(9,866)	(8,919)	(7,031)
	Misc. building service costs	(1,005)	(899)	(989)
	Insurances – net of rebates	(4,214)	(4,531)	(4,520)
	Rental charges from Christ Church	-	(50)	(75)
	Council tax & water charges	(1,370)	(936)	(1,678)
	Public entertainment & VHF licences	(327)	-	(135)
	Study, music, worship	(625)	(415)	(406)
	Children's Christian education	(543)	(280)	(93)
	Youth club	-	(157)	(1,031)
	Copyright fees	(509)	(494)	(476)
	Website & electronic comms.	(440)	(795)	-
	Newsletters & publicity	(1,510)	(1,465)	(1,855)
	Stationery supplies & postage	(768)	(479)	(537)
	Giving for Growth program	-	-	(556)
	Community outreach initiatives	(171)	(113)	(76)
	Training & conference costs	(374)	(420)	-
	Other costs & expenses	(1,114)	(607)	(405)
		(68,097)	(56,451)	(62,898)
General Fund surplus		20,069	26,849	10,469

General Fund - income

The principal source of income for the Church is giving from members of the congregation (and tax reclaims thereon). Overall, giving through the General Fund totalled £63,697 which was 2% down on the previous year (2018: £64,742).

Mid Deeside Parish Church of Scotland
Trustees' Report (continued)
Year ended 31st December 2019

Financial review (continued)

General Fund – income (continued)

Within the total for giving, the 'open plate' was up 20% (2018: down 31%) to £4,269, 'Free Will Offering envelopes' giving were down 5% (2018: down 2%) to £4,436 and other giving and bank standing orders were unchanged (2018: up 11%) at £43,586. The Gift Aid tax reclaimed from the government generated £11,406 in 2019 (2018: £12,828) which was an 11% decrease caused largely by the changed tax status of some larger donors.

Total rental income decreased by £2,949 to £12,903 (2018: £15,852). This income included charges made for weddings and funerals which were £1,200 lower at £1,400; income from letting out Ha'berry to Torphins Playgroup which was £870 lower at £3,936 (the 2018 amount included £1,895 relating to 2017); income from letting out Lumphanan Hall which was £245 higher at £479 and income from letting out the rooms in the church buildings which was £1,124 lower at £7,088. **We need to make much more use of Lumphanan Hall in particular otherwise it may not be available to the congregation or community in the years ahead.**

The church fete held in May 2019 raised £1,149 (2018: £nil) and the annual sale of work in Kincardine O'Neil continued to be a good fund raiser contributing a total of £2,192 (2018: £2,498). These funds raised in 2019 were donated to Christian Aid.

General Fund - expenses

The congregation's largest ongoing cost is the gross allocation made to the central Church of Scotland's Ministries and Mission Fund which totalled £43,255 in 2019 (2018: £41,409) before deducting endowment income of £9,929 (2018: £9,732) and a vacancy allowance of £6,742 (2018: £11,196). This gross allocation covers the payroll and pension costs of ministers in the Church of Scotland together with a contribution towards the wider work of the Church. The gross allocation is calculated by the central church based on a rolling three-year average of each congregation's general income. Following the successful stewardship program in 2017 Mid Deeside Church's average income base is rising and this will lead to an increase in the gross allocation in the years ahead.

The cost of pulpit supply on Sunday mornings in 2019 was £1,060 (2018: £1,712). Other staffing costs include fees paid to organists of £2,376 (2018: £2,220) and cleaners £2,513 (2018: £1,970).

The Nomination Committee was appointed by the congregation on 14th January 2018 and spent £59 during the year (2018: £1,588) on recruitment costs before being discharged in June 2019.

The total cost of heating and lighting all our buildings rose by £947 to £9,866 in 2019 (2017: £8,919). Heating oil costs per litre of kerosene rose by an average of 3% over 2018 levels with 21% more litres being ordered for the church and new meeting rooms.

Additionally, a cost of £571 (2018: £827) was incurred for kerosene on the unoccupied old manse. The annual cost of electricity in the refurbished church and new meeting rooms was slightly lower in 2019 at £1,322 (2018: £1,500).

The cost of council tax, water rates and sewerage costs for church buildings were higher at £1,370 in 2019 (2018: £936) as a result of the manse being occupied from August 2019 onwards.

Mid Deeside Parish Church of Scotland

Trustees' Report (continued)

Year ended 31st December 2019

Financial review (continued)

General Fund – expenses (continued)

Costs of repairs and maintenance borne by the General Fund have already been referred to earlier in this report.

Charges in the new extension relating to broadband, telephone and toilet hygiene services increased by 12% to £1,005 in 2019 (2018: £899).

A total of £4,214 (2018: £4,531) was spent on insurances and £1,510 on the production of three newsletters (2018: £1,465).

General Fund – surplus

Before any transfers from the Guild, Charity Shop and Fair Trade Stall and before accounting for third party fundraising, there was a surplus on the General Fund of £20,097 (2018: £26,849, 2017: £10,469).

The proportion of operating expenses that is covered by giving in 2019 was 93.5% (2018: 114.7%, 2017: 96.0%, 2016: 75.7%). The Trustees aim has been to move this stewardship performance indicator closer towards 100% through stewardship programs and by careful control over costs. The 114.7% indicator was unusually strong in 2018 because of the lower operating expenses in a time of ministerial vacancy. This indicator dropped back in 2019 and is unlikely to be so strong in future years when the gross allocation to the central Church of Scotland's Ministries and Mission Fund is likely to increase.

<u>General Fund</u>		2019	2018	2017	2016
		£	£	£	£
Giving	Included as part of operating income	63,697	64,742	60,354	51,605
Operating expenses	In total	68,097	56,451	62,898	68,209
		93.5%	114.7%	96.0%	75.7%

General Fund - reserves policy

It is the Trustees' intention to hold liquid reserves of between three and four months' expenditure in its General Fund at any time – between £16,000 and £22,000 approximately. At 31st December 2019, the Church held £64,308 (2018: £47,759) in its General Fund (see Note 8). While this balance in the General Fund is strong, the Trustees are aware of the continuing need to avoid deficits and maintain general reserves in order to meet unexpected items of expenditure. The Kirk Session has plans for using part of the strong balance in the General Fund to finance church growth.

At 31st December 2019, Mid Deeside Church held locally funds with a total of £171,726 (2018: £188,712) which have been provided for the purposes explained in Note 2 and a breakdown of these balances can be found in Note 8.

Investment policy and performance

It is the Trustees' policy to hold a small proportion, but no less than approximately £10,000, of its funds (other than the General Fund) in bank and deposit accounts in order to have sufficient liquidity to meet short term emergencies and commitments to contractors. The balance of the Church's capital resources is held in the Income and Growth Funds administered by the Church of Scotland Investors Trust.

Mid Deeside Parish Church of Scotland
Trustees' Report (continued)
Year ended 31st December 2019

Financial review (continued)

Statement of Trustees' responsibilities

The members of the Kirk Session must prepare financial statements which give sufficient detail to enable an appreciation of the transactions of the Church during the financial year. The members of the Kirk Session are responsible for keeping proper accounting records which, on request, must reflect the financial position of the Church at that time.

This must be done to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 and the Regulations Anent Congregational Finance approved by the General Assembly of the Church of Scotland in 2007. They are also responsible for safeguarding the assets of the Church and must take reasonable steps for the prevention and/or detection of fraud and other irregularities

Approved by the Trustees and signed on their behalf, by

Pam Auckland
Session Clerk

2nd April 2020

Independent Examiner's Report to the Trustees of Mid Deeside Parish Church of Scotland

I report on the accounts of the charity for the year ended 31st December 2019 which are set out on pages 14 to 22.

Respective responsibilities of Trustees and Examiner

The charity's Trustees are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006.

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

Basis of independent examiner's statement

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

Independent examiner's statement

In the course of my examination, no matter has come to my attention

1. which gives me reasonable cause to believe that in any material respect the requirements:

- to keep accounting records in accordance with Section 44 (1)(a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations, and
- to prepare accounts which accord with the accounting records and comply with Regulation 9 of the 2006 Accounts Regulations have not been met, or

2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Raymond Donald

8 Battock Terrace
Torphins
AB31 4JD

3rd April 2020

Mid Deeside Parish Church of Scotland

Receipts and Payments Account

Year ended 31st December 2019

		Unrestricted funds	Restricted funds	Endow ment funds	Total 2019	Total 2018
<u>Receipts</u>	<u>Note</u>	£	£	£	£	£
Donations	[4a]	64,300	267	-	64,567	66,868
Legacies		7,724	-	-	7,724	-
Grants received		-	580	-	580	100
Activities for generating funds	[4b]	8,157	24,621	-	32,778	31,427
Bank & deposit interest		586	364	-	950	501
Investment income:						
- from Income Fund		522	36	-	558	557
- from Growth Fund		59	-	-	59	59
		<u>81,348</u>	<u>25,868</u>	<u>-</u>	<u>107,216</u>	<u>99,512</u>
Rental of premises	[4c]	<u>12,903</u>	<u>-</u>	<u>-</u>	<u>12,903</u>	<u>15,852</u>
Total receipts		<u>94,251</u>	<u>25,868</u>	<u>-</u>	<u>120,119</u>	<u>115,364</u>
 Payments						
Costs of generating funds	[5a]	-	(9,464)	-	(9,464)	(9,948)
Governance costs		-	-	-	-	-
Charitable activities	[5b]	<u>(76,844)</u>	<u>(18,281)</u>	<u>-</u>	<u>(95,125)</u>	<u>(86,461)</u>
Total payments		<u>(76,844)</u>	<u>(27,745)</u>	<u>-</u>	<u>(104,589)</u>	<u>(96,409)</u>
 Excess of receipts over payments						
/ (payments over receipts)		<u>17,407</u>	<u>(1,877)</u>	<u>-</u>	<u>15,530</u>	<u>18,955</u>

Mid Deeside Parish Church of Scotland

Statement of Balances

At 31st December 2019

	Unrestricted funds £	Restricted Funds £	Total 2019 £	Total 2018 £
<u>Bank & deposit balances:</u>				
Bank & deposit account balances b/f (including £83,887 with the Investors Trust Deposit Fund)	86,968	86,687	173,655	154,700
<i>Movement during the year:</i>				
Excess of receipts over payments for the year	17,407	(1,877)	15,530	18,955
Transfers between funds	(33,822)	473	(33,349)	-
Bank & deposit account balances c/f (including £134,092 with the Investors Trust Deposit Fund)	[2] 70,553	85,283	155,836	173,655
<u>Investments at market value:</u>				
(With a cost of £6,213)	[7] 14,990	900	15,890	15,057
Total funds	[8] 85,543	86,183	171,726	188,712

There are no other assets or liabilities, although there is a final valuation of £45,000 (2018: £45,000) on the church extension and refurbishment project which has yet to be invoiced by the main contractor.

Titles for all church properties are held by the General Trustees in Edinburgh.

The accounts were approved by the Trustees of Mid Deeside Parish Church of Scotland on **2nd April 2020** and are signed on their behalf by:

Pam Auckland, *Session Clerk*

Neil Mathers, *Finance Team*

Bob Auckland, *Treasurer*

Mid Deeside Parish Church of Scotland

Notes to the Accounts

Year ended 31st December 2019

1. Trustee remuneration and related party transactions

During the year nine (2018: eleven) Trustees received reimbursement for day to day church expenses, equipment purchases and other costs incurred on behalf of the congregation totalling £4,901 (2018: £4,227). Two (2018: one) Trustees received fees of £350 (2018: £650) for carrying out beadle duties at funerals.

Rev. Holly Smith received reimbursement of £485 (2018: £nil) for travel expenses (paid through the Church of Scotland offices) and reimbursement of £130 (2018: £nil) for telephone costs. Rev. Smith also received £1,192 against her disturbance allowance for moving-in costs.

2. Movements in funds

Comprising bank and deposit account balances only (i.e. investments are not included in this movements table).

	At 1st January 2019 £	Receipts £	Payments £	Transfers £	At 31st December 2019 £
Unrestricted funds:					
General Fund	44,841	91,611	(68,097)	(517)	61,105
- To good causes [9]			(6,733)		
Fabric Fund	2,841	476	-	344	3,661
Development Fund	38,583	240	(300)	(33,349)	5,174
The Guild	703	1,924	(619)	(300)	613
- To good causes [9]			(1,095)		
	<u>86,968</u>	<u>94,251</u>	<u>(76,844)</u>	<u>(33,822)</u>	<u>70,553</u>
Restricted funds:					
Fair Trade Stall	-	1,635	(1,407)	817	-
- To good causes [9]			(1,045)		
Charity Shop	9,120	21,400	(8,057)	(500)	5,127
- To good causes [9]			(16,836)		
Extension Project Fund	60,055	317	-	-	60,372
Organ Restoration Fund	11,666	1,592	-	500	13,758
Children's Christian Education Fund	2,996	158	-	-	3,154
Graves Fund	343	1	-	(344)	-
Spark Clock Fund	1,157	10	-	-	1,167
Benevolent Fund	1,350	755	(400)	-	1,705
	<u>86,687</u>	<u>25,868</u>	<u>(27,745)</u>	<u>473</u>	<u>85,283</u>
Total funds	<u>173,655</u>	<u>120,119</u>	<u>(104,589)</u>	<u>(33,349)</u>	<u>155,836</u>

During the year a total of £33,349 was transferred to the General Trustees to finance the purchase of the new manse. This amount represents the difference between the value of the two buildings together with costs on the sale and purchase transactions.

Mid Deeside Parish Church of Scotland
Notes to the Accounts
Year ended 31st December 2019

2. Movement in funds (continued)

Purposes of Designated or Restricted funds

(a) Funds held locally:

General Fund: For the day-to-day income and expenses of Church life.

Fabric Fund: The Trustees have set aside funds for the maintenance of church properties.

Development Fund: The Trustees have set aside funds for the development of church buildings, their interiors, fixtures and multi-media equipment.

The Guild: The aim of the Guild is to invite and encourage men and women to commit their lives to Jesus Christ and to enable them to express their faith in worship, prayer and action.

Fair Trade Stall: This activity supports farmers and producers in less developed countries.

Charity Shop: This activity supports the church and causes within the Parish.

Extension Project Fund: Funds raised for the sanctuary refurbishment and extension.

Organ Restoration Fund: This is a fund for the restoration and ongoing maintenance of the pipe organ in the sanctuary of Mid Deeside Church.

Children's Christian Education Fund: This is a fund to support the work of young people's groups in the congregation.

Graves Fund: This fund is an amalgamation of several funds and is to be used for the maintenance of graves. Due its immateriality the balance on this fund was transferred during the year to the Fabric Fund and the Graves Fund was subsequently closed.

Spark Clock Fund: This is a fund for the maintenance of the clock in the tower of the former Lumphanan sanctuary of Mid Deeside Church.

Benevolent Fund: This is a fund used by the Minister to make discretionary and confidential grants to those in real need within the Parish.

(b) Funds held by the General Trustees in Edinburgh:

Development Fund: Funds have been set aside for the development of church buildings, their interiors, fixtures and multi-media equipment. These funds have now been applied in full.

Miss J Spark Fund: This fund is to be used for the fabric of the Mid Deeside Church building in Lumphanan.

G Spark Fund: This fund is to be used for the upkeep and replacement of fabric of church properties.

3. Accounting policies

The accounts are prepared on a cash basis. This means that only income received and expenditure incurred in the financial year is included in these accounts.

Normal repairs and maintenance to the fabric of the buildings are charged against the General Fund and the Fabric Fund. Exceptional and significant repairs and/or improvements are met from the Development Fund or by special fund raising efforts.

Mid Deeside Parish Church of Scotland
Notes to the Accounts (continued)
Year ended 31st December 2019

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
4. Receipts				
(a) Donations				
Free Will Offering envelopes	4,436	-	4,436	4,676
Tax recovered on Gift Aid	11,406	31	11,437	13,541
Open plate	4,269	-	4,269	3,676
Bank standing orders	38,361	100	38,461	37,757
Other offerings	5,828	136	5,964	7,218
	64,300	267	64,567	66,868
(b) Activities for generating funds				
Fundraising events/activities:				
- For Mid Deeside Church	-	1,354	1,354	2,901
- For third party charities, etc.	8,107	-	8,107	4,822
Sale of Fair Trade stock	-	1,635	1,635	2,213
Charity Shop "Bread of Life" sales	-	21,357	21,357	21,313
Sale of pews & chairs	50	275	325	178
	8,157	24,621	32,778	31,427
(c) Rental of premises				
Church & meeting rooms:				
- Weddings & funerals	1,400	-	1,400	2,600
- Other	7,088	-	7,088	8,212
Ha'berry (incl. recharging electricity)	3,936	-	3,936	4,806
MDC Hall, Lumphanan	479	-	479	234
	12,903	-	12,903	15,852
5. Payments				
(a) Costs of generating funds				
<i>Fair Trade stall:</i>				
Purchase of Fair Trade stock	-	1,407	1,407	1,609
<i>Charity Shop "Bread of Life":</i>				
Rental costs	-	4,800	4,800	4,800
Fabric - repairs & maintenance	-	411	411	607
Water charges	-	490	490	288
Council tax	-	537	537	547
Heat & light	-	1,412	1,412	1,670
Insurances	-	225	225	225
Stationery	-	69	69	70
Other expenses	-	113	113	132
	-	8,057	8,057	8,339
	-	9,464	9,464	9,948

Mid Deeside Parish Church of Scotland
Notes to the Accounts (continued)
Year ended 31st December 2019

	Unrestricted funds	Restricted funds	Total 2019	Total 2018
	£	£	£	£
5. Payments (continued)				
<u>(b) Charitable activities:</u>				
Ministries & Mission gross allocation	43,255	-	43,255	41,409
Endowment income & glebe rents	(9,929)	-	(9,929)	(9,732)
Vacancy allowance	(6,742)	-	(6,742)	(11,196)
Net payment made to the Church of Scotland Ministries and Mission funds	26,584	-	26,584	20,481
Presbytery dues	884	-	884	727
Donations to charities, etc. [9]	7,828	18,281	26,109	11,404
Minister's expenses (including removal cost & disturbance allowance – total £1,912)	2,527	-	2,527	-
Locum & pulpit supply costs	1,060	-	1,060	5,357
Other staffing costs	4,889	-	4,889	4,190
Nomination Committee expenses	59	-	59	1,588
Community outreach initiatives (including Music Box & Holiday at Home)	171	-	171	113
Fabric, equipment & repairs	6,215	-	6,215	13,782
Electronic equipment & software	2,553	-	2,553	1,134
Extension & Sanctuary Project	-	-	-	5,063
Upkeep of grounds	1,172	-	1,172	1,164
Broadband, telecom & sundries	1,005	-	1,005	899
Council tax & water charges	1,370	-	1,370	936
Heat and light	9,866	-	9,866	8,919
Insurances	4,214	-	4,214	4,531
Website & electronic communications	440	-	440	795
Worship, music & teaching	2,009	-	2,009	1,239
Youth Club	-	-	-	807
Training, conferences/courses	480	-	480	628
Printing, stationery & postage	768	-	768	494
Newsletter production	1,510	-	1,510	1,465
Other expenses	1,240	-	1,240	745
	76,844	18,281	95,125	86,461
Total payments	76,844	27,745	104,589	96,409

6. Minister's stipend

All Church of Scotland congregations contribute to the National Stipend Fund which bears the costs of all ministers' stipends and employers' contributions for national insurance, pension and housing and loan fund. Ministers' stipends are paid in accordance with the national stipend scale, which is related to years of service. For the year under review the minimum stipend was £27,585 and the maximum stipend (in the fifth and subsequent years of service) £33,899.

Mid Deeside Parish Church of Scotland
Notes to the Accounts (continued)
Year ended 31st December 2019

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
7. Investments at market value				
<i>Church of Scotland Investors Trust:</i>				
Income Fund	13,037	900	13,937	13,335
Growth Fund	1,953	-	1,953	1,722
	<u>14,990</u>	<u>900</u>	<u>15,890</u>	<u>15,057</u>

The market value of investments increased by £833 in 2019 (2018: decreased by £599).

	2019 £	2018 £
8. Total value of funds held locally (including investments stated at their market value)		
Unrestricted funds		
General Fund	64,308	47,759
Fabric Fund	15,448	14,119
Development Fund	5,174	38,583
The Guild	613	703
	<u>85,543</u>	<u>101,164</u>
Restricted funds		
Fair Trade Stall	-	-
Charity Shop	5,127	9,120
Extension Project Fund	60,372	60,055
Organ Restoration Fund (Session has approved an additional £4,000 to be transferred to this fund when the organ restoration project is contracted).	13,758	11,666
Children's Christian Education Fund	4,054	3,857
Graves Fund	-	343
Spark Clock Fund	1,167	1,157
Benevolent Fund	1,705	1,350
	<u>86,183</u>	<u>87,548</u>
Endowment funds	-	-
Total funds	<u>171,726</u>	<u>188,712</u>

Mid Deeside Parish Church of Scotland
Notes to the Accounts (continued)
Year ended 31st December 2019

	2019	2018
	£	£
9. Donations to charities and other good causes		
<u>(a) International:</u>		
From the General Fund:		
Christian Aid	5,494	701
Barnabas Fund	-	241
Joyful Motherhood project – Malawi (mainly postage of parcels)	898	1,009
Toilet Twinning	-	240
United Christian Broadcasters Ltd – “WORD for today”	50	45
From the Fair Trade stall:		
Fairtrade projects in the developing world	1,045	1,021
From the Guild:		
World Day of Prayer (from the Guild)	225	163
Joyful Motherhood project – Malawi	50	50
Guild project – Feed the Minds	-	200
Guild project – Free to Live Trust	-	25
Guild project – Friends of Bolenga	135	150
Guild project – SEEMA	150	-
Guild project – Cyclone appeal	75	-
Guild project – Malawi fruits	25	-
Guild project – Leprosy Mission (developing world)	190	170
	8,337	4,015
<u>(b) National & Regional:</u>		
From the General Fund:		
Poppy Appeal	105	168
Charlie House (Aberdeen)	-	241
Homestart Deeside	-	586
A Bear Named Buttony (based in Ballater)	186	-
From the Guild:		
Salvation Army	70	45
Guild project - Street Pastors	-	200
Guild project – Crossreach	175	-
	536	1,240

Mid Deeside Parish Church of Scotland
Notes to the Accounts (continued)
Year ended 31st December 2019

	2019	2018
	£	£
9. Donations to charities and other good causes (continued)		
(c) Within the Parish:		
From the Charity Shop:		
Kincardine O'Neil Twinning Association –trip costs / young people support	500	500
Mesolithic Deeside Field Walking Group – test pitting	500	-
Lumphanan playpark refurbishment	1,000	-
Lumphanan Paths Group – preliminary expenses, website & printing	1,460	-
Lumphanan Moving Pictures – film licence & hall hire	700	-
Lumphanan Welfare Committee - trip	-	290
Tornaveen Community Association – carpeting for hall	-	700
Notes from Torphins Singing Group – music cases / telescopic banner	-	1,000
Torphins Medical Practice – portable ECG machine	1,811	-
Torphins Paths Group – path improvements	1,900	1,550
Torphins Community Council – LED Christmas lights	2,500	-
Torphins Scout Group – gardening equipment / hike tents (x10)	600	1,470
Torphins Horticultural Society – yung grower of the year prize	200	-
Torphins Friendship Club – hire of bus for trip	330	-
Torphins Bowling Club – kitchen refurbishment	1,000	-
Torphins PS Parents Council – playground improvements	-	250
Torphins Primary School – new sound system for hall	1,520	-
Torphins Primary School – Fischy Music subscriptions	298	149
Torphins Playgroup – iPad & publicity / gazebo & sandpit	730	240
Defibrillator consumables	37	-
Grants for young people taking foreign trips	1,750	-
From the Benevolent Fund:		
Grants to alleviate hardship situations	400	-
	<u>17,236</u>	<u>6,149</u>
	<u>26,109</u>	<u>11,404</u>
	2019	2018
	£	£
In summary, the donations were made out of the following funds / activities:		
General Fund	6,733	3,231
The Guild	1,095	1,003
Total for unrestricted funds	<u>7,828</u>	<u>4,234</u>
Fair Trade Stall	1,045	1,021
Charity Shop	16,836	6,149
Benevolent Fund	400	-
Total for restricted funds	<u>18,281</u>	<u>7,170</u>
	<u>26,109</u>	<u>11,404</u>

APPENDIX – 1 -

**FUNDS HELD ON BEHALF OF THE MID DEESIDE PARISH CHURCH OF SCOTLAND CONGREGATION BY THE
CHURCH OF SCOTLAND GENERAL TRUSTEES**

	2019	2018
	£	£
<u>CAPITAL ACCOUNT (Investments)</u>		
Market value of credit balances at 31 December (With a cost of £8,594 at 31 st December 2019 and at 31 st December 2018)	30,026	26,475
<u>REVENUE ACCOUNT (Deposit & current accounts)</u>		
Credit balance at 31 December	14,931	12,134
Total value of funds	<u>44,957</u>	<u>38,609</u>

The balances on the individual funds held by the General Trustees are as follows:

	Miss J Spark Fund	G Spark Fund	Manse marketing & legal costs	2019	2018
	£	£	£	£	£
Deposit & current accounts	14,735	-	196	14,931	12,134
<u>Investments at market value:</u>					
Growth Fund	30,026	-	-	30,026	26,475
Total value of funds	<u>44,761</u>	<u>-</u>	<u>196</u>	<u>44,957</u>	<u>38,609</u>

The movement on the individual funds held by the General Trustees during the year was as follows:

	Miss J Spark Fund	G Spark Fund	Manse marketing & legal expenses	Total funds held by the General Trustees
	£	£	£	£
Value of funds - 1st January 2019	24,345	15,836	(1,572)	<u>38,609</u>
<u>Receipts:</u>				
Deposit account interest	105	9	696	810
Investment income	668	247	-	915
Proceeds on sale of old manse	-	-	345,333	345,333
	<u>773</u>	<u>256</u>	<u>346,029</u>	<u>347,058</u>
<u>Payments:</u>				
Manse marketing & legal expenses	-	-	(6,110)	(6,110)
Purchase of new manse	-	-	(371,500)	(371,500)
	<u>-</u>	<u>-</u>	<u>(377,610)</u>	<u>(377,610)</u>
Change in market value	3,551	-	-	3,551
Transfers	16,092	(16,092)	33,349	33,349
Value of funds - 31st December 2019	<u>44,761</u>	<u>-</u>	<u>196</u>	<u>44,957</u>

APPENDIX – 2 -

GENERAL FUND BUDGET FOR 2020

	Actual 2019	Changes planned in 2020	Budget 2020
	£	£	£
<u>INCOME</u>			
<u>(a) Offerings & Gift Aid tax recovered</u>			
Open plate	4,269	31	4,300
Free Will Offering envelopes	4,436	(236)	4,200
Other offerings (incl. bank standing orders)	41,775	25	41,800
Tax recovered from HMRC for Gift Aid donations	11,406	1,594	13,000
	61,887	1,413	63,300
<u>(b) Use of premises by outside organisations</u>			
Rental income for use of church & new extension	7,088	(8)	7,080
Rental income for use of Ha'berry	3,936	(36)	3,900
Rental income for use of Lumphanan Hall	479	(9)	470
	11,503	(53)	11,450
<u>(c) Fundraising for church funds</u>			
Annual sale/fete in Torphins.	1,149	(1,149)	-
Annual sale at Village Hall, Kincardine O'Neil.	2,192	(2,192)	-
	3,341	(3,341)	-
<u>(d) Funeral fees & special donations</u>			
Legacies	7,724	(7,724)	-
Fees for use of church for weddings & funerals	1,400	350	1,750
Donations from soup lunches, Holiday at Home, Games A'noon	1,316	(166)	1,150
Donations from Music Box	494	(44)	450
	10,934	(7,584)	3,350
<u>(e) Other income</u>			
Bank interest & investment income	451	(151)	300
Other receipts - net	50	(50)	-
	501	(201)	300
TOTAL INCOME	88,165	(9,765)	78,400
<u>EXPENDITURE</u>			
<u>(a) Ministry, mission and wider work</u>			
Ministries & Mission allocation	26,584	7,786	34,370
Youth Worker	-	5,900	5,900
	26,584	13,686	40,270
<u>(b) Ministerial expenses</u>			
Pulpit supply	1,675	(1,535)	140
Minister's car/ travel allowance / telephone	615	1,165	1,780
Presbytery dues	502	18	520
Nomination Committee expenses	59	(59)	-
	2,852	(412)	2,440
<u>(c) Property costs</u>			
Premises - electricity	3,603	(103)	3,500
Premises - heating oil	5,589	(289)	5,300
Premises - Manse (electricity & heating oil)	670	(670)	-
Premises - insurances (incl. liability, etc)	4,213	(223)	3,990
Premises - internet & toilet supplies contract	1,005	(5)	1,000
Premises & grounds - repairs & maintenance	9,641	(1,641)	8,000
Cleaning - staff	2,513	237	2,750
Cleaning - materials	33	7	40
Public entertainment & VHF licences	130	(130)	-
Council tax and water rates	1,370	810	2,180
	28,767	(2,007)	26,760
<u>(d) Other running costs</u>			
Newsletter & publicity	1,510	30	1,540
Stationery supplies & postage	768	(18)	750
IT equipment - laptop, printer, photocopier, software	-	300	300
Website - upgrade & security	440	10	450
	2,718	322	3,040
<u>(e) Activities & other worship expenses</u>			
Organist fees	2,376	174	2,550
Worship - musical aids for organist & choir	46	4	50
Copyright fees	508	12	520
Adult teaching, study, music & worship	410	590	1,000
Children's activities & teaching	543	207	750
Youth Club activities	-	750	750
Holiday at Home	144	6	150
Music Box	-	50	50
New initiatives - experimental	-	900	900
Training & conference costs	374	1,126	1,500
Special gifts, flowers & cakes	585	(465)	120
Catering expenses	187	13	200
Miscellaneous	355	(5)	350
	5,528	3,362	8,890
TOTAL EXPENDITURE	66,449	14,951	81,400
SURPLUS	21,716	(24,716)	(3,000)