

SCOTTISH EPISCOPAL CHURCH
DIOCESE OF ABERDEEN AND ORKNEY
ST JOHN THE BAPTIST, PORTSOY
ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 30th SEPTEMBER 2016

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Reference and Administrative Details

Name of Charity	St John the Baptist Episcopal Church, Portsoy	
Scottish Charity Number	SC011429	
Principal Address	14 Cluny Square Buckie AB56 1HA	
Charity Trustees	<i>Members of the Vestry</i> The Revd Canon Jeremy Paisey Miss Sarah Lambirth Dr Lorraine Paisey Mrs Laura Riley Mrs Sandra Jaffrey Mrs Caroline Fowler Mr Carl Thorpe Mrs Sheila Stickle Mrs Sheila Milne Mrs Denise Ross	Priest-in-Charge and Chairman Hon Secretary and Alternative Lay Representative Hon Treasurer and Lay Representative Lay Representative St John's Portsoy Alternative Lay Representative St John's Portsoy
Bankers	Bank of Scotland 26 Seafield Street Portsoy AB45 2QT	
Independent Examiner	Mrs Deborah Brands FCCA	

All trustees served throughout the financial year.

Report of the Vestry (Trustees Report) **For the year ended 30 September 2016**

As the Charity trustees of All Saints' Church, Buckie with St John the Baptist, Portsoy the Vestry presents its report and accounts for the year ended 30 September 2016. These have been prepared in accordance with applicable charities law and the requirements of the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective January 2015).

Objectives and Activities

The charitable purpose of the Church is the advancement of religion. The objectives of the Vestry are to advance the mission of the Christian Church, through worship, service and fellowship. These objectives are carried out through mission and pastoral activities. The principal activities of the Church are public worship in sacrament and prayer, and the spiritual development of its members. The congregation aims to create a friendly environment.

Achievements and Performance

The Church has continued to pursue its principal objectives and activities. During the year Eucharists were celebrated, generally on the first and third Sunday of the month, from 1 May 2016. During the winter months, the Eucharists celebrated in St Andrew's Banff on the first and third Sunday in the month were in the format used in St John's. During the year St John's had a quinquennial inspection of the fabric of the church, which confirmed that the building needed significant amount of repair and on-going maintenance, which would be beyond the scope of the congregation. Accordingly the building was put on the market and missives for sale were concluded on 13 September. The focus of Scottish Episcopalian worship for the Portsoy area will now be across All Saints and St Andrew's buildings and it is hoped that the strong links built between the congregations will continue to bear fruit.

Financial Review

Results for the year

St John's shows a deficit of £1,562 of income over expenditure in 2015/16.

Congregational giving through Free Will Offering and plate, along with Income Tax reclaimed under Gift Aid and other donations is £267 less than in 2014/15.

There were two items of extraordinary expenditure: £930 for felling trees in the church grounds which, on inspection, proved to be dead, and £360 for valuing the church for sale. In addition to this the church incurred fees of £500 for the quinquennial inspection.

The church had previously been disclosed at nil value, but the valuation during the year valued the site and building at £45,000. In total St John's has net assets of £46,943 at the year end.

Reserves Policy

The Vestry's Reserves policy was to maintain reserves in the General Fund of at least £1,000 to meet the projected cash flow requirements for the next financial year and to allow

for unforeseen contingencies. This policy will require to be reviewed following completion of the sale, in the light of future plans for mission.

Plans for future periods

The Vestry will explore how best to continue mission in the Portsoy area. In the first instance this will involve continuation of the shared "St John's in St Andrew's" services. The Vestry intend to seek advice from the Diocesan Registrar about potential use of the funds generated by the sale of the building to resource ministry in the Portsoy area. The immediate priority immediately before and after the sale was to ensure the safe and appropriate disposition of the moveable artefacts from the building.

Structure, Governance and management

St John's Church is an unincorporated association, governed by Constitution dated 11 January, 2000. For the purposes of charities law, the members of the Vestry are the Charity Trustees of the Church. The Church is a member congregation of the Diocese of Aberdeen and Orkney in the Scottish Episcopal Church and St John's is a dependent charge of the church of All Saints, Buckie. The Bishop of Aberdeen and Orkney has pastoral oversight of all congregations within the Diocese, and all congregations are subject to the Code of Canons of the Scottish Episcopal Church. The members of the Vestry are elected at the Annual General Meeting. They normally hold office for three years, and are eligible for re-election after that period of time. The Lay Representatives who represent the churches at Diocesan Synod are elected annually by the lay members of the congregations at the Annual General Meeting. The Vestry Secretary and Treasurer are appointed by the Vestry. The Priest-in-charge is appointed by the Bishop of the Diocese in consultation with the Vestry.

The Priest-in-Charge is responsible for the spiritual affairs of the church and for matters liturgical. It is the duty of the Vestry to manage the temporal affairs of the congregations.

The Vestry reviews on a regular basis the major risks to which the church is exposed, and systems or procedures have been established to manage those risks. The key strategic risks for the church were recognised as the numerically low level of membership, adequacy of income and the condition of the church building. The latter is no longer a risk factor. The Vestry keeps the impact of mission initiatives from the Diocese and local ventures under review and monitor income and expenditure on a regular basis.

Reference and administrative details

Reference and administrative details are given on page 2.

Conclusion

St Johns relies on the support and hard work of the members of the congregation and the Vestry would like to thank all those who contribute so generously of their time, talents and money to assist in the mission and life of the church.

ON BEHALF OF THE VESTRY

Sarah Lambirth
Vestry Secretary
27 November 2016

Statement of Responsibilities of Members of the Vestry

The members of the Vestry, as charity trustees, are responsible for preparing the Annual Report and the Accounts in accordance with applicable law and charities accounting regulations.

The law applicable to charities in Scotland requires the members of the Vestry to prepare accounts for each financial year which give a true and fair view of its state of affairs and of its results for that period. In preparing those financial statements the members of the Vestry are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities Statement of Recommended Practice;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any departures disclosed and explained in the accounts; and
- Prepare the accounts on the going concerns basis unless it is inappropriate to presume that the Church will continue in operation.

The members of the Vestry are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Church and to enable them to ensure that the accounts comply with the relevant legislation.

The members of the Vestry are also responsible for safeguarding the assets of the church and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Examiner's Report to the Vestry of All Saints' Episcopal Church, Buckie with St John the Baptist, Portsoy

I report on the accounts of the charity for the year ended 30 September 2016 which are set out on pages 7 to 11.

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 Charity 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) (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 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 these records. It also includes consideration of any unusual items or disclosures in the accounts, and seeks explanation 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 8 of the 2006 Accounts Regulationshave 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.

Deborah Brands FCCA
Hon. Independent Examiner
14 November, 2016

Statement of Financial Activities for the year ended 30 September 2016

		Unrestricted Funds 2016 £	Unrestricted Funds 2015 £
Income and Endowments	Note		
Charitable activities			
Congregational Giving and other donations		1,370	1,637
Grants		893	893
Publications		4	19
Fund raising activities			
Sales		50	-
Total income and endowments		2,317	2,549
Expenditure			
Charitable Activities			
Clergy and ministry costs	2	600	600
Property running costs		2,896	1,122
Quota		369	435
Worship costs		20	34
Administration costs		-	6
Total expenditure		3,879	2,197
Net gains /(losses) on revaluation		45,000	-
Net movement in funds		43,438	352
Fund balances at 1 October 2015		3,505	3,153
Fund balances at 30 September 2016		46,943	3,505

Balance Sheet as at 30 September 2016

	Note	Unrestricted Funds 2016 £	Unrestricted Funds 2015 £
Fixed Assets			
Heritable Properties	4	45,000	-
Current Assets			
Debtors	5	240	616
Prepayments		396	363
Cash at Bank		<u>1,311</u>	<u>2,594</u>
		1,983	3,573
Current Liabilities			
Creditors due within one year	6	<u>(40)</u>	<u>(68)</u>
		(40)	(68)
Net Current Assets		1,943	3,505
TOTAL ASSETS LESS LIABILITIES		<u>46,943</u>	<u>3,505</u>
The funds of the charity		<u>46,943</u>	<u>3,505</u>

Approved by the Vestry on 27 November, 2016 and signed on their behalf by

Lorraine Paisey
Hon. Treasurer

The Revd Canon Jeremy Paisey
Priest-in-Charge

The notes on pages 10 to 11 form part of these accounts.

Statement of Cash Flows

	Note	Unrestricted Funds 2016 £	Unrestricted Funds 2015 £
Cash flows from operating activities:			
<i>Net cash provided by / (used in) operating activities</i>	9	(1,247)	(615)
<i>Change in cash and cash equivalents in the reporting period</i>		(1,247)	(547)
Cash and cash equivalents at the beginning of the reporting period		2,594	3,141
<i>Cash and cash equivalents at the end of the reporting period</i>		1,347	2,594

Notes to the Accounts for the year ended 30 September 2016

1. ACCOUNTING POLICIES

(a) Basis of preparation of accounts

The Accounts have been prepared under the Historic Cost Convention as modified by the revaluation of investment assets and are in accordance with applicable accounting standards, the Charities Accounts (Scotland) Regulations 2006 and Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) FRS 102 issued in 2015.

(b) Tangible fixed assets and depreciation

The church is shown at current market valuation.

(c) Congregational giving, donations and similar income

Income is recognised on receipt only, except in the case of Income tax due to be recovered, in which case income tax is accrued, as it is considered that the receipt is probable and in terms of FRS 102 falls due to be recognised.

(d) Going concern

The accounts are prepared on a going concern basis. St Johns is likely to continue as an independently registered charity for the foreseeable future. The Vestry will take advice from the Diocesan Registrar about St John's future in the medium to long term.

(e) Funds accounting

St John's has only one fund, which is unrestricted.

2. Clergy costs and emoluments of office

Stipend and travel costs are met through the Paying Officers Fund, held by All Saints, Buckie.

	2016	2015
Average number of employees during the year	1	1
Average number of employees during the year (full time equivalent)	1	1

No employee received emoluments of over £60,000.

3. Trustee remuneration, benefits and expenses

No trustee received remuneration in their capacity as trustee. The Priest-in-Charge is *ex officio* a member of the Vestry and a trustee, and receives remuneration, benefits and reimbursement of expenses in respect of services as a stipendiary cleric in line with scales determined by the General Synod of the Scottish Episcopal Church.

4. Fixed Assets

	Heritable Property £	Total £
At 1 October 2015	-	-
Additions during year	-	-
Adjustments during year	-	-
Disposals during year	-	-
Net gain/(loss) on revaluation at September 2016	45,000	45,000
	<hr/>	<hr/>
Balance at 30 September 2016	45,000	45,000
	<hr/>	<hr/>

5. Debtors	Unrestricted Funds	Unrestricted Funds
	2016	2015
	£	£
Gift Aid claimed	240	616
	240	616

6. Creditors	Unrestricted Funds	Unrestricted Funds
	2016	2015
	£	£
Electricity	30	28
Inspires	-	6
Altar costs	10	34
	40	68

7. Quota

Quota is paid by all charges in the Diocese, to support the work of the Diocese and of the Scottish Episcopal Church as a whole.

8. Future commitments and contingent liabilities

At the balance sheet date the only outstanding contractual commitments were for legal fees and outlays in connection with the sale of the building. There are no contingent liabilities.

9 Reconciliation of net income to net cash flow from operating activities	Unrestricted Funds	Unrestricted Funds
	2016	2015
	£	£
Net income from the reporting period (as shown in the statement of financial activities)	43,438	352
Adjustments for investing and financing etc (Revaluation of fixed assets)	(45,000)	
Changes in non-cash balances		
(Increase) / decrease in debtors	376	(303)
(Increase) / decrease in pre-payments	(33)	1
(Decrease) in creditors	(28)	(665)
Net cash provided by / (used in) operating activities	(1,247)	(615)