

The Church of Scotland
Ettrick and Yarrow Parish Church

Report and Financial Statements

For the year ended

31st December 2020

Congregation No: 040263

Charity No: SC 034662

Reference and Administrative Information

Charity Name: Ettrick and Yarrow Parish Church

Charity Registration Number: SC034662

Congregation Reference No: 040263

Contact Address: C/o Myreside
Hartwoodmyres
Selkirk
TD7 5HA

Trustees

Rev. E Harley (Retired 30/04/2020)

Mr G Beveridge (Resigned 12/10/2020)

Mrs A Blundell

Mrs A Blackadder

Mr C Carroll

Mr G Jack

Mrs S Shouesmith (Resigned 11/11/2020)

Rt Hon Lord Steel (Resigned 15/05/2019)

Mr R Storie (Resigned 10/12/2020)

Rev. M Steele (Appointed 30/04/2020)

Mrs J Telfer

Mrs C Thompson (Resigned 12/10/2020)

Mrs S White

Mrs L Wilson

Mr K Cleland (Resigned 12/10/2020)

Mrs Nora Hunter

Mrs Elizabeth Davidson

Mr Andy Wright

Principal Office-bearers

Interim Moderator: The Rev. Elspeth Harley (Retired 30/04/2020)

The Rev. Margaret Steele (Appointed 30/04/2020)

Session Clerk: Mrs N Hunter

Church Treasurer: Mrs J Guthrie

Independent Examiner

Mrs Caroline Johnston CA, 5 The Green, Selkirk. TD7 5AA

Bankers

Bank of Scotland

Market Place

Selkirk

TD7 4BX

Trustees' Annual Report

Year ended 31 December 2020

Structure, Governance and Management

Governing Document

The congregation is operating under a Unitary Constitution.

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 is chaired by the Interim Moderator; it normally meets six times in the year and is responsible for all matters within the church. With the retirement of the Rev Elspeth Harley as Interim Moderator in April 2020 the Rev Margaret Steele was appointed to the post. The locum (Rev Jim Wallace) retired at the end of April 2020 and has not been replaced.

The Kirk Session and congregational members have been in discussion with elders and members of Ashkirk linked with Selkirk with a view to Ettrick and Yarrow linking with Ashkirk and Selkirk in accordance with the Presbytery Plan. The Kirk Session having agreed to the proposal a vote will be taken by the congregation in 2021.

All meetings have been conducted monthly by Zoom since March 2020.

Objectives and Activities

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 God'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.

Ettrick and Yarrow has created and sustains a Christian worshipping community enabling members to live their lives as effective Christians. It provides continuing education in the faith to allow members to better live out their Christian faith. The church creates and sustains a caring and supportive community caring for each other and for other members of the community. The church makes its people available to the community for pastoral help, for baptisms, weddings and funerals. The church makes its buildings available for use by other community groups.

Trustees' Annual Report (cont.)

Year ended 31 December 2020

Achievements and Performance

Weekly services of worship are conducted, alternating between Kirkhope and Yarrow Churches. In summer on 3rd Sundays there is also a service in Ettrick Church. Following the lockdown due to Covid 19 the worship services transferred online, being joined by Ashkirk and Selkirk Parish Churches. A paper copy of the service is issued each week to those who are not on the internet and a dedicated local phone line allows people to dial in to hear the service each week. This has remained throughout the year with several extra services being produced e.g. Christingle, Blanket Preaching.

A high level of pastoral care is offered to all in need in the valleys – usually by phone, email and doorsteps visits during the lockdown. Church members are involved in food distribution along with community groups.

As part of community outreach, a newsletter (Keynotes) is produced and distributed to all houses in the parish with information about church services in addition to community events and news. Since Lockdown Keynotes has been sent out by email to church contacts and the Community Council sends it to their very extensive list of contacts in Ettrick and Yarrow valleys. The church's Facebook page and website are updated weekly and are regularly accessed.

Though curtailed by the Covid pandemic, the church continues its involvement with the ecumenical group CTSV (Churches Together in Selkirk and the Valleys), Christian Aid Week, the Food Bank and Fresh Start Borders. The church takes part in project work in Malawi, through Presbytery.

The church is also committed to recycling. Milk bottle tops, batteries, stamps and unwanted spectacles are taken, or sent, to appropriate collection points.

Financial Review

This year's accounts have been drawn up under the Office of the Scottish Charity Regulator's (OSCR) guidelines, as instructed by the Church of Scotland. It should be noted that the congregation is not asked to approve the annual financial statements; the accounts are now required to be approved by the Trustees (The Board & Session) and are then presented to the congregation at an annual stated meeting.

The Church's main source of income comes through Gift Aided donations and the Gift Aid claimed thereon although, unfortunately, the level of these donations has declined during the year. The Church has shown a deficit of £1,318 this year, compared with a surplus of income over expenditure of £1,573 in the previous year. Income for the year to 31st December 2020 has declined considerably - by around 27% - largely as a result of the Covid-19 pandemic. However, expenses have shown a similar decline (22%) for the same reason. At 31st December 2020 the Church held investments with a market value of £16,271 over and above the bank balances.

Trustees' Annual Report (cont.)

Year ended 31 December 2020

Reserves Policy

It is the Trustees' policy to hold reserves to meet future expenditure at a level of approximately three to six months ordinary expenditure, which equates to between approximately £7,442 and £14,883. At the year end the Church held unrestricted funds of £10,443 which, is considered to be at a satisfactory level at this time.

The Church also held £42,314 of restricted funds which have been provided for the purposes specified in Note 2.

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,

Ms Nora Hunter
Session Clerk

Date:

Independent Examiner's Report to the Trustees of Etrick & Yarrow Parish Church

I report on the accounts of the charity for the year ended 31st December 2020 which are set out on the following pages.

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

An 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.

Mrs C Johnston CA
5 The Green
Selkirk
TD7 5AA

Date:

Ettrick and Yarrow Parish Church
Receipts and Payments Account
Year ended 31 December 2020

		Unrestricted Funds 2020	Restricted Funds 2020	Total 2020	Total 2019
<u>Receipts</u>	Note	£	£	£	£
Donations	3	19,776	7,000	26,776	37,550
Legacies		-	-	-	-
Activities for Generating Funds		-	-	-	1,943
Bank & Deposit interest		421	-	421	535
Investment income		-	-	-	-
		20,197	7,000	27,197	40,028
Rental of premises		1,880	-	1,880	1,880
Sale of investments		-	-	-	-
Grants		-	-	-	-
Receipts from General Trustees		-	-	-	-
Allocation from Presbytery		-	-	-	-
Other Receipts		5,236	-	5,236	5,124
<u>Total Receipts</u>		27,313	7,000	34,313	47,032
<u>Payments</u>	4				
Costs of generating funds		-	-	-	-
Charitable activities		29,767	5,864	35,631	45,459
Governance costs		-	-	-	-
<u>Total Payments</u>		29,767	5,864	35,631	45,459
Excess of Receipts over Payments for the year before transfers		(2,454)	1,136	(1,318)	1,573
Transfers		(144)	144	-	-
Excess of Receipts over Payments for the year		(2,598)	1,280	(1,318)	1,573

Ettrick and Yarrow Parish Church
Statement of Balances
At 31 December 2020

	Unrestricted Funds 2020	Restricted Funds 2020	Total 2020	Total 2019
Note	£	£	£	£
<u>Bank & Deposit Balances</u>				
Bank & deposit balances brought forward	13,041	41,034	54,075	23,629
Movement in year:				
Excess of Receipts over Payments for the year	(2,598)	1,280	(1,318)	1,573
Bank & deposit balances carried forward	<u>10,443</u>	<u>42,314</u>	<u>52,757</u>	<u>25,202</u>
<u>Investments at market value</u>				
(cost £ 1,515)	<u>16,271</u>	<u>-</u>	<u>16,271</u>	<u>16,907</u>
<u>Assets</u>				
Gift Aid Receivable	<u>1,874</u>	<u>-</u>	<u>1,874</u>	<u>3,763</u>
<u>Liabilities</u>				
Minister's travelling expenses	-	-	-	40
	<u>-</u>	<u>-</u>	<u>-</u>	<u>40</u>

The accounts were approved by the Kirk Session and Financial Board on

For and on behalf of the Kirk Session and Financial Board

_____ **Session Clerk**
 _____ **Treasurer**

Ettrick and Yarrow Parish Church
Year ended 31st December 2020

Notes to the Accounts

1. Trustee Remuneration and Related Party Transactions

During the year 3 trustees received reimbursement of expenses incurred totalling £578 (2019 - 4 trustees received £1,229). No trustee or a person related to a trustee had any personal interest in any contract or transaction entered into by the charity during the year other than cleaning work carried out by Ms Alison Shouesmith for £40 (2019 - £250), who is the daughter of Mrs S Shouesmith, Trustee.

2. Movements in Funds

	At 1 Jan 2020	Receipts	Payments	Transfers	At 31 Dec 2020
	£	£	£	£	£
Unrestricted funds					
General Fund	13,041	27,313	(29,767)	(144)	10,443
	<u>13,041</u>	<u>27,313</u>	<u>(29,767)</u>	<u>(144)</u>	<u>10,443</u>
Restricted funds					
Fabric Fund	40,221	7,000	(5,864)	144	41,501
Tumutumu Fund	813	-	-	-	813
	<u>41,034</u>	<u>7,000</u>	<u>(5,864)</u>	<u>144</u>	<u>42,314</u>
Total funds	<u>54,075</u>	<u>34,313</u>	<u>(35,631)</u>	<u>-</u>	<u>52,757</u>

Purposes of Restricted Funds

Fabric Fund: - This fund is to support the ongoing maintenance of the church properties.

Tumutumu Fund: - This fund is to cover incidental expenses in connection with Tumutumu affairs, and fund jotters and pencils for their schoolchildren.

	Unrestricted Funds 2020	Restricted Funds 2020	Total 2020	Total 2019
	£	£	£	£

3. Analysis of Donations

WFO Scheme (non Gift Aid)	1,000	-	1,000	4,728
Gift Aid Donations	9,448	-	9,448	12,243
Tax Recovered on Gift Aid Donations	4,876	-	4,876	5,509
Ordinary Offerings (Open Plate)	1,457	-	1,457	5,129
Other Offerings, Donations etc	2,995	7,000	9,995	9,941
	<u>19,776</u>	<u>7,000</u>	<u>26,776</u>	<u>37,550</u>

Ettrick and Yarrow Parish Church
Year ended 31st December 2020

Notes to the Accounts (continued)

	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total 2020 £	Total 2019 £
4. Analysis of Payments				
Costs of generating funds				
Investment Managers' fees	-	-	-	-
Offering envelopes	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Charitable activities				
Ministries & Mission allocation	18,497	-	18,497	19,067
Presbytery dues	370	-	370	445
Voluntary Additional Stipend	-	-	-	-
Minister's expenses	253	-	253	1,312
Locum Fees	2,300	-	2,300	6,900
Pulpit supply	20	-	20	240
Other staffing costs	90	-	90	500
Fabric repairs & maintenance	-	5,864	5,864	7,002
Council Tax	-	-	-	-
Heat and light	1,043	-	1,043	1,540
Insurance	3,549	-	3,549	3,522
Other building costs	-	-	-	-
Church office expenses	-	-	-	-
Organ & music	396	-	396	-
Printing, stationery and postage	142	-	142	1,411
Other expenses	3,107	-	3,107	3,520
	<u>29,767</u>	<u>5,864</u>	<u>35,631</u>	<u>45,459</u>
Governance costs				
Independent examiner's fees	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other payments				
Purchase of assets	-	-	-	-
Purchase of investments	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

5. Minister's Stipend

All Church of Scotland congregations contribute to the National Stipend Fund which bears the costs of all ministers' stipends and employer's 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 £28,137 and the maximum stipend (in the 5th and subsequent years of service) £34,577.

Ettrick and Yarrow Parish Church
Year ended 31st December 2020

Notes to the Accounts (continued)

6. Collections for Third Parties

	2020	2019
	£	£
Tiny Changes	375	-
Springboard of Hope for Haiti	375	-
Open Arms International	-	400
Scottish Air Ambulance	-	400
Christian Aid	-	170
British Red Cross Disaster Appeal	-	340
	<u>750</u>	<u>1,310</u>

APPENDIX

FUNDS HELD ON BEHALF OF THE CONGREGATION

BY THE CHURCH OF SCOTLAND GENERAL TRUSTEES

	2020	2019
	£	£
<u>CONSOLIDATED FABRIC (CAPITAL) ACCOUNT</u>		
Credit Balances held at 31 December at cost	<u>84,474</u>	<u>84,474</u>
Market Value of Balances at 31 December	<u>128,426</u>	<u>131,698</u>

CONSOLIDATED FABRIC (CAPITAL) ACCOUNT (II)

Credit Balances held at 31 December at cost	<u>328,134</u>	<u>328,134</u>
Market Value of Balances at 31 December	<u>342,152</u>	<u>328,134</u>

This account holds the net funds received from the sale of the Church Manse during the year to 31st December 2019, in addition to any interest earned thereon. The Manse was sold for £335,000 and incurred selling costs totalling £5,439.

	2020	2019
	£	£
<u>REVENUE ACCOUNT</u>		
Credit Balance at 31 December	<u>21,678</u>	<u>13,998</u>