

The Church of Scotland
Ettrick and Yarrow Parish Church

Report and Financial Statements

For the year ended

31st December 2021

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. M Steele

Mrs Nora Hunter

Mrs A Blundell

Mrs A Blackadder

Mr C Carroll

Mr G Jack

Mrs J Telfer

Mrs S White

Mrs L Wilson

Mrs Elizabeth Davidson

Mr Andy Wright

Principal Office-bearers

Minister: The Rev. Margaret Steele (retired 28/02/2022)

Locum Minister: Rev Scott Guy (appointed 06/03/2022)

Session Clerk: Mrs N Hunter

Church Treasurer: Mrs J Guthrie

In May 2021, Rev. Margaret Steele became Minister, having held the position of Interim Moderator since 30th April 2020.

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 2021

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 was chaired by the Interim Moderator (Rev Margaret Steele) up to May 2021. At that point Etrick and Yarrow became linked with Ashkirk linked with Selkirk and the Interim Moderator became Moderator. The Kirk Session normally meets six times in the year and is responsible for all matters within the church.

Small subgroups of Elders have been formed to deal with particular issues and members of the congregation can be co-opted on to these sub groups depending on expertise. During lockdown and particularly during the linking process Kirk Session meetings were held once per month.

All Kirk Session meetings since March 2020 have been held on Zoom.

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.

Etrick 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 2021

Achievements and Performance

Weekly services of worship are conducted, dividing equally between Kirkhope and Yarrow Churches. In summer, usually on one Sunday per month, there is also a service in Ettrick Church. Following the lockdowns and restrictions due to Covid 19 the worship services transferred online, being joined by Ashkirk and Selkirk Parish Churches. Discussions took place via Zoom and email regarding linking Ettrick and Yarrow with Ashkirk and Selkirk. With the vote being overwhelmingly in favour the linking proceeded in May 2021 with Rev M Steele as minister. With easing of restrictions Kirkhope Church reopened for worship services in July 2021 followed in September by Yarrow. Due to the success of the online services these have been continued by filming live services. A paper copy of the service is issued each week to those who are not on the internet or who cannot attend church due to shielding. A dedicated local phone line allows people to dial in to hear the service each week. The historic Blanket Preaching was held live on a beautiful sunny day overlooking St Mary's Loch. Extra services have been offered online such as Watch Night service on Christmas Eve. Remembrance Day ceremonies were conducted in person again at Kirkhope, Yarrow and Ettrick in November 2021.

A high level of pastoral care is offered to all in need in the valleys and by a group of elders and by the Pastoral Assistant to the linked parishes (Ms H Carroll, appointed during 2021) – usually by phone, email and doorsteps visits during the lockdown. Church members have been 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.

Trustees' Annual Report (cont.)

Year ended 31 December 2021

Financial Review (cont.)

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 again during the year. However, the Church has shown a surplus of income over expenditure of £1,810 this year, compared with a deficit of £1,318 in 2020. Income for the year to 31st December 2021 has declined considerably - by around 21%, which is in addition to a fall of around 27% in the previous year - largely as a result of the on-going Covid-19 pandemic. However, expenses have also fallen by 29% (2020 - 22%) for the same reason, despite the purchase of TV screens for Yarrow and Kirkhope churches at a cost of £2,500.

At 31st December 2021 the Church held investments with a market value of £18,301 over and above the bank balances.

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 £4,924 and £9,848. At the year end the Church held unrestricted funds of £10,668 which, is considered to be at a satisfactory level at this time.

It is worth noting however, that at the year end a further £7,374 was due in respect of Ministries and Mission costs, as a result of an error in the calculation originally issued by the Church of Scotland. The payment of this liability will significantly deplete unrestricted funds.

The Church also held £43,899 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.

Trustees' Annual Report (cont.)
Year ended 31 December 2021

Approved by the Trustees and signed on their behalf,

Ms Nora Hunter
Session Clerk

Date: 16th March 2022

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

I report on the accounts of the charity for the year ended 31st December 2021 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 2021

		Unrestricted Funds 2021	Restricted Funds 2021	Total 2021	Total 2020
<u>Receipts</u>	Note	£	£	£	£
Donations	3	14,874	7,000	21,874	26,776
Legacies		-	-	-	-
Activities for Generating Funds		-	-	-	-
Bank & Deposit interest		367	-	367	421
Investment income		-	-	-	-
		<u>15,241</u>	<u>7,000</u>	<u>22,241</u>	<u>27,197</u>
Rental of premises (Glebe rent)		1,880	-	1,880	1,880
Sale of investments		-	-	-	-
Grants		-	-	-	-
Receipts from General Trustees		-	-	-	-
Allocation from Presbytery		-	-	-	-
Other Receipts					
- Endowment income		2,928	-	2,928	4,996
- Sundry income		-	-	-	240
<u>Total Receipts</u>		<u><u>20,049</u></u>	<u><u>7,000</u></u>	<u><u>27,049</u></u>	<u><u>34,313</u></u>
<u>Payments</u>	4				
Costs of generating funds		-	-	-	-
Charitable activities		19,696	5,543	25,239	35,631
Governance costs		-	-	-	-
<u>Total Payments</u>		<u><u>19,696</u></u>	<u><u>5,543</u></u>	<u><u>25,239</u></u>	<u><u>35,631</u></u>
Excess of Receipts over Payments for the year before transfers		353	1,457	1,810	(1,318)
Transfers		(128)	128	-	-
Excess of Receipts over Payments for the year		<u><u>225</u></u>	<u><u>1,585</u></u>	<u><u>1,810</u></u>	<u><u>(1,318)</u></u>

Ettrick and Yarrow Parish Church
Statement of Balances
At 31 December 2021

	Unrestricted Funds 2021	Restricted Funds 2021	Total 2021	Total 2020
Note	£	£	£	£
<u>Bank & Deposit Balances</u>				
Bank & deposit balances brought forward	10,443	42,314	52,757	54,075
Movement in year:				
Excess of Receipts over Payments for the year	225	1,585	1,810	(1,318)
Bank & deposit balances carried forward	<u>10,668</u>	<u>43,899</u>	<u>54,567</u>	<u>52,757</u>
<u>Investments at market value</u>				
(cost £ 1,515)	<u>18,301</u>	<u>-</u>	<u>18,301</u>	<u>16,271</u>
<u>Assets</u>				
Gift Aid Receivable	<u>1,789</u>	<u>-</u>	<u>1,789</u>	<u>1,874</u>
<u>Liabilities</u>				
Ministries & Mission	7,374	-	7,374	-
Pastoral Assistant expenses	69	-	69	-
	<u>7,443</u>	<u>-</u>	<u>7,443</u>	<u>-</u>

The accounts were approved by the Kirk Session and Financial Board on 16th March 2022.

For and on behalf of the Kirk Session and Financial Board

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

Ettrick and Yarrow Parish Church
Year ended 31st December 2021

Notes to the Accounts

1. Trustee Remuneration and Related Party Transactions

During the year 3 trustees received reimbursement of expenses incurred totalling £3,091 (2020 - 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.

2. Movements in Funds

	At 1 Jan 2021	Receipts	Payments	Transfers	At 31 Dec 2021
	£	£	£	£	£
Unrestricted funds					
General Fund	10,443	20,049	(19,696)	(128)	10,668
	<u>10,443</u>	<u>20,049</u>	<u>(19,696)</u>	<u>(128)</u>	<u>10,668</u>
Restricted funds					
Fabric Fund	41,501	7,000	(5,543)	128	43,086
Tumutumu Fund	813	-	-	-	813
	<u>42,314</u>	<u>7,000</u>	<u>(5,543)</u>	<u>128</u>	<u>43,899</u>
Total funds	<u><u>52,757</u></u>	<u><u>27,049</u></u>	<u><u>(25,239)</u></u>	<u><u>-</u></u>	<u><u>54,567</u></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 2021	Restricted Funds 2021	Total 2021	Total 2020
	£	£	£	£

3. Analysis of Donations

WFO Scheme (non Gift Aid)	565	-	565	1,000
Gift Aid Donations	8,265	-	8,265	9,448
Tax Recovered on Gift Aid Donations	2,561	-	2,561	4,876
Ordinary Offerings (Open Plate)	2,423	-	2,423	1,457
Other Offerings, Donations etc	1,060	7,000	8,060	9,995
	<u>14,874</u>	<u>7,000</u>	<u>21,874</u>	<u>26,776</u>

Ettrick and Yarrow Parish Church
Year ended 31st December 2021

Notes to the Accounts (continued)

	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total 2021 £	Total 2020 £
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	10,043	-	10,043	18,497
Presbytery dues	326	-	326	370
Pastoral Assistant	1,645	-	1,645	-
Minister's expenses	150	-	150	253
Locum Fees	-	-	-	2,300
Pulpit supply	155	-	155	20
Other staffing costs	-	-	-	90
Fabric repairs & maintenance	-	5,543	5,543	5,864
Council Tax	596	-	596	-
Heat and light	1,019	-	1,019	1,043
Insurance	3,402	-	3,402	3,549
Other building costs	-	-	-	-
Church office expenses	-	-	-	-
Organ & music	-	-	-	396
Printing, stationery and postage	233	-	233	142
Other expenses	2,127	-	2,127	3,107
	<u>19,696</u>	<u>5,543</u>	<u>25,239</u>	<u>35,631</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 £28,700 and the maximum stipend (in the 5th and subsequent years of service) £35,269.

Ettrick and Yarrow Parish Church
Year ended 31st December 2021

Notes to the Accounts (continued)

6. Collections for Third Parties

	2021	2020
	£	£
Tiny Changes	-	375
Springboard of Hope for Haiti	-	375
	<u>-</u>	<u>750</u>

APPENDIX

FUNDS HELD ON BEHALF OF THE CONGREGATION

BY THE CHURCH OF SCOTLAND GENERAL TRUSTEES

	2021	2020
	£	£
<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>135,788</u>	<u>128,426</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>384,841</u>	<u>342,152</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.

	2021	2020
	£	£
<u>REVENUE ACCOUNT</u>		
Credit Balance at 31 December	<u>31,701</u>	<u>21,678</u>