

EAST NEUK TRINITY CHURCH OF SCOTLAND

Congregation Number: 261557

Scottish Charity Number: SC003163

Trustees' Annual Report and Unaudited Financial Statements

for the year ended 31 December 2018

EAST NEUK TRINITY CHURCH OF SCOTLAND

Report and Unaudited Financial Statements

for the year ended 31 December 2018

Scottish Charity Number – SC003163

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EAST NEUK TRINITY CHURCH OF SCOTLAND

Trustees' Annual Report

for the year ended 31 December 2018

The Trustees present their annual report and financial statements of the charity for the year ended 31 December 2018. The financial statements have been prepared in accordance with the accounting policies set out on page 10 and comply with the General Assembly Regulations for Congregational Finance and the Charities and Trustee Investment (Scotland) Act 2005, the Charities (Scotland) Regulations 2006 (as amended) and the Reporting by Charities: Statement of Recommended Practice applicable in the UK and Republic of Ireland published on 16 July 2014 (FRS 102).

Objectives & 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 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 aim of the Congregation of East Neuk Trinity Church is to spread the good news of Jesus Christ.

The current activities of the Church include weekly Sunday worship at 11.00am in Elie Church and Kilconquhar Church on alternate Sundays. Worship takes place in Colinsburgh Town Hall on the fifth Sunday of a month; Children's Church held during Sunday worship; weekly Bible study and prayer meeting groups; a monthly service of worship in a care home in the parish; active support of our mission partners in Mwandia; a strong Christian Aid group and link; continuing support of an annual Scripture Union Summer Beach Mission; regular visitation of members by district elders; a highly successful Drop In Café on Thursday afternoons; monthly friendship lunches held in Elie and Colinsburgh; support of the East Neuk Foodbank; well attended Guild and Women's Group meetings; outreach into the community through a variety of events including walks, games and quiz evenings; working with our neighbouring churches in the East Neuk Cluster including sharing worship and fellowship to spread the good news of Jesus Christ.

Achievements & performance

2018 has been another year in vacancy for East Neuk Trinity. Rev Dr Peter Mills, our minister since the linkage with St Monans Parish Church in July 2017, retired on Easter Sunday. Rev Jim Campbell remains the Interim Moderator for the linked charge. We advertised for, but were unsuccessful in engaging, a locum. We have however been fortunate to have the support of a number of Readers and retired ministers who are leading worship for our congregation and also in St Monans. Rev David Clark has helped and encouraged us in the formation of a Facilitating Worship Group and members of the congregation are assisting in leading worship, in particular over the Christmas period.

With the St Monans manse being deemed unsuitable, the pursuit of a new manse for the linked charge has taken up a considerable amount of time and effort and has not been easy. The Church of Scotland specifications as to size, layout and location have proved difficult to meet in the East Neuk of Fife. Any further review and remodelling of buildings has necessarily been put on hold until a manse has been acquired. St Andrews Presbytery is assisting us in this task and it is hoped that a suitable property will be acquired in early 2019 after which progress can hopefully be made to fill the vacancy.

The work and mission of the congregation has, despite these matters, continued to grow and develop. Our Christian outreach and our organisations continue to be well supported, ecumenical relations remain strong and a variety of spiritually enriching initiatives have been enjoyed with the congregation of St Monans such as 'Christianity Explored' and 'Moving On' Courses.

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for the year ended 31 December 2018

Financial Review

The Church is in the position of having a strong balance sheet but declining income. Our net unrestricted fund deficit for the year was £2,735 (2017 – surplus £1,102).

We continue to endeavour to keep members of the congregation informed about our financial position and the level of the offerings received. These have remained broadly in line with the last financial year. We hope that an ongoing greater understanding and appreciation of our financial position will encourage everyone to think carefully about the nature and level of their financial support for the church.

With volatile stock markets continuing to be the norm and a continued period of global economic and political instability, we cannot rely indefinitely on the income and capital benefits arising from the goodwill of previous generations to continue funding an annual deficit.

Our total funds (Net Assets) at the year-end amounted to £682,918 (£732,491 in 2017). This is a decrease of £49,573 on the previous year and is largely explainable by the fall in value of our Investment portfolio due to falling markets in the year.

In this regard, and given our financial challenges and in line with the spiritual vision for our church, we are looking carefully at the continued suitability of each of our properties and restricting expenditure on the fabric to items of absolute necessity. Balances from the Manse and Colinsburgh Church sales continues to sit in our Consolidated Fabric Fund in a general account until a sale levy is applied in due course. The balance of these funds is £760,432 and interest (current rate of 0.61%) will continue to be received until such time as the funds can then be added into the existing Consolidated Fabric Fund Account.

More generally, considerable value is tied up in our 4 properties and it is likely that not all are ideal for the direction members wish to see the Church take. In addition, we have £75,833 held on our behalf in a Consolidated Fabric Fund by the Church of Scotland General Trustees. We also have a healthy Investment portfolio, coupled with the possibility of further specific support from the Glasgow Trust (see note 14). Taken together, and supplemented by the possibility of funding support from the General Trustees and our members, we are in the fortunate position of being able, should we wish, to consider embarking on a major investment in our church, as part of a realignment of our property portfolio and in support of our vision of 'engaging with the Good News of Jesus Christ'.

So, while significant challenges remain, we are committed to meeting them with plans that will invigorate the worship and mission of our congregation and as a result, we hope, inspire our community also.

Investment Policy and Performance

The Investment policy of the trustees is to seek capital and income growth through a spread of investments to generate funds to support the activities of the Church. After a near decade-long bull market in financial assets, investors experienced decidedly more bearish conditions towards the end of 2018, with volatile stock markets losing significant ground during the final quarter of the year. A tangle of factors appeared to continue to provide uncertainty and unsettle market participants. These market forces have been felt across all our investment holdings.

We hold units in the Growth Fund of the Church of Scotland Investors Trust which is ultimately managed by Newton Investment Management. Over the year ended 31st December 2018, the total value of the Growth Fund stood at £278.7 million. Over the same period, the fund had an actual annual return of 0.22 %. This was above the benchmark used to assess performance which was -3.40 %, so a relative gain of 3.66 %. The three year position was 8.40% which is marginally behind the benchmark at 8.69%.

The risk profile of the Restricted and Unrestricted portfolios managed under a discretionary mandate by our stockbrokers continues to be classified for the restricted funds as 'medium/high' to reflect the fairly high

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for the year ended 31 December 2018

content and the investment objectives agreed by the trustees. The risk classification for the larger unrestricted portfolio is "medium/high"; the priority on these funds is to grow the capital value whilst still allowing for income should this be required.

The small restricted fund has fallen by a total return (net of costs) of -4.8 % whilst the much larger restricted fund has fallen by -5.90% over the year to December 2018. Over the same period the benchmark we use to assess performance (the 80% FTSE All Share Index, 20% FTSE All Gilts Index) fell by -7.4 % so in both the portfolios the fund performance was above the benchmark.

The trustees again reviewed the investment performance during the year and are satisfied with the current performance against the above objectives.

Risk Management

The trustees have assessed the major risks to which the charity is exposed and seek to address them with appropriate action. Risks are reviewed regularly and changes to procedure applied as appropriate.

The principal risks faced by the charity lie in raising sufficient income to balance the general fund, the performance of its investments and in recruiting and retaining trustees and office bearers with the relevant skills and experience needed by the congregation.

The risk of falling income continues to be of concern. In due course, this calls for a stewardship campaign and the promotion of the church in the community to increase the number of people involved in the various activities described above, thereby in time increasing church membership and giving.

The trustees consider the variability of investment returns from the portfolio to be the charity's major financial risk. This risk is mitigated by the appointment of expert professional advisors with considerable experience in the charity sector. This action provides cost effective management and assists in providing a predictable level of income to contribute to the programme of charitable activities and services.

Reserves Policy

The charity trustees have considered the reserves required and have taken in to account their current and future liabilities. It is the trustees' policy to hold free cash reserves of approximately three months' expenditure excluding designated funds. At the year end, the church held unrestricted income funds of £629,363 of which amount £51,333 was in freely available net current assets and £51,587 was held as designated funds within the Church of Scotland Fabric Fund. Total cash on deposit and in hand at the year end represents over three months of total expenditure.

The church also held £53,555 of restricted income funds which have been provided for the purposes as specified in note 13.

At the year end, the net assets carried forward amounted to £682,918 of which £104 comprised tangible fixed assets used for charitable purposes and £615,711 was held in fixed asset investments.

Structure Governance & Management

The congregation is a registered charity, number SC003163 and is now administered under the Unitary Constitution subject to the Acts and Regulations of the Church of Scotland.

Members of the Kirk Session were and 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.

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for the year ended 31 December 2018

The Kirk Session is chaired by the Minister or during any period of vacancy by the Interim Moderator and meets six times a year and informally as required. The Kirk Session is responsible for the spiritual *and temporal* affairs within the church.

Members of the Kirk Session as Trustees

Jim Bell	Myra Bell
Eleanor Black	Elizabeth Bracher
Jenny Gilderdale	Irene Hamilton
Janis Lauritsen	Robert Lindsay
Joyce McKinney	Alistair MacLeod
Anne MacLeod	Douglas McVean
Elizabeth Meacher	Andrew Millar
Bob Mitchell	Kenneth Orr
Margaret Rollo	Elaine Ross
Lindsay Terras	Irene Wallace
Sandy Wallace	Lindsay Wardrop
Kenneth Weir	Olive Weir
Robert Wilson	Wilma Wilson
Sharon Wishart	

Office Bearers

Minister	Vacant
Interim Moderator	Rev Jim Campbell
Session Clerk	Mrs Olive Weir
Church Treasurer	Mrs Victoria White

Principal Office and Charity Number

East Neuk Trinity Church, Church Hall, Kirkpark Road, Elie KY9 1DG
Charity Registration Number: SC003163

Independent Examiner

Joanne Paul CA, Henderson & Black, Chesney House, 149 Market Street, St Andrews, Fife KY16 9PF

Bankers

The Royal Bank of Scotland plc, 36 St Andrews Square, Edinburgh, EH2 2YB.

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Trustees' Annual Report

for the year ended 31 December 2018

Trustees' Responsibilities in Relation to the Financial Statements

The Charity Trustees are responsible for preparing trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in Scotland requires the charity trustees to prepare financial statements for each year which show a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing the financial statements, the trustees are required to:

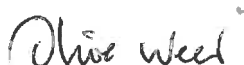
- Select suitable accounting policies and then apply them consistently;
- Observe the method and principles in the applicable Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operational existence.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) regulations 2006 (as amended). They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the charity and financial information on the congregation's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the Trustees on 24 March 2019 and signed on their behalf by:

Olive Weir
Session Clerk



24 March 2019

EAST NEUK TRINITY CHURCH OF SCOTLAND

Independent Examiner's Report to the Trustees of East Neuk Trinity Church of Scotland

I report on the accounts of the charity for the year ended 31 December 2018 which are set out on pages 7 to 17.

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

This report is made to the trustees, as a body, in accordance with the terms of my engagement. My work has been undertaken so that I might state to the trustees those matters I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the trustees for my work or for this report.

Basis of Independent Examiner's Statement

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

Independent Examiner's Statement

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

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 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.



Joanne Paul CA
Partner
Henderson Black & Co
Chartered Accountants

149 Market Street
St. Andrews
Fife
KY16 9PF

24 March 2019

EAST NEUK TRINITY CHURCH OF SCOTLAND

Statement of Financial Activities

for the year ended 31 December 2018

	Notes	Unrestricted Funds 2018 £	Restricted Funds 2018 £	Total 2018 £	Total 2017 £
Income and endowments from:					
Donations and legacies	2	61,190	14,448	75,638	64,805
Charitable activities	3	14,067	-	14,067	15,044
Investment income	4	20,270	1,389	21,659	21,972
Other	5	2,693	-	2,693	3,851
Total income		<u>98,220</u>	<u>15,837</u>	<u>114,057</u>	<u>105,672</u>
Expenditure on:					
Raising funds	6	1,397	480	1,877	1,648
Charitable activities	6	99,558	14,530	114,088	99,632
Total expenditure		<u>100,955</u>	<u>15,010</u>	<u>115,965</u>	<u>101,280</u>
Net income/(expenditure) before gains and losses on investments		(2,735)	827	(1,908)	4,392
Net (losses)/gains on investments		<u>(44,873)</u>	<u>(2,792)</u>	<u>(47,665)</u>	<u>53,999</u>
Net (expenditure)/income		(47,608)	(1,965)	(49,573)	58,391
Transfers between Funds		<u>418</u>	<u>(418)</u>	<u>-</u>	<u>-</u>
Net movement in funds		(47,190)	(2,383)	(49,573)	58,391
Reconciliation of funds:					
Total funds brought forward		676,553	55,938	732,491	674,100
Total funds carried forward		<u>629,363</u>	<u>53,555</u>	<u>682,918</u>	<u>732,491</u>

EAST NEUK TRINITY CHURCH OF SCOTLAND

Balance Sheet at 31 December 2018

	Notes	Unrestricted Funds 2018 £	Restricted Funds 2018 £	Total funds 2018 £	Prior Year 2017 £
Fixed Assets					
Tangible Fixed Assets	9	104	-	104	104
Investments	10	577,926	37,785	615,711	663,102
		<u>578,030</u>	<u>37,785</u>	<u>615,815</u>	<u>663,206</u>
Current Assets					
Debtors	11	7,121	-	7,121	4,577
Cash on deposit and in hand		49,205	15,770	64,975	68,750
		<u>56,326</u>	<u>15,770</u>	<u>72,096</u>	<u>73,327</u>
Liabilities					
Creditors					
Amounts falling due within one year	12	(4,993)	-	(4,993)	(4,042)
Net Current Assets		<u>51,333</u>	<u>15,770</u>	<u>67,103</u>	<u>69,285</u>
Net Assets		<u>629,363</u>	<u>53,555</u>	<u>682,918</u>	<u>732,491</u>
Represented by:					
Restricted income funds	13			53,555	55,938
Unrestricted income funds	13			629,363	676,553
Total Funds				<u>682,918</u>	<u>732,491</u>

The accounts were approved by the trustees on 24 March 2019.

Olive Weir

Olive Weir
Session Clerk

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Trustee

EAST NEUK TRINITY CHURCH OF SCOTLAND

Statement of Cash Flows

for the year ended 31 December 2018

	Note	Total funds 2018	Prior Year 2017
		£	£
Net cash (used in)/provided by operating activities	15	<u>(25,160)</u>	<u>(16,616)</u>
<i>Cash flows from investing activities:</i>			
Investment income	4	21,659	21,972
Proceeds from sale of investments		7,967	10,094
Purchase of investments	10	<u>(8,241)</u>	<u>(9,962)</u>
		<u>21,385</u>	<u>22,104</u>
Change in cash and cash equivalents in the year		(3,775)	5,488
Cash and cash equivalents brought forward		68,750	63,262
Cash and cash equivalents carried forward		<u>64,975</u>	<u>68,750</u>

Cash and cash equivalents consist of bank and cash balances.

EAST NEUK TRINITY CHURCH OF SCOTLAND

Accounting Policies for the year ended 31 December 2018

1. Accounting Policies

The principal accounting policies, which have been applied consistently in the current and preceding year in dealing with items which are considered material to the accounts, are set out below.

Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

East Neuk Trinity Church of Scotland constitutes a public benefit entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the entity, and the amounts reported are rounded to the nearest pound.

The trustees consider that there were no material uncertainties at the year end, nor arising subsequently, which would lead them to question the charity's ability to continue as a going concern.

Fund accounting

Funds are classified as either restricted funds or unrestricted funds, defined as follows:-

Restricted funds are funds subject to specific requirements as to their use which may be declared by the donor or with their authority or created through legal processes, but still within the wider objects of the charity.

Unrestricted funds are expendable at the discretion of the trustees in furtherance of the objects of the charity. If parts of the unrestricted funds are earmarked at the discretion of the trustees for a particular purpose, they are designated in a separate fund. This designation has an administrative purpose only and does not legally restrict the trustees' discretion to apply the fund.

Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Deferred income

When income is received in advance of the supply of service (usually hire of facilities), it is deferred until the charity has supplied the service.

Expenditure

Expenditure is recognised on an accrual basis as the liability is incurred.

Donated services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102) the general volunteer time of congregation members is not recognised.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised as expenditure in the period of receipt.

Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the financial institution.

EAST NEUK TRINITY CHURCH OF SCOTLAND

Accounting Policies for the year ended 31 December 2018

1. Accounting Policies (continued)

Fixed assets

The charity has the right to occupy and use for its charitable objects certain tangible fixed assets, including the Churches, manse and Toll Green Hall, vested in the Church of Scotland General Trustees. No consideration is payable for the use of these assets. Expenditure incurred on the repair and maintenance of these assets is charged as expenditure in the Statement of Financial Activities in the period in which the liability arises.

The only tangible property asset owned by the charity is the hall in Kirkpark Road, Elie which is vested in the Minister and Kirk Session as Trustees for the congregation. The original cost of this hall is unknown and it is very difficult to arrive at a value on a current use basis and so no value is assigned to it in these financial statements.

All tangible fixed assets costing in excess of £2,500 having a value to the charity greater than one year, other than those acquired for specific purposes, are capitalised. Depreciation is provided on a straight-line basis to write off the cost or initial value, less residual value, of tangible fixed assets over their estimated useful lives:

Fixtures, fittings and office equipment	5 years
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Investments

Fixed asset investments are stated at market value at the balance sheet date. Unrealised gains and losses represent the difference between the market value at the beginning and end of the financial year or, if purchased in the year, the difference between cost and market value at the end of the year. Realised gains and losses represent the difference between the proceeds on disposal and the market value at the start of the year or cost if purchased in the year.

Taxation

East Neuk Trinity Church of Scotland is recognised as a charity for the purposes of applicable taxation legislation and is therefore not subject to taxation on its charitable activities. The charity is not registered for VAT and expenditure therefore includes irrecoverable input VAT.

EAST NEUK TRINITY CHURCH OF SCOTLAND

Notes forming part of the financial statements

for the year ended 31 December 2018

	Unrestricted Funds 2018	Restricted Funds 2018	Total 2018	Total 2017
	£	£	£	£
2. Donations and Legacies				
WFO Scheme	3,027	-	3,027	1,501
Gift Aid donations	34,694	-	34,694	35,612
Ordinary Offerings (Open Plate)	6,933	-	6,933	8,672
Tax recovered on Gift Aid	13,160	-	13,160	10,155
Donations from Glasgow Trust	-	10,750	10,750	-
Donations for Mwandia	-	3,070	3,070	5,725
Donations and sundry income	3,376	628	4,004	3,140
	<u>61,190</u>	<u>14,448</u>	<u>75,638</u>	<u>64,805</u>
Income from donations and legacies was £75,638 (2017 £64,805) of which £61,190 was unrestricted (2017 £58,211) and £14,448 was restricted (2017 £6,594).				
3. Income from charitable activities				
Fundraising Events	50	-	50	113
Weddings and funerals	6,360	-	6,360	4,300
Church Guild	1,956	-	1,956	2,206
Outreach Committee	684	-	684	555
Church Women's Group	2,257	-	2,257	1,359
Use of Premises	2,760	-	2,760	6,511
	<u>14,067</u>	<u>-</u>	<u>14,067</u>	<u>15,044</u>
4. Investment income				
Investment income	20,268	1,372	21,640	21,970
Interest on deposits	2	17	19	2
	<u>20,270</u>	<u>1,389</u>	<u>21,659</u>	<u>21,972</u>
Total investment income was £21,659 (2017 £21,972) of which £20,270 was unrestricted (2017 £20,596) and £1,389 was restricted (2017 £1,376).				
5. Other income				
Church of Scotland Fabric Fund	2,693	-	2,693	3,851
	<u>2,693</u>	<u>-</u>	<u>2,693</u>	<u>3,851</u>

EAST NEUK TRINITY CHURCH OF SCOTLAND

Notes forming part of the financial statements

for the year ended 31 December 2018

	Unrestricted Funds 2018 £	Restricted Funds 2018 £	Total 2018 £	Total 2017 £
6. Analysis of Expenditure				
Raising Funds				
Investment management expenses	1,397	480	1,877	1,648
	<u>1,397</u>	<u>480</u>	<u>1,877</u>	<u>1,648</u>
Charitable Activities				
Ministries and mission allocation	43,493	-	43,493	42,061
Presbytery dues	1,419	-	1,419	1,458
St Monans shared costs	3,153	-	3,153	1,214
Pulpit supply	2,236	-	2,236	1,306
Other salary costs (Note 7)	19,000	-	19,000	17,032
Minister's travelling expenses	478	-	478	-
Fabric repairs and maintenance	5,095	10,750	15,845	3,908
Manse repairs and maintenance	270	-	270	-
Memorial garden expenses	-	1,080	1,080	-
Insurance	6,089	-	6,089	6,819
Heating and lighting	4,129	-	4,129	3,395
Church music & communion expenses	132	-	132	470
Church Guild	1,722	-	1,722	2,342
Church Outreach committee	719	-	719	376
Sunday School and Scripture Union	110	-	110	128
Church Women's Group	1,926	-	1,926	1,513
Church office expenses	5,212	-	5,212	4,409
Payroll services	510	-	510	396
Book-keeping fees	-	-	-	1,250
Miscellaneous expenses	1,079	-	1,079	1,111
Mwandi donations	-	2,700	2,700	4,680
Charitable donations	691	-	691	1,158
Bank charges	392	-	392	406
Independent Examiner's fee	1,703	-	1,703	1,800
Depreciation	-	-	-	2,400
	<u>99,558</u>	<u>14,530</u>	<u>114,088</u>	<u>99,632</u>
Total	<u>100,955</u>	<u>15,010</u>	<u>115,965</u>	<u>101,280</u>

Support costs have not been separately identified as the trustees consider there is only one charitable activity, therefore support costs relate wholly to that activity and have not been separately identified.

Payroll services are provided by the firm in which the Independent Examiner is a Partner.

Expenditure on charitable activities was £115,965 (2017 £101,280) of which £100,955 was unrestricted (2017 £96,600) and £15,010 was restricted (2017 £4,680).

EAST NEUK TRINITY CHURCH OF SCOTLAND

Notes forming part of the financial statements

for the year ended 31 December 2018

7. Staff costs and numbers	Unrestricted Funds 2018	Restricted Funds 2018	Total 2018	Total 2017
	£	£	£	£
Salaries and wages	19,000	-	19,000	17,032
Social security costs	-	-	-	-
Total	<u>19,000</u>	<u>-</u>	<u>19,000</u>	<u>17,032</u>

The average number of employees during the year was as follows:

	2018 Number	2017 Number
Music staff	2	2
Church office	2	1
Premises maintenance	2	2
	<u>6</u>	<u>5</u>

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 £27,044 and the maximum (in the fifth and subsequent years of service) £33,234.

8. Trustee Remuneration and Related Party Transactions

Mr Robert Lindsay who is a member of the Kirk Session received £4,263 (2017- £4,113) from his employment as an organist during the year.

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 as indicated above.

During the year a total of £17,624 (2017 - £17,762) was donated to the congregation by trustees.

9. Fixed assets

	Fixtures, fittings & office equipment
Cost	£
At 1 January 2018 and 31 December 2018	<u>12,104</u>
Accumulated Depreciation	
At 1 January 2018	12,000
Charge for year	-
At 31 December 2018	<u>12,000</u>
Net Book Value	
At 31 December 2018	<u>104</u>
At 31 December 2017	<u>104</u>

EAST NEUK TRINITY CHURCH OF SCOTLAND

Notes forming part of the financial statements

for the year ended 31 December 2018

10. Fixed asset investments

Movement in fixed asset listed investments	2018 £	2017 £
Market value brought forward at 1 January 2017	663,102	609,235
Additions to investments at cost	8,241	9,962
Disposals at carrying value	(6,072)	(10,170)
Net (loss)/gain on revaluation	(49,560)	54,075
Market value as at 31 December 2018	<u>615,711</u>	<u>663,102</u>

Net cash used for investments in the year was £274 (2017 - (£132)).

Investments at fair value comprised:	2018 £	2017 £
Bond funds	94,333	98,048
Equity funds	386,285	420,274
Equities	<u>135,093</u>	<u>144,780</u>
	<u>615,711</u>	<u>663,102</u>

The historical cost of investments at 31 December 2018 was £462,678 (2017 - £460,188)

All investments are carried at their fair value. Investment in equities and fixed interest securities are all traded in quoted public markets, primarily the London Stock Exchange. Holdings in common investment funds and unit trusts are at mid-market price. The basis of fair value for quoted investments is equivalent to the market value, using the mid-market price. Asset sales and purchases are recognised at the date of trade cost (that is transaction value).

The significance of financial instruments to the ongoing financial sustainability of the charity is considered in the financial review and investment policy and performance sections of the Trustees' Annual Report.

11. Debtors

	Unrestricted Funds 2018 £	Restricted Funds 2018 £	Total 2018 £	Total 2017 £
Gift aid claim	2,013	-	2,013	2,532
Ministries & Mission	<u>5,108</u>	<u>-</u>	<u>5,108</u>	<u>2,045</u>
	<u>7,121</u>	<u>-</u>	<u>7,121</u>	<u>4,577</u>

EAST NEUK TRINITY CHURCH OF SCOTLAND

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12. Creditors

	Unrestricted Funds 2018 £	Restricted Funds 2018 £	Total 2018 £	Total 2017 £
Accruals	3,793	-	3,793	3,742
Deferred income (below)	1,200	-	1,200	300
	<u>4,993</u>	<u>-</u>	<u>4,993</u>	<u>4,042</u>

Deferred income - deposits for facilities hire received in advance

Balance at 1 January		300	600
Released to income		(300)	(600)
Deposits received		1,200	300
Balance at 31 December		<u>1,200</u>	<u>300</u>

13. Movements in funds

	At 1 January 2018 £	Income £	Expenditure £	Investment Gains/(losses) £	Transfers £	At 31 December 2018 £
Unrestricted funds						
General Fund	634,042	92,666	(96,547)	(44,873)	510	585,798
Designated Funds:						
Fabric Fund	38,590	-	-	-	17	38,607
Church Guild	1,741	1,956	(1,722)	-	-	1,975
Outreach Committee	457	684	(720)	-	-	421
Church Women's Group	805	2,257	(1,926)	-	-	1,136
Badminton Club	118	257	(40)	-	(109)	226
Drop-in Café Fund	800	400	-	-	-	1,200
	<u>676,553</u>	<u>98,220</u>	<u>(100,955)</u>	<u>(44,873)</u>	<u>418</u>	<u>629,363</u>
Restricted funds						
Mrs Camp's Bequest	37,248	1,085	(480)	(2,488)	-	35,365
Memorial Garden Fund	1,869	628	(1,080)	-	(418)	999
Glasgow Trust	-	10,750	(10,750)	-	-	-
Mackie Bequest	11,410	287	-	(304)	-	11,393
Mwandi Fund	5,411	3,087	(2,700)	-	-	5,798
	<u>55,938</u>	<u>15,837</u>	<u>(15,010)</u>	<u>(2,792)</u>	<u>(418)</u>	<u>53,555</u>
Total funds	<u>732,491</u>	<u>114,057</u>	<u>(115,965)</u>	<u>(47,665)</u>	<u>-</u>	<u>682,918</u>

Purposes of Unrestricted funds

General Fund:	For general religious and educational purposes.
Designated Fabric Fund:	The trustees aim to set aside funds for the maintenance of the church properties so that, when taken together with the Mackie Bequest, the total amount is £50,000.
Church Guild:	The fund reflects the fellowship activities of the Church Guild.
Outreach Committee:	The fund reflects the outreach activities of the congregation.
Church Women's Group:	The fund reflects the fellowship activities of the group.
Badminton Club:	The fund name reflects the activities of the club.
Drop-in Café:	The fund reflects the activities of the group.

Purposes of Restricted funds

Mrs Camp's Bequest:	For the maintenance of the buildings of the East Neuk Trinity Church.
Memorial Garden Fund:	To provide for the upkeep of the garden and memorial stone. During the year it was discovered that expenditure of £418 relating to this fund had been incorrectly charged to unrestricted funds. A transfer of £418 has been made in 2018 to adjust this.
Glasgow Trust:	For assistance with church repairs and upkeep
Mackie Bequest:	For church maintenance.
Mwandi Fund:	To hold monies donated and raised to assist with various church-sponsored projects in Mwandi.

EAST NEUK TRINITY CHURCH OF SCOTLAND

Notes forming part of the financial statements

for the year ended 31 December 2018

14. Related Parties

The charity trustees consider that The Glasgow Trust for East Neuk Trinity Church (Registered Scottish Charity No. SC009491) is a related charity as it shares some common trustees and purposes described below.

The trustees of The Glasgow Trust are *ex officio* the Minister, the Treasurer, the Secretary of the Guild and two members of the Spaces and Resources Team as nominated by that team.

The charitable purposes of The Glasgow Trust are to -

(a) assist with the maintenance, repair, renewal and improvement of the buildings, their fittings and fixtures and furnishings belonging to or used by East Neuk Trinity Church; and

(b) benefit organisations set up by East Neuk Trinity Church; and

(c) support such activities and projects of East Neuk Trinity Church which have the aim of bringing people to Christianity; and

(d) generally support the promotion and advancement of the Christian religion.

The total Trust Funds of The Glasgow Trust at 31 March 2018 were £861,873 (2017 £848,848).

15. Reconciliation of net movement in funds to net cash from operating activities	Total 2018	Total 2017
	£	£
Net movement in funds per Statement of Financial Activities	(49,573)	58,391
Add back depreciation charge	-	2,400
Deduct investment income	(21,659)	(21,972)
Add loss/deduct gains on investments	47,665	(53,999)
(Increase) in debtors	(2,544)	(2,167)
Increase in creditors	951	731
Net cash (used in)/provided by operating activities	(25,160)	(16,616)

16. Collections for Third Parties

	2018	2017
	£	£
Christian Aid	-	734
East Neuk Food Bank	-	472
Dr Peter Mills retirement collection	585	-
Poppy Scotland	227	-
	812	1,206

EAST NEUK TRINITY CHURCH OF SCOTLAND

Appendices to the financial statements

for the year ended 31 December 2018

Appendix 1

Funds held on behalf of the Congregation by the Church of Scotland General Trustees

Capital Account	2018	2017
	£	£
Credit balances at 31 December at cost	<u>51,587</u>	<u>51,587</u>
Market Value of balances at 31 December	<u>75,833</u>	<u>78,928</u>

The Church of Scotland General Trustees hold 51,587 units in the Consolidated Fabric Fund on behalf of East Neuk Trinity Church of Scotland.

Revenue Account	2018	2017
	£	£
Balance at 31 December	<u>2,688</u>	<u>-</u>

Due to the sale last year of Elie manse and Colinsburgh Church and church hall, the Church of Scotland General Trustees also hold temporary funds on behalf of the congregation as follows:

Temporary Funds	2018	2017
	£	£
Balance at 31 December	<u>760,432</u>	<u>757,469</u>