

**ALL SAINTS EPISCOPAL CHURCH, LOCKERBIE**

**Annual Report and Accounts for the year ended 30 September 2016**

**1. Administrative Information:**

**Principal Address** All Saints Episcopal Church, 3 Ashgrove terrace, Lockerbie DG11 2BQ.

**Website** [www.lockerbieanglican.org](http://www.lockerbieanglican.org)

**Charity Trustees  
(Vestry Members)** Rev'd Martin Callaghan, Rector  
Rev'd John Macleod Associate Priest  
David Rose, People's Warden and Lay Representative  
Ronald Ritchie, Hon Secretary  
Ian Stewart, Rector's Warden and Hon Treasurer  
Margaret Buchanan  
Elizabeth McDonnell  
Marjorie McGregor  
Kath Leadbeater  
Lynne Prhal

**Officer for the Protection of Children**

**And Vulnerable Adults** Pauline Rose

**Bankers** Royal Bank of Scotland, 47 High Street, Lockerbie DG11 2JH

**Solicitors** McJarrow & Stevenson, 55 High Street, Lockerbie DG11 2JH

**Independent Examiner** Douglas Russell CA, Armstrong Watson, 51 Rae Street, Dumfries DG1 1JD.

**2. Annual report of the Members of the Vestry**

**Introduction**

The Vestry is pleased to present the annual accounts of All Saints for the year to 30 September 2016.

We are a small, friendly congregation whose objective is to advance the mission of the Christian Church in Lockerbie and the surrounding district through worship, service and fellowship. We aim to do this through supporting existing church members, welcoming new members and visitors and cooperating with the other Churches in the Annandale Group, in the Galloway Region, in the Diocese, and where the opportunity arises, with the members of other denominations in our area.

We particularly value our links with the Episcopal Churches at Moffat, Annan, Eastriggs and Gretna, who along with All Saints, make up the Annandale Group. All ministry costs are shared between the five Churches on the basis of an agreed formula which reflects ability to pay.

The Church is fully accessible and has disabled toilet facilities and a hearing loop system.

This annual report and accounts presents a summary of our financial activities during the year and gives an overview of the general activities which have taken place in the life of the Church in the past year.

### ***Activities and Achievements***

During the year we have continued with our Eucharist service at 11.15am each Sunday. This is normally led by the Associate Priest, Rev'd John Macleod, on the 1<sup>st</sup>, 2<sup>nd</sup> and 4<sup>th</sup> Sundays of each month and by the Rector, Rev'd Martin Callaghan, on the 3<sup>rd</sup> and 5<sup>th</sup> Sundays. We have also been pleased to have some services led by other members of the Ministry team, by visiting ministers and by lay readers. We also have a said Eucharist each Thursday at 4.00pm.

During the year we successfully completed the project to remove the pews and replace them with comfortable and flexible seating. The under pew heating pipes were also relocated and the whole project was completed on budget and the result has exceeded our expectations. The seating can be readily reconfigured and this has enabled the Church to be used for a variety of meetings and events. We have been able to welcome non members into the Church for these events and are becoming more ambitious with a fashion show and Shakespeare evening to take place shortly.

As mentioned in last year's report the coffee morning which had taken place annually for more years than anyone can remember was dropped this year due to our diminishing and ageing congregation. We replaced this with a Gift day which was a huge success. Almost £1,300 was raised, with a further £300 to come from Gift Aid tax. The congregation is warmly thanked for their generous support of this initiative.

As reported in the notes to the accounts we had three special collections for outside charities which raised £481. We did not donate any of our Church funds to charity during the year but the Vestry don't intend to drop this policy despite our current financial difficulties although outside giving may be at a lower level than in past years.

### ***Financial Performance***

We achieved a surplus of £2,235 on normal activities over the year. The cost of replacing the pews came out on budget and after donations and grants the net cost was £2,774 resulting in a small overall deficit for the year of £539. With declining membership numbers our annual income is decreasing and we will be drawing on reserves next year unless ways of increasing our income can be found.

### ***Reserves***

Our reserves are all unrestricted. The value of our investments increased significantly over the year but of course that merely represents a snapshot at a particular time. The Vestry is content that our reserves are adequate for the foreseeable future although continues to be aware that if we have to draw on our reserves to meet day to day expenditure our investment income will decline which will add to our difficulties.

### ***Structure, Governance and Management***

All Saints is an unincorporated association, governed by a constitution which was last amended in 2004. As a member congregation of the United Diocese of Glasgow & Galloway in the Scottish Episcopal Church, it is also governed by Canon Law of the Scottish Episcopal Church. The management team of the Church is known as the

Vestry. For the purposes of charities law, the members of the Vestry are the Charity Trustees of the Church. Details of the Vestry members are given on the front page.

Apart from the Rector, the Associate Priest and the Rector's Warden the other Vestry members are elected by the congregation in annual meeting. The Lay Representative and the People's Warden are elected annually whilst at least two of the ordinary Vestry members must retire annually but are eligible for re-election. The Vestry is chaired by the Rector or the Associate Priest.

New Vestry members are given an induction pack outlining their role and responsibilities. The treasurer regularly updates other members of the Vestry on relevant changes in legislation and best practice relating to charities.

### ***Vestry Responsibilities***

The Vestry are responsible for managing and safeguarding the assets of the Church and assisting the Rector and Associate Priest in matters affecting the spiritual welfare of the congregation. They are also responsible for keeping proper accounting records and ensuring that the accounts are prepared in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 as amended. The Vestry regularly considers the risks faced by All Saints and ensures that appropriate risk management procedures are in place to mitigate those risks.

### ***Relationship with Diocese and Province***

All Saints is supported by the Diocese and the Province through the pastoral oversight of the Bishop, central support functions provided at Diocesan level, and grants from central funds. The Church is represented at Diocesan level by the Rector, Associate Priest and the Lay representative. As a member of the Scottish Episcopal Church All Saints has an obligation to contribute to the costs of the Diocese and the Province through payment of an annual quota. This amount is based on the relative level of our income in comparison with other Churches in the Diocese and the Province.

### ***Conclusion***

The members of the Vestry would like to thank all those who contribute their time, energy and money so generously to ensure the continuation and development of All Saints as a centre of worship and an important part of the Christian life of the Lockerbie District.

### ***On behalf of the Trustees***

.John Macleod, Trustee on behalf of the Vestry. 15 October 2016.

**3. Independent Examiner’s Report to the Trustees of All Saints Episcopal Church, Lockerbie**

I report on the accounts of the charity for the year ended 30<sup>th</sup> September 2016 as set out on pages 5 to 7.

**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 2006as amended. 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 report.**

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.

..... Douglas Russell CA.

1<sup>st</sup> November 2016.

Address of Independent Examiner: Armstrong Watson, Chartered Accountants,  
51 Rae Street, Dumfries DG1 1JD.

#### 4. Receipts and Payments Account for the year ended 30 September 2016

	Notes	2016 Unrestricted	2016 Restricted	2016 Total	2015 Total
		£	£	£	£
<b>Receipts</b>					
Donations	2	16,728	5,634	22,362	18,170
Fundraising	3	1,292	-	1,292	1,330
Investments	4	4,942	-	4,942	4,918
Grants		0	2000	2,000	
<i>Total Receipts</i>		<u>22,962</u>	<u>7,634</u>	<u>30,596</u>	<u>24,418</u>
<b>Payments</b>					
Payments relating to Charitable Activities	5	20,633	10,408	31,041	22,394
Expenses of fundraising activities		0	-	0	114
Grants and donations	6	0	0	0	200
Governance costs		94	-	94	90
<i>Total Payments</i>		<u>20,727</u>	<u>10,408</u>	<u>31,135</u>	<u>22,798</u>
<b>Surplus/ deficit(-) for the year</b>		2,235	- 2,774	-539	1,620

#### 5. Statement of balances as at 30 September 2016

		2016 £	2015 £
<b>Cash at Bank</b>			
Balance at beginning of year		18,827	17,207
Surplus/(deficit)for year		- 539	1,620
<i>Total cash funds at end of year</i>		<u>18,288</u>	<u>18,827</u>
Comprising	Royal Bank of Scotland	3,460	3,322
	Cambridge & Counties Bank	9828	9,505
	Virgin Money	5000	6,000
		<u>18,288</u>	<u>18,827</u>
<b>Investments</b>			
Market Value at beginning of year		95,293	99,145
Unrealised gain/(loss) in year		9,685	-3,852
<i>Market value at end of year</i>		<u>104,978</u>	<u>95,293</u>
2,800 Merchants Trust		11,970	11,802
4,580 M&G Charifund Income Units		69,647	63,812
1,507 SEC Unit Trust Pool (value at 31 August 2016)		23,361	19,679
<i>Market Value at end of Year</i>		<u>104,978</u>	<u>95,293</u>
<b>General Fund Balance</b>			
At beginning of year		114,120	116,352
Cash surplus/deficit for year		- 539	1,620
Movements in investments		9,685	-3,852
		<u>123,266</u>	<u>114,120</u>
<b>Other Assets and Liabilities - for information only</b>			
<b>Assets</b>	Debtor - estimated tax back on Gift Aid	1,300	1,400
<b>Liabilities</b>		0	0

#### On behalf of the Trustees

John Macleod, Trustee on behalf of the Vestry. 15 October 2016.

## 5. Notes to the Accounts

### 1. Accounting Policies

#### *Basis of preparation*

The accounts have been prepared on a receipts and payments basis. They consist of a summary of all moneys received and paid via the bank and in cash during the financial year, along with a statement of balances. No adjustments have been made for any income due but not received, nor for any expenses incurred but not yet paid at the year end. Except for investments fixed assets are not capitalised.

#### *Restricted Funds*

All funds are unrestricted with the exception of a diocesan grant and donations towards the project to replace the Church pews with chairs as detailed in the Receipts and Payments Account.

#### *Joint Costs*

As part of the Annandale group, All Saints' pays an agreed share of ministry costs. This includes stipends, employer's national insurance, pension, travel, telephone, Council tax, rectory costs, locum fees and some sundry expenses. A support grant is received from the Diocese towards stipend and travel costs and for the current year the net balance is shared 14% by Annan, 8% by Eastriggs, 20% by Gretna, 28% by Lockerbie and 30% by Moffat. The All Saints' accounts include only our contribution towards the net ministry costs and the Group Ministry Account is included as an appendix for information.

#### *Buildings*

Neither the Church nor the rectory is included in the statement of balances. The Vestry believe that it is not possible to place an accurate market value on the Church. Insurance values are Church and contents £1,842,757 and rectory £317,592.

#### *Special collections*

During the year the following special collections were made:

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
St Nicolas Ankara refugee fund	300	0
Mission to Seafarers	60	0
Bishop's Lent Appeal	121	215
Christian Aid - Nepal Earthquake	0	215

### 2. Donations

	<b>2016</b>	<b>2016</b>	<b>2016</b>	<b>2015</b>
	<b>Unrestricte</b>	<b>Restricted</b>	<b>Total</b>	<b>Total</b>
	<b>d</b>			
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
FWO envelopes	7,010	0	7,010	7,640
Open Plate	788	0	788	604
Banker's orders	4,558	0	4,558	5,558
White Gift Aid envelopes	89	0	89	187
Tax recovered on Gift Aid	3,316	860	4,176	3,870
Donations	267	4,774	5,041	191
Weddings, baptisms and funerals	700	0	700	120
	<b>16,728</b>	<b>5634</b>	<b>22,362</b>	<b>18,170</b>

### 3. Fundraising

	2016	2015
	£	£
Gift Day	1,292	0
Coffee Morning	0	1,261
Church Open Day	0	69
	<u>1,292</u>	<u>1330</u>

### 4. Investments

	2016	2015
	£	£
Bank interest	303	366
Dividends	4,639	4,552
	<u>4942</u>	<u>4918</u>

### 5. Payments relating to Charitable Activities

	2016	2016	2016	2015
	Unrestricte	Restricted	Total	Total
	d			
	£	£	£	£
Share of Annandale Group Ministry costs	14,076	0	14,076	14,805
Provincial & Diocesan Quota	2,611	0	2,611	2,550
Insurance	995	0	995	961
Electricity	651	0	651	1,200
Church property maintenance	980	0	980	902
Cleaner	741	0	741	729
Church supplies	305	0	305	494
Printing, stationery and advertising	223	0	223	345
Growth strategy	0	0	0	31
Presentations	0	0	0	34
Pew bibles & Liturgy books	0	0	0	309
Replacement of pews with chairs	0	10,408	10,408	0
Sundry	51	0	51	34
	<u>20,633</u>	<u>10408</u>	<u>31,041</u>	<u>22,394</u>

### 6. Grants and Donations

	2016	2015
	£	£
Christian Aid - Nepal Earthquake	0	200

### 7. Remuneration and Expenses paid to Vestry Members

None of the Vestry members received any remuneration or expenses relating to their position as Vestry members. However the rector and Associate Priest received stipend from the Annandale Group in accordance with the SEC approved rate. The amount of stipends for the year together with the amount of travel expenses can be found in the appendix. As is customary both priests also occupy Rectories on a rent free basis. The Council tax on the Rectories is also met by the Group. Ronald Ritchie was paid the sum of £741 in his capacity as Church cleaner.