

ALL SAINTS EPISCOPAL CHURCH, LOCKERBIE

Annual Report and Accounts for the year ended 30 September 2017

1. Administrative Information:

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

Website www.lockerbieanglican.org

Charity Trustees Rev'd Martin Callaghan, Rector
(Vestry Members) 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 McJerrrow & Stevenson, 55 High Street, Lockerbie DG11 2JH

Independent Examiner Karen Rae, FCCA, Armstrong Watson Audit Limited, 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 2017.

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 1st, 2nd and 4th Sundays of each month and by the Rector, Rev'd Martin Callaghan, on the 3rd and 5th 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.

Taize services have been held at regular intervals and these are growing in popularity and attracting people from other denominations. These services are now also being held at other Churches within the Annandale Group.

During the year we were able to make good use of the new flexible seating and we were joined by friends and members of the community at several social events which also raised some additional income. Events held included a Fashion Show and a Shakespeare Night. Our outreach also included holding an outdoor stall at the switching on of the Christmas Lights in Lockerbie High Street.

We have also developed growing links with the schools with John taking some assemblies at Lockerbie Academy and Maggie working with Primary School children who enjoyed several educational visits to All Saints'.

We have been particularly pleased to welcome some new members to the congregation during the year. It is gratifying to see how quickly new members become actively involved in the life of the congregation.

The Gift Day which was introduced last year was again very successful and, with Gift Aid tax, the magnificent sum of £1,800 was raised.

We had two collections for outside causes during the year with £215 being sent to Rev'd John Stevenson to help with his work in supporting refugees in Ankara and £223 being raised for the Bishop's Lent Appeal. £260 was donated from Church funds to the Disasters Emergency Committee appeal for the East Africa famine.

Financial Performance

We have seen our income decline in recent years due to the loss of several generous members. Other Churches in the Annandale Group have faced similar challenges and the Diocese was approached for further help. However the Diocesan advice was that if income is insufficient to meet costs we should draw down our accumulated surplus. This will exacerbate our financial challenges as reduced reserves mean less investment income but meantime the Vestry has no alternative to budgeting for a deficit each year. The budget showed a deficit of £3,500 but we were able to improve on this slightly, finishing with a deficit of £2,514.

Reserves

Our reserves are all unrestricted. The value of our investments increased significantly again 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.

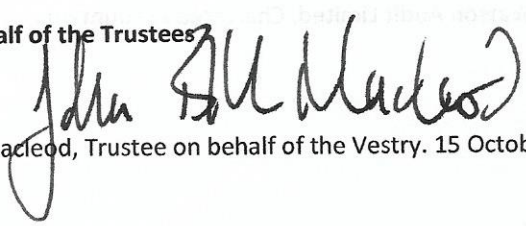
Relationship with Diocese and Province

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 2017.

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 30th September 2017 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 2006 as 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.

 Karen Rae FCCA

27th October 2017.

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

4. Receipts and Payments Account for the year ended 30 September 2017

	Notes	2017 £	2016 £
Receipts			
Donations	2	13,434	22,362
Fundraising	3	2,825	1,292
Investments	4	5,041	4,942
Grants			2,000
Total Receipts		21,300	30,596
Payments			
Payments relating to Charitable Activities	5	23,458	31,041
Expenses of fundraising activities		-	0
Grants and donations	6	260	0
Governance costs		96	94
Total Payments		23,814	31,135
Surplus/ deficit(-) for the year		- 2,514	0 -539

5. Statement of balances as at 30 September 2017

		2017 £	2016 £
Cash at Bank			
Balance at beginning of year		18,288	18,827
Surplus/(deficit)for year		- 2,514	-539
Total cash funds at end of year		15,774	18,288
Comprising			
Royal Bank of Scotland		2,249	3,460
Cambridge & Counties Bank		13,025	9,828
Virgin Money		500	5,000
		15,774	18,288
Investments			
Market Value at beginning of year		104,978	95,293
Unrealised gain/(loss) in year		9,480	9,685
Market value at end of year		114,458	104,978
2,800 Merchants Trust		13,608	11,970
4,580 M&G Charifund Income Units		73,828	69,647
1,507 SEC Unit Trust Pool (value at 31 August 2016)		27,022	23,361
Market Value at end of Year		114,458	104,978
General Fund Balance			
At beginning of year		123,266	114,120
Cash surplus/deficit for year		- 2,514	-539
Movements in investments		9,480	9,685
		130,232	123,266
Other Assets and Liabilities - for information only			
Assets	Debtor - estimated tax back on Gift Aid	1,400	1,300
Liabilities		0	0

On behalf of the Trustees

John Macleod, Trustee on behalf of the Vestry. 15 October 2017.

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.

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 16% by Annan, 9% by Eastriggs, 11% by Gretna, 31% by Lockerbie and 33% by Moffat. In accordance with the agreed budget the sum of £5,718 was met from the accumulated surplus. The Joint Ministry Account is appended to these accounts.

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 £1,870,385 and rectory £327,835.

Special collections

During the year the following special collections were made:

	2017	2016
	£	£
St Nicolas Ankara refugee fund	215	300
Mission to Seafarers	0	60
Bishop's Lent Appeal	223	121

2. Donations

	2017	2016
	£	£
FWO envelopes	6,002	7,010
Open Plate	701	788
Banker's orders	2,498	4,558
White Gift Aid envelopes	45	89
Tax recovered on Gift Aid	3,074	4,176
Donations	444	5,041
Weddings, baptisms and funerals	670	700
	13,434	22,362

3. Fundraising

	2017	2016
	£	£
Gift Day	1,530	1292
Coffee Morning	385	0
Fashion Show	477	0
Shakespeare Night	236	0
Christmas Lights Stall	197	0
	<u>2,825</u>	<u>1292</u>

4. Investments

	2017	2016
	£	£
Bank interest	237	303
Dividends	4,804	4,639
	<u>5,041</u>	<u>4,942</u>

5. Payments relating to Charitable Activities

	2017	2016
	£	£
Share of Annandale Group Ministry costs	14,076	14,076
Provincial & Diocesan Quota	2,595	2,611
Insurance	1,010	995
Electricity	1,042	651
Church property maintenance	3,289	980
Cleaner	756	741
Church supplies	437	305
Printing, stationery and advertising	193	223
Growth strategy	15	0
Presentations	20	0
Replacement of pews with chairs	0	10,408
Sundry	25	51
	<u>23,458</u>	<u>31,041</u>

6. Grants and Donations

	2017	2016
	£	£
DEC East Africa Appeal	260	0

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 £756 in his capacity as Church cleaner.

ANNANDALE GROUP OF EPISCOPAL CHURCHES

Shared Ministry Account - Year to 30 September 2017

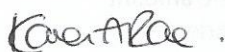
	<u>Rev'd M Callaghan</u>	<u>Rev'd John Macleod</u>	<u>Total 2017</u>	<u>2016</u>
	£	£	£	£
<u>Payments</u>				
Stipend	25,345	12,673	38,018	37,452
Nat Insurance	2,375	626	3,001	2,929
Pension	8,161	4,081	12,242	12,309
Travel	2,939	2,980	5,919	5,475
Telephone	415	415	830	834
Council Tax	2,252	2,647	4,899	4,577
Sub totals	<u>41,487</u>	<u>23,422</u>	<u>64,909</u>	<u>63,576</u>
Locums, NSMs, etc			1,753	1,435
Sundry			290	333
Lockerbie Rectory -	Maintenance		199	410
	Insurance		428	412
Total Payments			<u>67,579</u>	<u>66,166</u>
<u>Receipts</u>				
Augmentation			12,682	12,494
Travel grant			520	1,040
Annan			7,038	7,038
Eastriggs			4,032	4,032
Gretna			5,052	10,056
Lockerbie			14,076	14,076
Moffat			15,084	15,084
Bank interest			277	340
Diocesan grant			0	200
Employment Allowance			3,001	2,038
BBQ surplus			99	-
Total Receipts			<u>61,861</u>	<u>66,398</u>
Surplus/deficit (-) for Year			-5,718	232
Surplus brought forward			21,345	21,113
Accumulated Surplus			<u>15,627</u>	<u>21,345</u>

Note. Employment Allowance totalling £8,475 has been received over the last 4 years and a further £3,000 is included in the budget for 2017/18. The eligibility of individual churches to receive this allowance is currently under scrutiny by HMRC and we have been advised to ringfence these funds meantime.


John C Stewart OBE CPFA, Group Treasurer 1 October 2017

INDEPENDENT EXAMINER'S REPORT

Dumfries, 27 October 2017. I have examined the books and accounts of All Saints Episcopal Church, Lockerbie and certify that the above statement in relation to the Shared Ministry Account for the year to 30 September 2017 is in accordance with the records and explanations given to me.



Karen Rae FCCA, Armstrong Watson Audit Limited, Chartered Accountants.