

The Church of Scotland

Limekilns Parish Church

TRUSTEES' ANNUAL REPORT & ACCOUNTS

Year ended 31 December 2021



Congregation No: 241470

Scottish Charity No: SC002435

Limekilns Parish Church: Serving the Community

Limekilns Parish Church Serves the communities of Limekilns, Charlestown, Crombie and Patiesmuir.

The commitment of its members to promote the love of Christ, to nurture its membership and to reach out to the community and beyond is demonstrated in many acts of praise and prayer, and through events and individual actions.

Our church remains strong with 220 members on the roll. While our services of worship attract around 50/60 people, there is an energy apparent. Since opening of the redeveloped sanctuary and office space in March 2018, have seen new followers join our number within the sanctuary.

While many of our standing commitments sustain – our Prayer Chain, the fabulous Tea Room team, and special themed services, we have also been preparing for change and pursuing a strategy for young people.

The Dunfermline Presbytery Special Commission, examining the current state of affairs across all parishes (within the context of the prospect of imminent change across the Church of Scotland), visited Limekilns in the Spring. Perhaps unsurprisingly the event inspired interest across the community. While it remains to be seen what may ultimately emerge from these reviews, it was evident that the majority of those in attendance were those with an interest in the church, although no longer regular attenders at Sunday worship. Their spoken interest in the value of the Church in their community was evident.



Kirk Session has been working with the Minister to deliver regular member-led services, demonstrating a talent and capacity to lead worship, while at the same time enabling freeing time for the Minister to address other matters in the Parish. We are at the early stages of this, but with greater experience and confidence, different forms of worship are emerging.

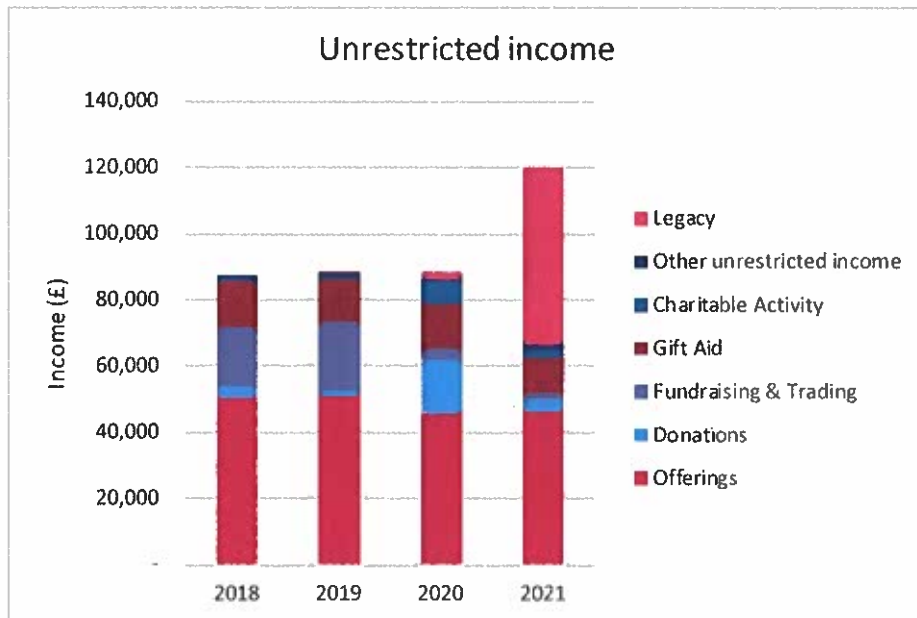


The Church has also been alert to the societal pressures being felt by the community – global and national politics creating a sense of division and insecurity. Such matters have been addressed through prayer, and also opening the Sanctuary to provide a spiritual breathing space. A day-long event held on the day of the December General Election sought to create a place of quiet and reflection.

Our New Church Group was established to promote the opportunities of the new Sanctuary.

serve its members, the parish and the wider community as we emerge from what has been a challenging two years. Maintenance work is required on the buildings, in order to ensure that they are fit for purpose as community buildings and as a central location from which Limekilns Parish Church undertakes its ministry.

Analysis of Unrestricted Income



The impact of the closure of our buildings due to the Covid pandemic is a significant change in the ratio of our income received through various routes

In addition to the church being closed for much of the year, for worship, almost all of our fundraising events could not go ahead due to social distancing regulations. As can be seen in the graph above, fundraising income is once again much reduced compared to previous years. The closure of the Wednesday afternoon tea-room, in particular, has impacted not only on the income generated, but also the ability for members and non-members to come together in a social activity. We held a series of online events, where individuals connected to the church gave talks about their previous jobs –a fascinating insight into a wide variety of occupations. Attendees were encouraged to give a donation to the church, and the total raised of £955 is included in donations income rather than fundraising. During the Paralympics we were encouraged to “Go for Gold” and look out our old broken jewellery to donate to the church, raising £507.

The cleaner was the only member of staff at the start of the year, and she was once again furloughed during the initial lockdown period, returning on a part-time basis when the church was allowed to open for worship with a limited congregation. This allowed us to reclaim a proportion of her salary while she was furloughed, through the Coronavirus Job Retention Scheme. Over the year, we were able to reclaim £1,410 up until the closure of the scheme at the end of September.

While on the surface the figures for total income have increased significantly due to the receipt of the legacy, looking at the longer term picture there is a growing gap between regular sources of income, that is income we can rely on, and total income. The pandemic has shown that some sources of income that we had previously thought of as being relatively secure regular income are no longer secure.

Unrestricted expenditure has increased from £83,060 to £94,480. This increased expenditure with a modest increase in income has led to a unrestricted fund deficit of £5,979 (2018 surplus of £4,972) and a total fund deficit of £7,242 (2018: deficit £176,070. The high deficit on total funds in 2018 had been due to the building renovation work being undertaken in the year, with grant funding received in the previous year). We had planned for a deficit this year, due to an expected increase in expenditure on manse and other property maintenance, carried over from last year, together with this year's planned maintenance. This programme of property work will continue in 2020 and beyond. However, in order to continue to expend resources on property maintenance, income will need to be increased or alternatively expenditure will need to be reduced in other areas.

Reserves Policy

The Trustees' policy to hold reserves has been reviewed and has now been set at a level of approximately three months' expenditure to provide protection against fluctuations in income and unexpected but necessary repairs. This would mean holding reserves of approximately £25,000 based on this year's expenditure.

Current Unrestricted Reserves are £34,796 (2018: £40,775). This amounts to just over 4 months' general expenditure at current levels. As additional maintenance is required next year, with a budgeted deficit of around £8,000, the Trustees feel that the current level of reserves will allow this planned deficit. However, a further deficit in the following years would reduce the reserves to below the level that the trustees have agreed to be prudent to hold.

In addition, the church holds £7,799 (2018: £9,062) of Restricted Funds held for purposes described in note 16

Risk Management

The trustees have considered the major risks facing the church, together with strategies to manage and mitigate those risks. The main risks that the trustees consider material are:

The lack of a local treasurer with no-one from within the congregation being willing to take on this role since the previous treasurer resigned in June 2015. As an interim measure a treasurer has been appointed from outwith the area.

An ageing congregation, with decreasing communicant members is a concern which the trustees are addressing through the introduction of new types of worship, such as 'Messy Church' together with the work of the 'Future Focus' programme encouraging greater community involvement. It is also hoped that the work on modernising the interior of the church building will increase community use and outreach work.

With significant maintenance tasks highlighted in the Quinquennial Inspection Report, the church will have to make available funds for this maintenance. We currently have limited reserves that can be used and therefore we have two alternatives: firstly, to reduce other non-essential expenditure and secondly, to increase income in order to cover the additional maintenance work. If income does not increase sufficiently, cuts will be required to regular ongoing expenditure in order for the church to continue the range of activities currently undertaken.

Limekilns Parish Church of Scotland

Trustees' Annual Report and Accounts – Year Ended 31 December 2019

Principal Office-bearers

Minister	Rev N Grant
Session Clerk	Mr Peter Wilson (until 3 rd September 2019) Position currently vacant
Church Treasurer	Mrs Margaret B Birse

Bankers

Royal Bank of Scotland
52-54 East Port
Dunfermline, KY12 7HB

Independent Examiner

Mr A W McGhie CA

Statement of Trustees' Responsibilities

The charity trustees are responsible for preparing a 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 preparing fully accrued accounts requires the trustees to prepare financial statements for each financial year which show a true and fair view of the state of affairs of the charity and its financial activities for that period. In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the method and principles in the applicable SORP;
- make judgments 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; and
- 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 financial information on the congregation's website. Legislation in the United Kingdom governing the preparation of financial statements may differ from legislation in other jurisdictions.

Approved by the Trustees on 3rd March 2020 and signed on their behalf by:

C Stoddart, Trustee: Limekilns Parish Church, SC002435

Statement of Financial Activities

For the Year Ended 31 December 2019

	Note	For the period			Comparatives for the period		
		01 January 2019 to 31 December 2019			01 January 2018 to 31 December 2018		
		2019	2018	Total	2018	2018	Total
	Unrestricted Funds	Restricted Funds	Funds	Unrestricted Funds	Restricted Funds	Funds	
	£	£	£	£	£	£	
Income and endowments from:							
Donations and legacies	2	66,618	-	66,618	68,352	93,879	162,231
Income from charitable activities	3	746	-	746	738	-	738
Other trading activities	4	21,079	-	21,079	18,920	-	18,920
Investments	5	58	122	180	22	558	580
Total income		88,501	122	88,623	88,032	94,437	182,469
Expenditure on:							
Raising funds	6	1,498	-	1,498	1,640	-	1,640
Expenditure on charitable activities	7	92,982	1,385	94,367	81,420	275,479	356,899
Total expenditure		94,480	1,385	95,865	83,060	275,479	358,539
Net income / (expenditure) resources before transfer		(5,979)	(1,263)	(7,242)	4,972	(181,042)	(176,070)
Transfers							
Gross transfers between funds - in		-	-	-	-	8,801	8,801
Gross transfers between funds - out		-	-	-	-	(8,801)	(8,801)
Net movement in funds		(5,979)	(1,263)	(7,242)	4,972	(181,042)	(176,070)
Reconciliation of funds							
Total funds brought forward		40,775	9,062	49,837	35,803	190,104	225,907
Total funds carried forward		34,796	7,799	42,595	40,775	9,062	49,837

The Notes on pages 13 to 22 form part of these financial statements

Notes to the financial statements For the year ended 31 December 2019

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.

a) Basis of Preparation and Assessment of Going Concern

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts. 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 (FRS102) 2nd Edition, issued on October 2019 and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). The charity constitutes a public benefit entity as defined by FRS 102.

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

b) Funds

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.

Endowment Funds are funds which have been given on the condition that the original capital sum is not reduced, but the income therefrom is used for the purpose defined in accordance with the 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 as a separate fund. This designation has an administrative purpose only and does not legally restrict the trustees' discretion to apply the funds.

c) Income

All donations and gifts are included within incoming resources under either unrestricted or restricted funds according to the terms under which the donation is made. Incoming resources are included in the Statement of Financial Activities (SOFA) when the charity is entitled to the income, when any conditions attached to the income have been met (performance or timing conditions), when the amount can be quantified with reasonable accuracy and when it is more likely than not that the income will be received.

Where incoming resources have related expenditure the incoming resources and related expenditure are reported gross.

Amounts received by the charity as agent are not included in the SOFA. This includes amounts of money collected in a retiring offering or a fundraising event for a specific charity. A full list of these collections is included in note 17.

Analysis of Income

	2019			2018		
	Unrestricted Funds £	Restricted Funds £	Total Funds £	Unrestricted Funds £	Restricted Funds £	Total Funds £
2 Donations and Legacies						
Offerings	50,765	-	50,765	50,306	55	50,361
Weddings and Funerals (donations)	320	-	320	500	-	500
Other Donations	1,398	-	1,398	3,478	13,560	17,038
Congregational organisations	100	-	100	200	100	300
Legacies	1,000	-	1,000	-	-	-
Tax recovered on Gift Aid	12,785	-	12,785	13,618	3,765	17,383
Donated Services (IE Fee)	250	-	250	250	-	250
Grants	-	-	-	-	76,399	76,399
Total Donations & Legacies	66,618	-	66,618	68,352	93,879	162,231
3 Income from Charitable Activities						
Life & Work	651	-	651	580	-	580
Holiday Club	55	-	55	158	-	158
Other	40	-	40	-	-	-
Total Income: Charitable Activities	746	-	746	738	-	738
4 Other Trading Activities						
Magazine Printing	1,416	-	1,416	3,055	-	3,055
Photocopying	675	-	675	715	-	715
Magazine Advertising	540	-	540	360	-	360
Christmas Fair	3,925	-	3,925	3,099	-	3,099
Afternoon Teas	9,956	-	9,956	8,212	-	8,212
Safari Supper	-	-	-	965	-	965
Use of Premises	2,805	-	2,805	1,756	-	1,756
Other Fundraising	1,762	-	1,762	758	-	758
Total Other Trading Activities	21,079	-	21,079	18,920	-	18,920

Analysis of Income (continued)

Analysis of Expenditure (Continued)

	2019			2018		
	Unrestricted Funds £	Restricted Funds £	Total Funds £	Unrestricted Funds £	Restricted Funds £	Total Funds £
7 Charitable Activities						
Ministries & Mission Allocation	49,177	-	49,177	47,721	-	47,721
Presbytery Dues	912	-	912	942	-	942
Minister's Travel Expenses	1,642	-	1,642	1,472	-	1,472
Council Tax	2,385	-	2,385	2,333	-	2,333
Pulpit Supply	88	-	88	(4)	-	(4)
Other salary costs	12,391	-	12,391	10,393	-	10,393
Fabric Repairs & Maintenance	8,467	-	8,467	1,415	353	1,768
Other Buildings Costs (Utilities)	5,040	-	5,040	4,340	-	4,340
Insurance	3,659	-	3,659	3,541	-	3,541
Church Office Expenses	2,978	-	2,978	2,703	619	3,322
Life & Work	642	-	642	573	-	573
Choir/ Music / organist supply	2,844	-	2,844	2,726	-	2,726
Worship & Outreach	566	85	651	717	584	1,301
Finance Management Fees	1,905	-	1,905	2,119	-	2,119
Building Refurbishment	36	1,300	1,336	144	248,876	249,020
Equipment & Furniture	-	-	-	35	25,047	25,082
IE's Fee (equivalent cost re: Donated Service)	250	-	250	250	-	250
Total Cost of Charitable Activities	92,982	1,385	94,367	81,420	275,479	356,899
Total Expenditure	94,480	1,385	95,865	83,060	275,479	358,539

9. Trustee Remuneration and Related Party Transactions

During the year one trustee received reimbursement of expenses incurred (including Council Tax) - the minister, Rev. N. Grant, received £4,027 (2018: £3,806 with an additional element paid by Cairneyhill Church. Mrs. Karen Grant (Trustee) is connected to Rev. N Grant.

No trustees received remuneration (2018:nil)

Gifts from Trustees, totalled £16,464 (2018: £22,130) A total of Nil (2018: £8,600) were restricted gifts provided for the Building Renovation work.

10. Volunteers

In common with all congregations of the Church of Scotland the congregation benefits from the contribution made by volunteers who give their time and talents willingly for the benefit of the Church. The areas of congregational life which rely on the contribution of volunteers are many and varied and much of the activity would be unable to continue were it not for the commitment shown.

The independent examination of the charity's accounts has been undertaken at no charge to the church. As we have paid for this service in the past, a sum equivalent to that which the church believes the service to be worth to the church has been included as both a Gift in Kind and as the equivalent fee.

11. Debtors

	2019		2018	
	Unrestricted funds	Restricted funds	Unrestricted funds	Restricted funds
	£	£	£	£
Gift Aid Tax Refund Due	2,507	-	719	-
Due from Cairneyhill	2,093	-	1,589	-
Photocopying (Cairneyhill)	-	-	238	-
Other copying & Printing	16	-	541	-
Use of Premises/Advertising	908	-	596	-
Donated Service (IE)	250	-	250	-
Total	5,774	-	3,933	-
				3,933

16. Movement of Funds

	2018				2019				
	At 1 Jan 2018	Incoming Resources	Outgoing Resources	Transfers	At 1st Jan 2019	Incoming Resources	Outgoing Resources	Transfers	At 31 Dec 2019
	£	£	£	£	£	£	£	£	£
Restricted funds									
Exterior Building Repairs	4,063	-	(4,063)	-	-	-	-	-	-
Building Repairs (Elgin Fund)	177,878	89,945	(256,439)	(8,601)	2,783	122	(1,300)	-	1,605
Chair Fund	1,425	4,438	(14,464)	8,601	-	-	-	-	-
Flower Fund	1,738	54	(513)	-	1,279	-	(85)	-	1,194
Minister's Discretionary Fund	5,000	-	-	-	5,000	-	-	-	5,000
Total Restricted Funds	190,104	94,437	(275,479)	-	9,062	122	(1,385)	-	7,799
Unrestricted funds									
Designated New Building Funds	625	-	-	-	625	-	-	-	625
General Fund	35,178	88,032	(83,060)	-	40,150	88,501	(94,480)	-	34,171
Total Unrestricted Funds	35,803	88,032	(83,060)	-	40,775	88,501	(94,480)	-	34,796
Total funds	225,907	182,469	(358,539)	-	49,837	88,623	(95,865)	-	42,595

Purposes of Restricted FundsExterior Building Repairs:

This fund holds grants and donations provided specifically for the external building repairs, this fund is now closed.
This fund held a very generous donation, given to the church by Lord Elgin, which has been to fund the interior building work, together with additional grants and donations towards this work.

Building Repairs (Elgin Fund):

This fund held gifts provided specifically for the purchase of new seating for the sanctuary, it is now closed.

Chair Fund:

This fund holds donations given specifically for the provision of flowers in the church.

Flower Fund:

This fund holds donations given specifically for the provision of flowers in the church.

Minister's discretionary fund:

This fund arose as a result of a donation, given to be used at the minister's discretion specifically for the work of the church in the community.

Purpose of Designated FundsDesignated New Building Fund:

Funds designated by the trustees to be used for the Building Renovation Work if required.