

SHETLAND CHURCH OF SCOTLAND
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

SHETLAND CHURCH OF SCOTLAND

LEGAL AND ADMINISTRATIVE INFORMATION

Charity number (Scotland)

SC000293

Registered office

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

Independent examiner

Irene Hambleton BAcc CA
A.J.B. Scholes Ltd
Chartered Accountants
St Olaf's Hall
Lerwick
Shetland Isles
ZE1 0FD

SHETLAND CHURCH OF SCOTLAND

TRUSTEES REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The trustees present their report and accounts for the year ended 31 December 2022.

The trustees present their annual report and financial statements of the charity for the year ended 31 December 2022. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the General Assembly Regulations for Congregational Finance, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (as amended for accounting periods commencing from January 2019).

Objectives and activities

The Church of Scotland is Trinitarian in doctrine, Reformed in tradition and Presbyterian in polity. It exists to glorify God and to work for the advancement of 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 Elders of Shetland Church of Scotland who make up the Kirk Session are together trustees of Shetland Foodbank which operates under the auspices of the Shetland Church of Scotland.

Individual Local Congregations in Shetland Church of Scotland hold a variety of religious and social events. Local Congregations hold weekly or fortnightly worship services on Sundays, with everyone coming together for united services two or three times a year in various locations. The Local Congregations at Burra Isle, Aith, Whalsay, Sandwick, and Brae run small Sunday Schools for local children. The Youth and Children's Worker assists with a youth group at the Anderson High School in Lerwick. A Church of Scotland Guild meets at Unst, Yell, Whalsay, Burra, Scalloway, and Sandwick, while an alternative 'Friends' group meets at Lerwick St Columba's. Each church has a regular programme of social events, such as quizzes, fundraising events, exhibitions, coffee mornings, and concerts.

Achievements and performance

Local Congregations were able to achieve good attendance at events and services and had planned for a busy and active year. Plans included Easter events throughout the parish, Lent study groups (online and in-person), Harvest services through the parish, Harvest auctions, teas, a walk of witness in Lerwick, newsletters keeping everyone up-to-date on what was happening in the parish, Sunday services, online Sunday service with a regular attendance of about 10-15, in-person Sunday Schools/Forest Church, Christmas services, Nativity services, representation at local agricultural shows, and united parish services.

Financial review

The principal source of income is from weekly offerings, which, in 2022, amounted to almost 78% (2021: 88%) of donations and gifts excluding legacy income. The Trustees are heartened that our income from weekly offerings has begun to stabilise following a significant drop in previous years, however we still need to draw on income from investments to meet all expenditure. It is still the intention of the Trustees to run a stewardship campaign and to encourage more fundraising activities throughout the parish.

Prior period adjustment

A prior year adjustment was made to the 2021 comparatives in line with accounting requirements. The charity was found to have been notified of their entitlement to a generous legacy in the year ended 31 December 2021, although the amount was only received in the year ended 31 December 2022. A prior year adjustment has therefore been made to include the legacy of £235,016 in income, debtors and unrestricted funds in the year ended 31 December 2021. See note 23 for more detail.

Investment Policy and Performance

All the parish's investments are held in the Church of Scotland Investor's Trust Growth and Income Funds. The Trustees have no control over how the investments are managed. In 2022, the market value of our investments rose by approximately 6.6% overall, with the Income Fund performing less well with a loss of 1.8% while our assets in the Growth Fund rose by 11.1%

SHETLAND CHURCH OF SCOTLAND

TRUSTEES REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Risk Management

To minimise these risks, Shetland Church of Scotland worked hard through 2022 to keep in touch with its congregants. Cards and newsletters were sent, which included information about how donations could be made online or by cheque. Shetland Church of Scotland was planning a Stewardship Campaign in early 2022, where people would be encouraged to sign up to Gift Aid and donate by Standing Order. In the end it was not practical to do this in-person so congregants were advised on how to donate electronically in the parish newsletters.

Reserves Policy

The charity trustees have considered the reserves required and have taken into account their current and future liabilities. It is the Trustees' policy to hold reserves of approximately three months expenditure including designated funds. At the year end the Church held unrestricted funds of £877,750 (2021 - £973,984) consisting of:

- £21,710 (2021 - £25,975) designated for a variety of local purposes and nil (2021 - £4,265) designated for the running of the Guilds which are now accounted for independently.
- General Unrestricted Funds of £370,522 (2021 - £222,020) which represents about twelve months expenditure and while this is slightly higher than would normally be expected the Trustees are aware of the need to update many of the buildings being retained to produce "well equipped spaces in the right places".
- Unrestricted fund for fixed assets funded internally of £485,518 (2021 - £490,973)

The church also held £121,671 (2021 - £108,332) of restricted funds which have been provided for the purposes specified in Note 18 below.

SHETLAND CHURCH OF SCOTLAND

TRUSTEES REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

[REDACTED]

SHETLAND CHURCH OF SCOTLAND

TRUSTEES REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Structure, governance and management

The congregation is a registered charity, number SC000293 and is administered in accordance with the terms of the Deed of Constitution (Unitary Form) and is subject to the Acts and Regulations of the General Assembly of the Church of Scotland.

Members of the Kirk Session are the charity trustees. The Kirk Session members are the elders of the church and are chosen from those members of the church who are considered to have the appropriate gifts and skills. There are three ministers in the Parish of Shetland. Minister 1, who is a member of the Kirk Session, is a Transition Minister who was appointed to the Presbytery in 2018; Minister 2, who is a member of the Kirk Session, is elected by the congregation and inducted by Presbytery; Minister 3, who is a member of the Kirk Session, was appointed by Presbytery as an Interim Minister. Certain responsibilities are delegated to the Finance Committee and the Property Committee as appropriate. The Kirk Session, which meets four times a year, is responsible for spiritual affairs within the church.

The trustees who served during the year were:

[REDACTED]

SHETLAND CHURCH OF SCOTLAND

STATEMENT OF TRUSTEES RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2022

The trustees are responsible for preparing the Trustees Report and the 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 trustees to prepare financial statements for each financial year which give 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 year.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material 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 operation.

The trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the trust deed. 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.

SHETLAND CHURCH OF SCOTLAND

TRUSTEES REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Principal Office-bearers

Ministers: [REDACTED]
Session Clerk: [REDACTED]
Church Treasurer: [REDACTED]

Principal Office

[REDACTED]

Charity No: SC000293

Independent Examiner

[REDACTED]
A.J.B. Scholes Ltd
St Olaf's Hall
Church Road
Lerwick
ZE1 0FD

Bankers

Royal Bank of Scotland
81 Commercial Street
LERWICK
Shetland
ZE1 0AD

The trustees report was approved by the Board of Trustees.

[REDACTED]

Trustees

Dated: 30th December 2025

SHETLAND CHURCH OF SCOTLAND

BALANCE SHEET

AS AT 31 DECEMBER 2022

| | Notes | 2022 | | 2021 as restated | |
|---|-------|----------------|------------------|---------------------|------------------|
| | | £ | £ | £ | £ |
| Fixed assets | | | | | |
| Tangible assets | 12 | | 494,318 | | 501,974 |
| Investments | 13 | | 259,363 | | 91,752 |
| | | | <u>753,681</u> | | <u>593,726</u> |
| Current assets | | | | | |
| Debtors | 14 | 63,477 | | 264,734 | |
| Cash at bank and in hand | | 252,628 | | 258,367 | |
| | | <u>316,105</u> | | <u>523,101</u> | |
| Creditors: amounts falling due within one year | 15 | (69,610) | | (33,756) | |
| Net current assets | | | <u>246,495</u> | | <u>489,345</u> |
| Total assets less current liabilities | | | <u>1,000,176</u> | | <u>1,083,071</u> |
| The funds of the charity: | | | | | |
| Endowment funds | 17 | | 755 | | 755 |
| Restricted funds | 18 | | 121,671 | | 108,332 |
| Unrestricted designated funds | 19 | 21,710 | | 25,975 | |
| Unrestricted income funds | | 370,522 | | 457,036 | |
| Unrestricted capital fund | | <u>485,518</u> | | <u>490,973</u> | |
| | | | <u>877,750</u> | | <u>973,984</u> |
| | | | <u>1,000,176</u> | | <u>1,083,071</u> |

The accounts were approved by the Trustees on 30th December 2023

Trustee

Trustee

SHETLAND CHURCH OF SCOTLAND

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2022

| | | Unrestricted funds | Restricted funds | Endowment funds | Total 2022 | as restated Total 2021 |
|---|-----------|--------------------|------------------|-----------------|------------------|---------------------------|
| | Notes | £ | £ | £ | £ | £ |
| <u>Income and endowments from:</u> | | | | | | |
| Donations and legacies | 2 | 231,723 | 690 | - | 232,413 | 427,006 |
| Charitable activities | 3 | 2,465 | - | - | 2,465 | 2,364 |
| Other trading activities | 4 | - | 58,108 | - | 58,108 | 26,898 |
| Investments | 5 | 11,621 | 15 | - | 11,636 | 1,475 |
| Other income | 6 | 244 | 5,886 | - | 6,130 | 4,165 |
| Total income and endowments | | 246,053 | 64,699 | - | 310,752 | 461,908 |
| <u>Expenditure on:</u> | | | | | | |
| Raising funds | 7 | 227 | - | - | 227 | 344 |
| Charitable activities | 8 | 304,549 | 51,360 | - | 355,909 | 302,817 |
| Other | | 5,122 | - | - | 5,122 | - |
| Total resources expended | | 309,898 | 51,360 | - | 361,258 | 303,161 |
| Net gains/(losses) on investments | 11 | (32,389) | - | - | (32,389) | 6,067 |
| Net movement in funds | | (96,234) | 13,339 | - | (82,895) | 164,814 |
| Fund balances at 1 January 2022 | | 973,984 | 108,332 | 755 | 1,083,071 | 918,257 |
| Fund balances at 31 December 2022 | 20 | 877,750 | 121,671 | 755 | 1,000,176 | 1,083,071 |

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

SHETLAND CHURCH OF SCOTLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

Endowment funds are funds which have been given on the condition that the original capital sum is not reduced, but the income there from is used for the purpose defined in accordance with the objects of the charity.

1.5 Incoming resources

Income, including government and other grants, whether 'capital' grants or 'revenue' grants 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 and is not deferred.

Donations and legacies

Donation and legacy income is recognised when the charity becomes entitled to the income, it is probable that it will be received and the amount can be measured reliably. Entitlement to a legacy exists when the charity has sufficient evidence that a gift has been left to the charity and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. A receipt is normally probable when there has been a grant of probate, the executors have established that there are sufficient net assets in the estate, and any conditions are within the control of the charity or have been met.

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 (FRS102) 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 Bank.

1.6 Resources expended

Income and expenses are included in the financial statements as they become receivable or due.

Expenses include VAT where applicable as the charity cannot reclaim it.

All expenditure is included on an accrual basis and is recognised when there is legal or constructive obligation to pay for expenditure. Charitable activities expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities, and those costs of an indirect nature necessary to support them.

Fabric expenses

Normal repairs and maintenance are charged to the General Fund and extraordinary repairs and improvements are met from the Fabric Fund, and/or by special fundraising efforts. Extraordinary requests for refurbishment money must be approved by Kirk session, Presbytery and then the Church of Scotland General Trustees. These are met from funds held/invested on our behalf by the General Trustees.

SHETLAND CHURCH OF SCOTLAND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Charity information

Shetland Church of Scotland is an unincorporated charitable organisation registered as a charity in Scotland. The registered office is [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]

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.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's Deed of Constitution, the General Assembly Regulations for Congregational Finance, Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) as amended for accounting periods ending 1 January 2019 (the SORP), the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). The Shetland Church of Scotland is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Updated Bulletin I not to prepare a Statement of Cash Flows.

The accounts are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared on an accruals basis and the merger method of accounting was applied in 2020 as if the charities uniting and merging as one charity and congregation had always been combined. The total comprehensive income, assets and liabilities of the entities were amended, where necessary, to align the accounting policies. The carrying values of the entities assets and liabilities were not adjusted to fair value.

1.2 Prior period error

A prior year adjustment was made to the 2021 comparatives in line with accounting requirements. The charity was found to have been notified of their entitlement to a generous legacy in the year ended 31 December 2021, although the amount was only received in the year ended 31 December 2022. A prior year adjustment has therefore been made to include the legacy of £235,016 in income, debtors and unrestricted funds in the year ended 31 December 2021. See note 23 for more detail.

1.3 Going concern

The charity is dependent on the continued support of the Church of Scotland General Trustees and other funding agencies to fund its future activities.

At the time of approving the financial statements, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. On this basis, the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.4 Charitable funds

Funds are classified as either endowment funds, restricted funds or unrestricted funds, defined as follows.

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 fund.

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.

SHETLAND CHURCH OF SCOTLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

2 Donations and legacies

| | Unrestricted funds | Restricted funds | Total 2022 | as restated Total 2021 |
|--|-----------------------|---------------------|----------------|------------------------------|
| | £ | £ | £ | £ |
| Donations and gifts | 231,723 | 690 | 232,413 | 427,006 |
| For the year ended 31 December 2021 | 426,120 | 886 | | 427,006 |
| Donations and gifts | | | | |
| Offerings | 182,070 | 690 | 182,760 | 169,929 |
| Receipts from General Trustees | 28,353 | - | 28,353 | 5,389 |
| Tax recovered on Gift Aid | 21,300 | - | 21,300 | 15,123 |
| Other | - | - | - | 1,549 |
| Legacy income | - | - | - | 235,016 |
| | 231,723 | 690 | 232,413 | 427,006 |

3 Charitable activities

| | 2022 £ | 2021 £ |
|--|-----------|-----------|
| Income from within charitable activities | 2,465 | 2,364 |

4 Other trading activities

| | 2022 £ | 2021 £ |
|----------|-----------|-----------|
| Foodbank | 58,108 | 26,898 |

SHETLAND CHURCH OF SCOTLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.7 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

| | |
|------------------------|--------------|
| Leasehold improvements | 25 years |
| Plant and equipment | 5 - 10 years |
| Fixtures and fittings | 5 years |

The charity has the right to occupy and use for its charitable objects certain tangible fixed assets, including the Churches, halls and manses, 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 resources expended in the Statement of Financial Activities in the period in which the liability arises.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

All tangible fixed assets costing in excess of £5,000 having a value to the charity greater than one year, other than those acquired for specific purposes, are capitalised.

1.8 Fixed asset 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.

1.9 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

1.10 Taxation

Shetland 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 resources expended therefore include irrecoverable input VAT.

SHETLAND CHURCH OF SCOTLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

8 Charitable activities

| | 2022 £ | 2021 £ |
|--|----------------|----------------|
| Ministries & Mission Allocation | 85,723 | 114,189 |
| Presbytery Dues | 2,915 | 1,905 |
| Minister's Expenses | 7,965 | 6,816 |
| Pulpit Supply | 3,422 | 6,520 |
| Other salary costs | 9,683 | 9,206 |
| Fabric Repairs & Maintenance | 33,198 | 47,715 |
| Council Tax | 3,636 | 1,949 |
| Other Building Costs | 87,392 | 70,497 |
| Depreciation | 7,656 | 1,260 |
| Church Office Expenses | 7,316 | 6,991 |
| Organ & Music | 1,678 | 2,446 |
| Accountancy Fees | 31,461 | 14,817 |
| Independent Examination Fees | 5,355 | 4,675 |
| Other charitable expenditure | 68,509 | 13,831 |
| | <u>355,909</u> | <u>302,817</u> |
| Analysis by fund | | |
| Unrestricted funds | 304,549 | |
| Restricted funds | 51,360 | |
| | <u>355,909</u> | |
| For the year ended 31 December 2021 | | |
| Unrestricted funds | | 246,020 |
| Restricted funds | | 56,797 |
| | | <u>302,817</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.

SHETLAND CHURCH OF SCOTLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

5 Investments

| | Unrestricted funds | Restricted funds | Endowment funds general | Total 2022 | Total 2021 |
|-------------------------------------|-----------------------|---------------------|-------------------------------|---------------|---------------|
| | £ | £ | £ | £ | £ |
| Dividends received | 2,986 | - | - | 2,986 | 1,372 |
| Deposit interest | 8,635 | 15 | - | 8,650 | 103 |
| | <u>11,621</u> | <u>15</u> | <u>-</u> | <u>11,636</u> | <u>1,475</u> |
| For the year ended 31 December 2021 | <u>1,425</u> | <u>4</u> | <u>46</u> | | <u>1,475</u> |

6 Other income

| | Unrestricted funds | Restricted funds | Total 2022 | Total 2021 |
|-------------------------------------|-----------------------|---------------------|---------------|---------------|
| | £ | £ | £ | £ |
| Other income | 244 | 5,886 | 6,130 | 4,165 |
| For the year ended 31 December 2021 | <u>4,165</u> | <u>-</u> | | <u>4,165</u> |

7 Raising funds

| | 2022 | 2021 |
|--------------------|------------|------------|
| | £ | £ |
| Offering Envelopes | 227 | 344 |
| | <u>227</u> | <u>344</u> |

SHETLAND CHURCH OF SCOTLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

11 Net gains/(losses) on investments

| | 2022 | 2021 |
|---|----------|-------|
| | £ | £ |
| (Loss)/Gain on valuation of investments | (32,389) | 6,067 |

12 Tangible fixed assets

| | Leasehold improvements £ | Plant and equipment £ | Fixtures and fittings £ | Total £ |
|------------------------------------|--------------------------------|-----------------------------|-------------------------------|------------|
| Cost | | | | |
| At 1 January 2022 | 465,396 | 23,600 | 20,981 | 509,977 |
| At 31 December 2022 | 465,396 | 23,600 | 20,981 | 509,977 |
| Depreciation and impairment | | | | |
| At 1 January 2022 | - | 3,220 | 4,783 | 8,003 |
| Depreciation charged in the year | - | 3,460 | 4,196 | 7,656 |
| At 31 December 2022 | - | 6,680 | 8,979 | 15,659 |
| Carrying amount | | | | |
| At 31 December 2022 | 465,396 | 16,920 | 12,002 | 494,318 |
| At 31 December 2021 | 465,396 | 20,380 | 16,198 | 501,974 |

SHETLAND CHURCH OF SCOTLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

9 Trustees

During the year 7 trustees received reimbursement of expenses incurred totaling £4,789 (2021: 4,182).

Minister 1, [REDACTED] received £Nil (2021 - £720) for travelling and sundry expenses.

Minister 2, [REDACTED], received £167 (2021 - £2,114) for travelling and sundry expenses.

Minister 3, [REDACTED], received £406 (2021 - £4,072) for travelling and sundry expenses.

In addition:

[REDACTED], who is a trustee received £1,339 (2021 - £908) for phone, office and sundry expenses.

[REDACTED], who is a trustee received £264 (2021 - £304) for sundry expenses.

[REDACTED]s, who is a member of the Kirk Session, received £187 (2021 - £Nil) for sundry expenses and £2,576 (2021 - £247) for pulpit supply and milage.

[REDACTED], who is a member of the Kirk Session, received £400 (2021 - £1,097) for supply fees and travelling expenses.

[REDACTED] who is a member of the Kirk Session, received £893 (2021 - £742) for supply fees and travelling expenses in addition to his salary as Church Officer at St Columba's Church.

[REDACTED], who is a member of the Kirk Session, received £Nil (2021 - £1,400) for his services as organist.

[REDACTED] who is a member of the Kirk Session, received £944 (2021 - £Nil) for supply fees and travelling expenses.

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.

10 Employees

| | 2022 Number | 2021 Number |
|--------------------|----------------|----------------|
| Salaries and wages | 9,683 | 9,206 |
| | <u>9,683</u> | <u>9,206</u> |

Number of employees

The average monthly number employees during the year was:

| 2022 Number | 2021 Number |
|----------------|----------------|
| 1 | 1 |
| <u>1</u> | <u>1</u> |

No trustee has been paid any remuneration or received any other benefits from an employment with their charity or a related entity.

No employees received employee benefits (excluding employer pension costs) of more than £60,000.

SHETLAND CHURCH OF SCOTLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

17 Endowment funds

Endowment funds represent assets which must be held permanently by the charity. Income arising on the endowment funds can be used in accordance with the objects of the charity and is included as unrestricted income. Any capital gains or losses arising on the assets form part of the fund.

| | Balance at 1 January 2022 | Movement in funds | | Balance at 31 December 2022 |
|-----------------------------|---------------------------------|-----------------------|-----------------------|--------------------------------|
| | £ | Incoming resources | Resources expended | £ |
| Permanent endowments | | | | |
| Macintosh Bequest | 244 | - | - | 244 |
| Mrs Campbell's Bequest | 511 | - | - | 511 |
| | <u>755</u> | <u>-</u> | <u>-</u> | <u>755</u> |

Purposes of Endowment Funds

- Income from the Macintosh Bequest is to be used to provide Sunday school teaching materials.
- Income from Mrs Campbell's Bequest is to be used to provide the minister with an annual holiday. The accumulated income is held in a restricted fund for this purpose.

SHETLAND CHURCH OF SCOTLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

13 Fixed asset investments

| | Unlisted investments £ |
|--------------------------|------------------------------|
| Cost or valuation | |
| At 1 January 2022 | 91,752 |
| Additions | 200,000 |
| Valuation changes | (32,389) |
| At 31 December 2022 | 259,363 |
| Carrying amount | |
| At 31 December 2022 | 259,363 |
| At 31 December 2021 | 91,752 |

14 Debtors

| | 2022 £ | as restated 2021 £ |
|---|-----------|--------------------------|
| Amounts falling due within one year: | | |
| Other debtors | 63,477 | 29,718 |
| Prepayments and accrued income | - | 235,016 |
| | 63,477 | 264,734 |

15 Creditors: amounts falling due within one year

| | 2022 £ | 2021 £ |
|------------------------------|-----------|-----------|
| Accruals and deferred income | 69,610 | 33,756 |

16 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.

SHETLAND CHURCH OF SCOTLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

19 Unrestricted funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

| | as restated | Movement in funds | | | | |
|---------------------------------------|------------------------------|-----------------------|-----------------------|---------------------------------------|-----------|--------------------------------|
| | Balance at 1 January 2022 | Incoming resources | Resources expended | Revaluations , gains and losses | Transfers | Balance at 31 December 2022 |
| | £ | £ | £ | £ | £ | £ |
| Designated Guild Funds | | | | | | |
| Burra | 29 | 96 | (125) | - | - | - |
| Sandwick | 161 | - | (161) | - | - | - |
| Scalloway | 440 | - | (440) | - | - | - |
| Unst | 2,318 | - | (2,318) | - | - | - |
| Whalsay | 964 | - | (964) | - | - | - |
| Yell | 353 | - | (353) | - | - | - |
| Other Designated Funds | | | | | | |
| Lerwick Legacy | 20,000 | - | - | - | - | 20,000 |
| Church Fabric (Inv Trust) | 610 | - | - | - | - | 610 |
| Manse Fabric (Inv Trust) | 1,000 | - | - | - | - | 1,000 |
| BH MacDonald Bequest | 100 | - | - | - | - | 100 |
| General Funds | | | | | | |
| Aith | 1,927 | - | (1,656) | - | - | 271 |
| Brae | 4,967 | 225 | - | - | - | 5,192 |
| Burra | 11,715 | - | (340) | - | - | 11,375 |
| Dunrossness | 2,116 | - | (1) | - | - | 2,115 |
| Lerwick | 8,342 | 521 | (2,438) | - | - | 6,425 |
| Ollaberry | 16,133 | - | - | - | - | 16,133 |
| Sandwick | 36,222 | 27 | (82) | - | - | 36,167 |
| Scalloway | 46,195 | 2,122 | (3,380) | - | - | 44,937 |
| Unst | 8,946 | - | - | - | - | 8,946 |
| Walls | 837 | - | - | - | - | 837 |
| Whalsay | - | 807 | (1,071) | - | 264 | - |
| Yell | 37,761 | - | - | - | - | 37,761 |
| Shetland Church of Scotland | 281,875 | 242,255 | (291,114) | (32,389) | (264) | 200,363 |
| Fixed assets funded internally | 490,973 | - | (5,455) | - | - | 485,518 |
| | <u>973,984</u> | <u>246,053</u> | <u>(309,898)</u> | <u>(32,389)</u> | <u>-</u> | <u>877,750</u> |

Purposes of Designated Funds

- Fabric Funds: The Trustees have set aside funds for the maintenance of church property.
- Guild Funds: Funds raised by the Guilds to cover their general running costs.
- Lerwick Legacy Fund: The Trustees wished the income from legacies to be shown separately but funds can be transferred to cover any deficit in the Lerwick general fund.
- Church Fabric (Northmavine Investor's Trust Deposit Fund): Funds held in the Church of Scotland Investor's Trust Deposit Fund. Interest is paid into the general fund.
- Manse Fabric (Northmavine Investor's Trust Deposit Fund): Funds held in the Church of Scotland Investor's Trust Deposit Fund. Interest is paid into the general fund.
- BH MacDonald Bequest (Yell Investor's Trust Deposit Fund): Funds held in the Church of Scotland Investor's Trust Deposit Fund. Interest is paid into the general fund.

SHETLAND CHURCH OF SCOTLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

18 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

| | Balance at 1 January 2022 £ | Movement in funds | | Balance at 31 December 2022 £ |
|---|--------------------------------------|----------------------------|----------------------------|--|
| | | Incoming resources £ | Resources expended £ | |
| AF Chalmers Relief Fund | 277 | - | - | 277 |
| Children's Fund | 1,908 | - | - | 1,908 |
| Dunrossness Boys Brigade | 6,477 | 15 | - | 6,492 |
| Shetland Foodbank Fund | 72,643 | 58,107 | (33,832) | 96,918 |
| Andrina Hunter Legacy | 9,442 | - | (9,442) | - |
| Lunna Fabric Fund | 5,877 | 691 | - | 6,568 |
| Moar Trust Fund | 708 | - | - | 708 |
| Walls - Coffee Tea and Company | - | 5,000 | (5,000) | - |
| Community council grant | - | 886 | (886) | - |
| Capital fund AV equipment - General Trustees of Church of Scotland | 11,000 | - | (2,200) | 8,800 |
| | <u>108,332</u> | <u>64,699</u> | <u>(51,360)</u> | <u>121,671</u> |

Purposes of Restricted Funds

- AF Chalmers Relief Fund: This fund is maintained to assist families in cases of hardship.
- Children's Fund: This fund is maintained to assist families in cases of hardship.
- Dunrossness Boys Brigade: This account represents the balance of funds transferred from the Boys Brigade Company to be held in trust pending future reincarnation.
- Shetland Foodbank Fund: The Trustees are acting as an umbrella charity for the Shetland Foodbank.
- Andrina Hunter Legacy Fund: In January 2019, the Session formally accepted a very generous legacy from the estate of the late Miss Andrina Hunter in favour of Lerwick and Bressay Parish Church. Miss Hunter's will made it clear that the bequest, which amounted to £50,000 was to be used solely for the upkeep and development of the St Columba's building, which she had attended throughout her life. It is therefore deemed to be a restricted fund and can only be used for the purposes which she specified so long as St Columba's remains a place of worship of the Church of Scotland. This fund has now been fully spent and closed.
- Lunna Fabric Fund: Fund comprises legacy and donations given specifically for the up keep of St Margaret's Church, Lunna.
- Moar Trust Fund: Benevolent Fund under the control of the Kirk Session who can award grants to students in the former parish of Whalsay.
- The Capital fund AV equipment is to fund AV equipment in the churches at Aith and Walls. This money is from the General Trustees of the Church of Scotland.
- The Walls - Coffee Tea and Company funds are used to extend services already provided which bring together members of the community to prevent isolation and loneliness.
- Community council grant - as part of the Winter Wonderland in Burra the community led volunteer group decorates the garden for December and has been a real hit. Funding is required for electrical cables, protective piping and mats, weatherproof sockets, and four replacement outdoor light sets.

SHETLAND CHURCH OF SCOTLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

23 Prior period adjustment

| | 2021 Unrestricted Funds £ | 2021 Total Funds £ |
|--|------------------------------------|-----------------------------|
| Donations and legacies | 191,104 | 191,990 |
| Prior period adjustment | 235,016 | 235,016 |
| Donations and legacies (restated) | 426,120 | 427,006 |
| Total income and endowments | 199,058 | 226,892 |
| Prior period adjustment | 235,016 | 235,016 |
| Total income and endowments (restated) | 434,074 | 461,908 |
| Net movement in total funds | (41,239) | (70,202) |
| Prior period adjustment | 235,016 | 235,016 |
| Net movement in total funds (restated) | 193,777 | 164,814 |
| Debtors | 29,718 | 29,718 |
| Prior period adjustment | 235,016 | 235,016 |
| Debtors (restated) | 264,734 | 264,734 |
| Net current assets | 254,329 | 254,329 |
| Prior period adjustment | 235,016 | 235,016 |
| Debtors (restated) | 489,345 | 489,345 |
| Fund balances at 31 December 2021: | £ | |
| Unrestricted general fund - Shetland Church of Scotland | 46,859 | |
| Prior period adjustment | 235,016 | |
| Unrestricted general fund - Shetland Church of Scotland (restated) | 281,875 | |
| Total unrestricted income funds | 222,020 | |
| Prior period adjustment | 235,016 | |
| Total unrestricted income funds (restated) | 457,036 | |
| Total unrestricted funds | 738,968 | |
| Prior period adjustment | 235,016 | |
| Total unrestricted funds (restated) | 973,984 | |

SHETLAND CHURCH OF SCOTLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

20 Analysis of net assets between funds

| | Unrestricted £ | Restricted £ | Endowment £ | Total £ |
|---|-------------------|-----------------|----------------|------------------|
| Fund balances at 31 December 2022 are represented by: | | | | |
| Tangible assets | 485,518 | 8,800 | - | 494,318 |
| Investments | 259,363 | - | - | 259,363 |
| Current assets/(liabilities) | 132,869 | 112,871 | 755 | 246,495 |
| | <u>877,750</u> | <u>121,671</u> | <u>755</u> | <u>1,000,176</u> |

21 Related party transactions

There were no disclosable related party transactions during the year (2021- none).

22 Third party collections

| | 2022 £ | 2021 £ |
|------------------------------|--------------|--------------|
| Burra Isle Development | - | 1,000 |
| Christian Aid | 780 | 1,303 |
| Gordon Dur Fund | - | 550 |
| Scottish Poppy Appeal | 105 | 40 |
| Shetland Bus Group | - | 83 |
| Tingwall School Fund | - | 425 |
| Weisdale Garden Fund | - | 2,366 |
| ██████████ Care Home | 573 | - |
| Ukrainian Appeal | 879 | - |
| World day of Prayer | 96 | - |
| Shetland Community Choir | 160 | - |
| Relay for life | 100 | - |
| Outreach | 1,485 | - |
| Foodbank | 192 | - |
| Scalloway refurbishment fund | 697 | - |
| | <u>5,067</u> | <u>5,767</u> |

SHETLAND CHURCH OF SCOTLAND

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF SHETLAND CHURCH OF SCOTLAND

I report on the financial statements of the charity for the year ended 31 December 2022, which are set out on pages 7 to 23.

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 Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 (the 2005 Act) and the Charities Accounts (Scotland) Regulations 2006 (the 2006 Accounts Regulations). The charity's trustees consider that the audit requirement of Regulation 10(1)(a) to (c) of the 2006 Accounts Regulations does not apply. It is my responsibility to examine the accounts as required under section 44(1)(c) of the 2005 Act and to state whether particular matters have come to my attention.


Basis of independent examiner's statement

My examination is carried out in accordance with Regulation 11 of the 2006 Accounts Regulations. 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 connection with my examination, no matter has come to my attention which gives me reasonable cause to believe that in any material respect the requirements:

- (a)
 - (i) to keep accounting records in accordance with section 44(1) (a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations; and
 - (ii) to prepare accounts which accord with the accounting records and comply with Regulation 8 of the 2006 Accounts Regulations have not been met, or
- (b) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.



A.J.B. Scholes Ltd
St Olaf's Hall
Church Road
Lerwick
Shetland Isles
ZE1 0FD

Dated: 30th December 2025

SHETLAND CHURCH OF SCOTLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

| | | | |
|-----------|--------------------------------|-----------|--------------------|
| 23 | Prior period adjustment | | (Continued) |
| | | | |
| | Total funds | 848,055 | |
| | Prior period adjustment | 235,016 | |
| | | | |
| | Total funds (restated) | 1,083,071 | |
