

**MIDSTOCKET PARISH CHURCH OF SCOTLAND
ABERDEEN**

**CONGREGATION NUMBER: 311858
SCOTTISH CHARITY NUMBER: SC010643**

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

MIDSTOCKET PARISH CHURCH OF SCOTLAND ABERDEEN

CONTENTS

	Page
Trustees' report (including reference and administrative information)	3 - 8
Independent examiner's report	9
Statement of financial activities incorporating income and expenditure account	10
Balance sheet	11
Statement of cash flows	12
Notes and accounting policies	13-25

MIDSTOCKET PARISH CHURCH OF SCOTLAND ABERDEEN

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The Trustees present their annual report and financial statements 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) (effective 31 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.

Midstocket Parish Church of Scotland, Aberdeen aims to be a worshipping, witnessing, sustainable Christian congregation, faithful to the gospel of Jesus Christ, and offering a variety of opportunities throughout the parish and community for fellowship, prayer, spiritual development and shared activities for people of all ages and backgrounds.

Our mission is:

- to involve and encourage members of all ages in a range of forms of worship
- to build a welcoming, friendly and long-term sustainable worshipping community Church
- to develop new outreach initiatives for all ages in the community
- to ensure that pastoral care is generously given
- to develop approaches to integrate children, teenagers and young adults into the life of the congregation
- to develop shared mission and mutual ministry with other churches in the area
- to identify the spiritual gifts of the members of the congregation and to grow the church using the talents of its members
- to improve the communication processes between the Church, its members and the community at large
- to grow the active membership of the Church, particularly amongst families and adults in the 30-50 year age group
- to strengthen the role of the Church as a community focus, resource and support organisation

The congregation meet for worship at 10.30a.m. every Sunday. The majority of the congregation is over the age of 60 including a significant number aged over 80. Coffees and teas are served after worship each Sunday to encourage congregational fellowship and welcome newcomers. Our services are recorded and available for all to watch via our website and Facebook page. Continuing a habit commenced during the COVID-19 pandemic, our services can also be accessed via a telephone link for the benefit of those members of the congregation who are unable to attend and do not use the internet.

The Sacrament of Holy Communion is celebrated monthly and is open for children to participate in.

Activities for young children are provided.

Services organised by specialist groups, including the Guild, the Worship Group and the Overseas Committee form part of the church worship calendar.

The Minister is Chaplain at Mile-End School and actively involved in activities there.

MIDSTOCKET PARISH CHURCH OF SCOTLAND ABERDEEN

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

Objectives and activities (continued)

A wide range of groups exists within the life of the congregation and many others are associated with it through using the varied and flexible accommodation at the Church.

- Choir
- Church of Scotland Guild
- Men's Group
- Café Church on weekday mornings or afternoons exploring a Christian topic over coffee/tea and seasonal snacks
- Guides
- Rainbows and Brownies
- Lent and Autumn Bread and Cheese Lunches, held on Saturdays, the proceeds going to the Overseas Committee to distribute
- Toddlers Group
- Book Group
- Various other church and outside groups use the Church on a weekly or monthly basis

Achievements and performance

The membership of the church fell from 381 at the end of 2021 to 363 at the end of 2022. During the year 4 new members were admitted whilst 22 members were removed – 14 through death, 2 by Certificate and 6 otherwise.

In early 2022, we were building back up following the lifting of the COVID-19 restrictions and closure of the church building for large parts of the previous two years. Our refurbished and extended Sanctuary and Halls with new Garden Lounge are well used by a range of groups, which have gradually returned following the COVID-19 pandemic. Several new initiatives started after development of the Sanctuary and Halls was completed in 2015 were set up with outreach to the local community in mind such as regular Music@Midstocket recitals, the Midstocket Men's Group, a Book Group and a regular Café Church on a weekday morning or afternoon.

There is great demand by a wide range of outside community groups and city groups to hire our refurbished Halls and Garden Lounge. The Sanctuary is increasingly being recognised as being a very desirable venue for music concerts, rehearsals and examinations. On the one hand, we have our own Music@Midstocket initiative, which provides regular musical events of a high calibre with the concerts raising significant funds for a variety of charities. On the other hand, various external musical organisations are finding the Sanctuary to be a high quality venue with good accessibility for musicians and audiences and this provides us with rental income. As well as a long-established local orchestra using the Sanctuary for rehearsals and concerts throughout the year, we have now become the regular venue for rehearsals and concerts for a thriving youth musical ensemble and a male voice barbershop choir.

We held a very successful charity fundraising concert in the Sanctuary and a Community Christmas Carol Service on the Sunday evening before Christmas. These were well attended including a good number of non-Church members.

A project begun before the pandemic to develop the Church gardens continues. Initially to be called a Bible Garden, the space around the Church is now being developed as a general garden and recreational area for the community and will incorporate a Bible Trail. The pupils and teachers of Mile End School and local politicians have shown a keen interest in the project.

Midstocket Church participated in Christian Aid week raising funds through a dedicated Café Church event, a Music@Midstocket recital, a Bread and Cheese Lunch and participation on the Aberdeen Kiltwalk. We also held various very successful fundraising events to help Ukrainian refugees. Midstocket Church supports the work of local charity Instant Neighbour through fund raising and providing regular donations for their food bank. We have a close partnership with Maggie's Aberdeen and were involved with them in various fund raising ventures during the year. Overseas, we support a number of charities and sponsor a child in Dr Graham's Homes, Kalimpong and we have a partnership with Nkolokoti Church in Malawi.

There has been a decline in the number of children attending church in recent years. Activities are provided during the service for the young children that do attend. During the year, we ran several Family Fun Days on a Saturday which were well supported by families with young children from the local community.

The Church has a website which can be accessed at www.midstocketchurch.org.uk and also a Facebook page where details of all our events can be found. We also produce a quarterly Magazine with news and reports on events past and present.

MIDSTOCKET PARISH CHURCH OF SCOTLAND ABERDEEN

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

Achievements and performance (continued)

In implement of the Presbytery Plan, preparations were ongoing throughout the year for the Union of Midstocket Church with Rubislaw, Queen's Cross and Holburn West Churches. The Union will take place in mid-2023. Several joint services were held throughout the year. The elders of the four churches have been working together and there have been various opportunities for the congregations to get to know each other through coffee mornings, concerts and other shared events. In addition, these four churches are working together in a Parish Grouping with Ferryhill, South Holburn and St. Mark's Churches.

Financial review

The Church's principal source of unrestricted general fund income, being offerings, increased from £66,684 in 2021 to £70,362 in 2022, an increase of 5.52%. The Church of Scotland National Giving Day fundraiser resulted in additional donations of £16,101 being received in 2021, a one off fundraising initiative. Gift aid on offerings reflects a decrease from £19,323 in 2021 to £16,428 in 2022, which is based on the annual claim of the gift aid receivable on offerings, which included National Giving Day donations in 2021. The numbers of Gift Aid donors amounted to 121 in 2022 compared to 113 in 2021.

Ordinary Expenditure exceeded Ordinary Income by £11,795 in 2022 compared to £7,435 in 2021. The accounts also reflect a loss in the value of investments for the year of £8,218 compared to a gain of £9,167 in 2021.

Fabric repairs and maintenance continue to be a significant cost for the church, with essential repairs arising in addition to planned maintenance. The Fabric Fund is used to cover the costs of repairs and maintenance, including the essential installation of a safety railing along the pathway to the church halls entrance.

The church is heated by gas, with the energy contracts being negotiated collectively by the Church of Scotland. Due to being on a variable rate contract, the unit price of gas has increased significantly during 2022, with excessive bills arising, despite consumption being managed to minimal levels. In May 2022, the Church of Scotland renegotiated the Midstocket Parish Church gas contract at the request of Midstocket Parish Church. While the unit price is now on a fixed rate basis, it remains higher than the fixed rate that other churches have been given in their 2020 - 2024 fixed rate contract.

As a result of these higher gas costs, due to the Midstocket Parish Church contract not being included in the central scheme in error, the trustees have decided that the creditor arising for the Church of Scotland levy on the sale of the church hall at No 35 Midstocket Road, be released to the Fabric Fund, so that these levy funds can be reassigned to cover the excessive costs of gas that will continue to be incurred until the end of the current gas contract period in March 2024.

Other expenditure and running costs are largely in line with the budget which is based on the prior year costs which are relatively fixed year on year.

Investment policy and performance

Investments are held with the Church of Scotland Investors Trust (Growth Fund and Income Fund), Alliance Trust and Murray Income Trust. The investments were made many years ago and no change has been made to the investment portfolio during the year.

The Church of Scotland Investors Trust provides three funds for investors which offer a simple and economical medium for the investment of monies. The charity has decided to invest in two of the funds: the Growth Fund and the Income Fund. The Growth Fund is largely equity based and is intended for long-term investment. The fund is operated on a unitised basis and aims to provide capital growth. The Income Fund is intended for medium-term investment and aims to provide immediate high income with funds invested predominantly in fixed-interest securities and operated on a unitised basis. Units in both funds can be purchased or sold monthly.

Investments held at 31 December 2022 had a market value of £75,175. Dividends on these investments provided an additional income of £1,949 (2021 - £1,627) during the year.

MIDSTOCKET PARISH CHURCH OF SCOTLAND ABERDEEN

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Risk management

The Trustees have assessed the major risks to which the charity is exposed, in particular those relating to finances, and have put plans in place to mitigate exposure to the major risks.

With an ageing congregation both nationally and locally within the Church of Scotland, the ability to continue to raise sufficient funds from available resources, in order to meet both local needs and to contribute to the overall work of the national Church, is important. In line with guidance from the Church of Scotland, the congregation will again in 2023 be made fully aware of the importance of Stewardship and the needs of the charity. In addition, the Church will continue to make its buildings available to other groups both as a form of outreach and as a source of raising funds.

Preparations are ongoing for the Union of Midstocket Church with Rubislaw, Queen's Cross and Holburn West Churches. The Union will take place in mid-2023, and the work associated with this is currently being overseen by the four Kirk Sessions.

Non financial risks such as fire prevention, health and safety and food hygiene are managed by ensuring accreditation is up to date, having appropriate policies and procedures in place and awareness training for all relevant users of the buildings.

Reserves policy

The Trustees have considered the reserves required and have taken into account current and future liabilities. It is the Trustees' policy to hold reserves of approximately nine months expenditure including designated funds. At the year end the Church held unrestricted funds of approximately £133,507 which is currently in excess of twelve months expenditure.

The Church also held £276,351 of restricted funds which have been provided for the purposes specified in Note 14.

Structure, governance and management

The congregation is a registered charity, number SC010643 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. The minister, who is a member of the Kirk Session, is elected by the congregation and inducted by the Presbytery.

The Unitary Constitution provides for the operation of the Kirk Session's business by various committees to which members of the Kirk Session and other church members may be appointed. There are committees to cover Finance, Property, Overseas, Outreach, Worship and Christian Education, Safeguarding and Social Activities and each is delegated certain responsibilities by the Kirk Session. The Kirk Session usually has seven meetings per year and the bulk of each meeting involves hearing reports from the conveners of the committees. In 2022, there were seven meetings of the Kirk Session held remotely on Zoom. All other decision making and reporting was done electronically. Most of the committees were able to meet remotely on Zoom when required.

MIDSTOCKET PARISH CHURCH OF SCOTLAND ABERDEEN

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

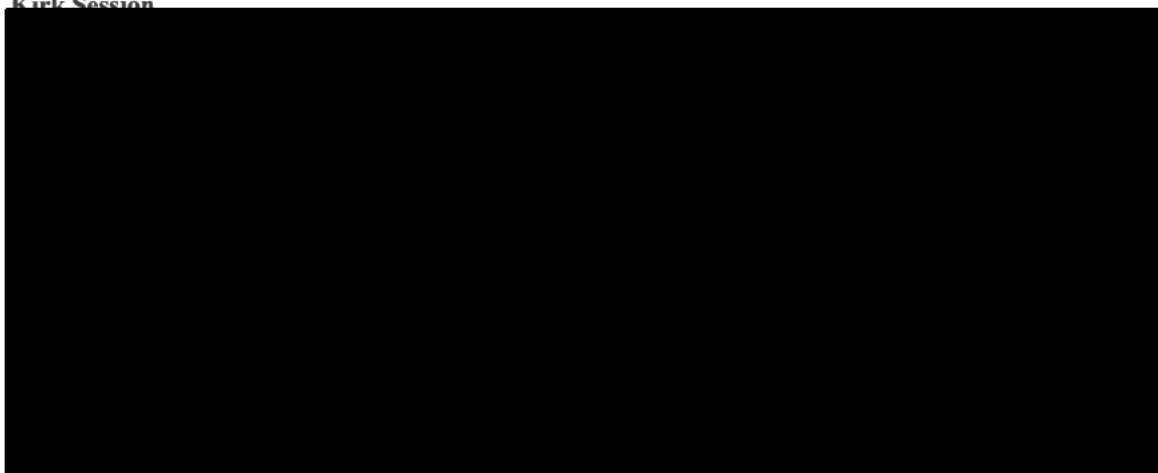
Reference and administrative information

Charity name:	Midstocket Parish Church of Scotland Aberdeen
Congregation number:	311858
Charity registration number:	SC010643
Operational address:	Midstocket Parish Church Harcourt Road Aberdeen AB5 5HF

Trustees

Trustees who served since 1 January 2022 were:

Kirk Session



Principal office-bearers



Minister
Session Clerk
FWO Treasurer
Church Treasurer

Independent Examiner



Chartered Accountant, Meston Reid & Co, 12 Carden Place, Aberdeen, AB10 1UR

Bankers

Bank of Scotland plc, Queen's Cross Branch, 39 Albyn Place, Aberdeen, AB10 1YN

MIDSTOCKET PARISH CHURCH OF SCOTLAND ABERDEEN

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Trustees' responsibilities in relation to the financial statements

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).

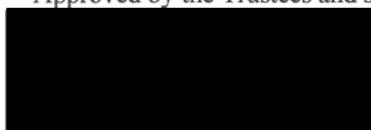
The law applicable to charities in Scotland requires the charity trustees to prepare financial statements for each year which show a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, of the charity for that period. In preparing the financial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

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

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

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

Approved by the Trustees and signed on their behalf,



Session Clerk

Date: 11 May 2023

MIDSTOCKET PARISH CHURCH OF SCOTLAND ABERDEEN

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF
MIDSTOCKET PARISH CHURCH OF SCOTLAND ABERDEEN**

FOR THE YEAR ENDED 31 DECEMBER 2022

I report on the accounts of the charity for the year ended 31 December 2022 which are set out on pages 10 to 25.

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

Basis of independent examiner's statement

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

Independent examiner's statement

There are no other matters which have come to my attention

1. which gives me reasonable cause to believe that any material respect of 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 (as amended), and
- to prepare accounts which accord with the accounting records and comply with Regulation 8 of the 2006 Accounts Regulations (as amended)

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.


Chartered Accountant

Meston Reid & Co
12 Carden Place
Aberdeen
AB10 1UR

15 May 2023

**MESTON
REID & CO**
CHARTERED ACCOUNTANTS

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Endowment fund 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Endowment fund 2021 £	Total 2021 £
Income and endowments from:									
Donations and legacies	2	94,445	3,501	-	97,946	110,480	1,968	-	112,448
Charitable activities	3	4,341	1,874	-	6,215	1,200	1,411	-	2,611
Other trading activities	4	13,279	-	-	13,279	6,124	-	-	6,124
Investments	5	2,912	955	-	3,867	1,017	977	-	1,994
Other income re sale of property		-	32,205	-	32,205	-	-	-	-
		<u>114,977</u>	<u>38,535</u>	<u>-</u>	<u>153,512</u>	<u>118,821</u>	<u>4,356</u>	<u>-</u>	<u>123,177</u>
Expenditure on:									
Raising funds	6	-	-	-	-	-	-	-	-
Charitable activities		125,573	39,734	-	165,307	109,447	21,165	-	130,612
		<u>125,573</u>	<u>39,734</u>	<u>-</u>	<u>165,307</u>	<u>109,447</u>	<u>21,165</u>	<u>-</u>	<u>130,612</u>
Total expenditure									
Net income/(expenditure) before gains and losses on investments		(10,596)	(1,199)	-	(11,795)	9,374	(16,809)	-	(7,435)
Net gains/(losses) on investments		<u>(8,218)</u>	<u>-</u>	<u>-</u>	<u>(8,218)</u>	<u>9,167</u>	<u>-</u>	<u>-</u>	<u>9,167</u>
Net income/(expenditure)		(18,814)	(1,199)	-	(20,013)	18,541	(16,809)	-	1,732
Transfer between funds		-	-	-	-	-	-	-	-
Net movement in funds		(18,814)	(1,199)	-	(20,013)	18,541	(16,809)	-	1,732
Funds brought forward	14	<u>152,321</u>	<u>277,550</u>	<u>471,610</u>	<u>901,481</u>	<u>133,780</u>	<u>294,359</u>	<u>471,610</u>	<u>899,749</u>
Funds carried forward	14	<u>133,507</u>	<u>276,351</u>	<u>471,610</u>	<u>881,468</u>	<u>152,321</u>	<u>277,550</u>	<u>471,610</u>	<u>901,481</u>

BALANCE SHEET

AS AT 31 DECEMBER 2022

	Note	Total 2022 £	Total 2021 £
Fixed assets:			
Tangible assets	9	471,610	471,610
Investments	10	<u>75,175</u>	<u>83,393</u>
Total fixed assets		<u>546,785</u>	<u>555,003</u>
Current assets:			
Debtors	11	18,680	34,863
Cash at bank and on hand		<u>333,188</u>	<u>350,839</u>
Total current assets		351,868	385,702
Liabilities:			
Creditors due within one year	12	<u>(17,185)</u>	<u>(39,224)</u>
Net current assets		<u>334,683</u>	<u>346,478</u>
Total assets less current liabilities		881,468	901,481
Creditors after more than one year		<u>-</u>	<u>-</u>
Net assets		<u>881,468</u>	<u>901,481</u>
The funds of the charity:			
Endowment funds	14	471,610	471,610
Restricted funds	14	276,351	277,550
Unrestricted funds	14	<u>133,507</u>	<u>152,321</u>
Total charity funds		<u>881,468</u>	<u>901,481</u>

The accounts were approved by the Trustees and signed on their behalf by:



Mrs Alison McLeod
Session Clerk

Date: 11 May 2023



Mrs Karen Stewart
Treasurer

Date: 11 May 2023

MIDSTOCKET PARISH CHURCH OF SCOTLAND ABERDEEN

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	Total 2022 £	Total 2021 £
Net cash used in operating activities	17	<u>(21,518)</u>	<u>(27,837)</u>
Cash flows from investing activities			
Interest and dividends	5	3,867	1,994
Purchase of fixed assets		-	-
Proceeds from sale of property		<u>-</u>	<u>-</u>
Net cash provided by investing activities		<u>3,867</u>	<u>1,994</u>
Cash flows from financing activities			
Advanced		-	-
Repayment of borrowings		<u>-</u>	<u>-</u>
Net cash provided by financing activities		<u>-</u>	<u>-</u>
Change in cash and cash equivalents in the year		(17,651)	(25,843)
Cash and cash equivalents brought forward		<u>350,839</u>	<u>376,682</u>
Cash and cash equivalents carried forward		<u>333,188</u>	<u>350,839</u>

MIDSTOCKET PARISH CHURCH OF SCOTLAND ABERDEEN

NOTES AND ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 DECEMBER 2022

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) Accounting convention

The financial statements have been prepared in accordance with the charity's constitution, 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) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

(b) Going concern

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. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

(c) Income

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

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 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.

(d) Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure can be classified under the following activity headings:

- Costs of raising funds comprise the direct costs associated with fundraising.
- Expenditure on charitable activities includes all other costs associated with the running of the charity to further its purposes and associated support costs.

Expenditure includes VAT which cannot be recovered and is recorded as part of the expenditure to which it relates.

MIDSTOCKET PARISH CHURCH OF SCOTLAND ABERDEEN

NOTES AND ACCOUNTING POLICIES (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1. Accounting policies (continued)

(e) Fund accounting

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

- Endowment funds are funds which have been given on 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.
- Restricted funds are funds subject to specific requirements as to their use which may be declared by the donor or with their authority or created through legal processes, but still within the wider objects of the charity.
- Unrestricted funds are expendable at the discretion of the Trustees in furtherance of the objects of the charity. If parts of the unrestricted funds are earmarked at the discretion of the Trustees for a particular purpose, they are designated as a separate fund. The designation has an administrative purpose only and does not legally restrict the Trustees' discretion to apply the fund.

(f) Tangible fixed assets

The Trustees of the Church hold title to the Church and the Manse. The Manse is stated in the balance sheet at a value estimated by the Trustees.

The charity has the right to occupy and use for its charitable objects certain tangible fixed assets, including the Church, halls and manse, 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 charge as expenditure in the Statement of Financial Activities in the period in which the liability arises.

All tangible fixed assets costing in excess of £10,000 having a value to the charity greater than one year, other than those acquired for specific purposes, are capitalised. Depreciation is provided on a straight-line basis to write off the cost or initial value, less residual value, of tangible fixed assets over their estimated useful lives:

Fixtures, fittings and office equipment	10 years
-----------------------------------------	----------

Church properties have not been depreciated as it is considered that the useful life is so long and residual value so great that no depreciation is necessary.

(g) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

(h) Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' 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.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

MIDSTOCKET PARISH CHURCH OF SCOTLAND ABERDEEN

NOTES AND ACCOUNTING POLICIES (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1. Accounting policies (continued)

(h) Financial instruments

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

(i) Investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting 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. Changes in fair value are recognised in net income/(expenditure) for 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. Transaction costs are expensed as incurred.

(j) Operating leases

The charity classifies the lease of printing equipment as an operating lease; the title to the equipment remains with the lessor and the equipment is replaced more regularly than the economic life of such equipment. Rental charges are charged on a straight line basis over the period of the lease.

(k) Taxation

Midstocket Parish Church of Scotland Aberdeen is recognised as a charity for the purposes of applicable taxation legislation and is therefore not subject to taxation on its charitable activities.

(l) Retirement benefits

The charity operates a defined contributions pension scheme. Contributions are charged in the accounts as they become payable in accordance with the rules of the scheme.

MIDSTOCKET PARISH CHURCH OF SCOTLAND ABERDEEN

NOTES AND ACCOUNTING POLICIES (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

2. Donations and legacies

	Unrestricted funds 2022 £	Restricted funds 2022 £	Endowment fund 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted Funds 2021 £	Endowment fund 2021 £	Total 2021 £
Offerings	70,362	-	-	70,362	66,684	-	-	66,684
Tax recovered on gift aid	16,428	-	-	16,428	19,323	-	-	19,323
Legacies	5,000	-	-	5,000	8,000	-	-	8,000
National Giving Day Donations	-	-	-	-	16,101	-	-	16,101
Other	<u>2,655</u>	<u>3,501</u>	<u>-</u>	<u>6,156</u>	<u>372</u>	<u>1,968</u>	<u>-</u>	<u>2,340</u>
	<u>94,445</u>	<u>3,501</u>	<u>-</u>	<u>97,946</u>	<u>110,480</u>	<u>1,968</u>	<u>-</u>	<u>112,448</u>

3. Income from charitable activities

	Unrestricted funds 2022 £	Restricted Funds 2022 £	Endowment fund 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted Fund s 2021 £	Endowment fund 2021 £	Total 2021 £
Weddings and funerals	1,179	-	-	1,179	1,200	-	-	1,200
Coffee mornings etc.	-	1,290	-	1,290	-	907	-	907
Other	<u>3,162</u>	<u>584</u>	<u>-</u>	<u>3,746</u>	<u>-</u>	<u>504</u>	<u>-</u>	<u>504</u>
	<u>4,341</u>	<u>1,874</u>	<u>-</u>	<u>6,215</u>	<u>1,200</u>	<u>1,411</u>	<u>-</u>	<u>2,611</u>

MIDSTOCKET PARISH CHURCH OF SCOTLAND ABERDEEN

NOTES AND ACCOUNTING POLICIES (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

4. Income from other trading activities

	Unrestricted funds 2022 £	Restricted funds 2022 £	Endowment fund 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Endowment fund 2021 £	Total 2021 £
Rent received	<u>13,279</u>	<u>-</u>	<u>-</u>	<u>13,279</u>	<u>6,124</u>	<u>-</u>	<u>-</u>	<u>6,124</u>
	<u>13,279</u>	<u>-</u>	<u>-</u>	<u>13,279</u>	<u>6,124</u>	<u>-</u>	<u>-</u>	<u>6,124</u>

5. Investment income

	Unrestricted funds 2022 £	Restricted funds 2022 £	Endowment fund 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Endowment fund 2021 £	Total 2021 £
Dividends received	994	955	-	1,949	650	977	-	1,627
Interest received	<u>1,918</u>	<u>-</u>	<u>-</u>	<u>1,918</u>	<u>367</u>	<u>-</u>	<u>-</u>	<u>367</u>
	<u>2,912</u>	<u>955</u>	<u>-</u>	<u>3,867</u>	<u>1,017</u>	<u>977</u>	<u>-</u>	<u>1,994</u>

MIDSTOCKET PARISH CHURCH OF SCOTLAND ABERDEEN

NOTES AND ACCOUNTING POLICIES (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

6. Analysis of expenditure

	Unrestricted Funds 2022 £	Restricted funds 2022 £	Endowment fund 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Endowment fund 2021 £	Total 2021 £
Raising funds								
Offering envelopes	-	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Charitable activities								
Ministries and Mission allocation	67,039	-	-	67,039	61,393	-	-	61,393
Presbytery dues	1,795	-	-	1,795	1,150	-	-	1,150
Minister's expenses	948	-	-	948	933	-	-	933
Pulpit supply	-	-	-	-	-	-	-	-
Other salary costs	15,209	-	-	15,209	12,573	-	-	12,573
Fabric repairs and maintenance	-	25,685	-	25,685	-	15,249	-	15,249
Council tax	2,414	-	-	2,414	1,286	-	-	1,286
Other building costs	27,793	8,000	-	35,793	24,450	-	-	24,450
Church office expenses	3,319	-	-	3,319	3,243	-	-	3,243
Organ and music	1,573	-	-	1,573	1,054	-	-	1,054
Donations made	1,462	3,953	-	5,415	-	3,703	-	3,703
Independent examiner's fee	2,220	-	-	2,220	2,220	-	-	2,220
Other expenses	<u>1,801</u>	<u>2,096</u>	<u>-</u>	<u>3,897</u>	<u>1,145</u>	<u>2,213</u>	<u>-</u>	<u>3,358</u>
	<u>125,573</u>	<u>39,734</u>	<u>-</u>	<u>165,307</u>	<u>109,447</u>	<u>21,165</u>	<u>-</u>	<u>130,612</u>
Total	<u>125,573</u>	<u>39,734</u>	<u>-</u>	<u>165,307</u>	<u>109,447</u>	<u>21,165</u>	<u>-</u>	<u>130,612</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.

MIDSTOCKET PARISH CHURCH OF SCOTLAND ABERDEEN

NOTES AND ACCOUNTING POLICIES (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

7. Staff costs and numbers

	2022 £	2021 £
Salaries and wages	14,326	12,078
Social security costs	281	63
Pension costs	<u>602</u>	<u>432</u>
	<u>15,209</u>	<u>12,573</u>

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

	Number	Number
Administration	1	1
Music staff	<u>1</u>	<u>1</u>
	<u>2</u>	<u>2</u>

No employee had employee benefits in excess of £60,000 (2021 - £60,000).

All Church of Scotland congregations contribute to the National Stipend Fund which bears the costs of all ministers' stipends and employer's contributions for national insurance, pension and housing and loan fund. Ministers' stipends are paid in accordance with the national stipend scale, which is related to years of service. For the year under review the minimum stipend was £28,700 and the maximum stipend (in the fifth and subsequent years) was £35,269.

8. Trustee remuneration and related party transactions

During the year the Minister, [REDACTED] received reimbursement of expenses incurred totalling £389 (2021 - £584). In addition, the Church paid council tax of £2,414 (2021 - £1,286) relating to the Manse on behalf of [REDACTED]

During the year 5 Trustees received reimbursement of expenses totalling £2,570 (2021 4 Trustees - £2,924) which were incurred as a result of carrying out their duties.

No payments were made to Trustees for work undertaken or services provided and no Trustee or a person related to a Trustee had any personal interest in any contract or transaction entered into by the Church during the year.

During the year a total of £30,042 (2021 - £31,232), excluding Gift Aid, was donated to the Church by Trustees.

MIDSTOCKET PARISH CHURCH OF SCOTLAND ABERDEEN

NOTES AND ACCOUNTING POLICIES (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

9. Tangible fixed assets

	Buildings £	Office Equipment £	Total £
Cost			
At 1 January 2022	471,610	-	471,610
Additions	-	-	-
Disposals	-	-	-
At 31 December 2022	<u>471,610</u>	<u>-</u>	<u>471,610</u>
Depreciation			
At 1 January 2022	-	-	-
Charge for the year	-	-	-
Disposals	-	-	-
At 31 December 2022	<u>-</u>	<u>-</u>	<u>-</u>
Net book value			
At 31 December 2022	<u>471,610</u>	<u>-</u>	<u>471,610</u>
At 31 December 2021	<u>471,610</u>	<u>-</u>	<u>471,610</u>

10. Investments

	2022 £	2021 £
Market Value		
Market value at 1 January 2022	83,393	74,226
Purchased during year	-	-
Disposal proceeds	-	-
Realised gain/(loss) on investments	-	-
Unrealised gain/(loss) on investments	<u>(8,218)</u>	<u>9,167</u>
Market value at 31 December 2022	<u>75,175</u>	<u>83,393</u>
Investments at cost	<u>18,642</u>	<u>18,642</u>
The following investments are held:		
Church of Scotland Investors Trust Growth Fund	44,501	49,776
Church of Scotland Investors Trust Income Fund	2,482	2,933
Alliance Trust	22,790	24,809
Murray Income Trust	<u>5,402</u>	<u>5,875</u>
	<u>75,175</u>	<u>83,393</u>

MIDSTOCKET PARISH CHURCH OF SCOTLAND ABERDEEN

NOTES AND ACCOUNTING POLICIES (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

11. Debtors

	2022	2021
	£	£
Gift aid tax recoverable	18,336	34,563
Prepayments	-	-
Other debtors	<u>344</u>	<u>300</u>
	<u>18,680</u>	<u>34,863</u>

12. Creditors: amounts falling due within one year

	2022	2021
	£	£
Accruals	17,185	39,224
Agency collections	-	-
Other creditors	<u>-</u>	<u>-</u>
	<u>17,185</u>	<u>39,224</u>

13. Analysis of net assets among funds

	Unrestricted	Restricted	Endowment	Total
	£	£	£	£
Fixed assets	-	-	471,610	471,610
Investments	56,533	18,642	-	75,175
Current assets	94,159	257,709	-	351,868
Current liabilities	(17,185)	-	-	(17,185)
Liabilities due in more than one year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net assets at 31 December 2022	<u>133,507</u>	<u>276,351</u>	<u>471,610</u>	<u>881,468</u>

	Unrestricted	Restricted	Endowment	Total
	£	£	£	£
Fixed assets	-	-	471,610	471,610
Investments	64,751	18,642	-	83,393
Current assets	94,589	291,113	-	385,702
Current liabilities	(7,019)	(32,205)	-	(39,224)
Liabilities due in more than one year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net assets at 31 December 2021	<u>152,321</u>	<u>277,550</u>	<u>471,610</u>	<u>901,481</u>

MIDSTOCKET PARISH CHURCH OF SCOTLAND ABERDEEN

NOTES AND ACCOUNTING POLICIES (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

14. Movements in funds

	1 January 2022 £	Income £	Expenditure £	Gains/ (losses) £	Transfers £	31 December 2022 £
Endowment funds						
Capital Endowment fund	<u>471,610</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>471,610</u>
	<u>471,610</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>471,610</u>
Restricted funds						
Legacies held in Trust fund	17,346	-	-	-	-	17,346
World Mission and Ecumenical Relations fund	1,466	2,732	(1,900)	-	-	2,298
Benevolent fund	1,684	13	-	-	-	1,697
Life and Work Subs fund	504	546	(504)	-	-	546
Travel and Assistance fund	511	-	(120)	-	-	391
██████████ fund	625	-	(625)	-	-	-
Development Donations fund	9,596	-	-	-	-	9,596
Music fund	891	2,901	(2,344)	-	-	1,448
Information Technology fund	-	-	-	-	-	-
Youth Worker fund	9,433	-	-	-	-	9,433
Bible Garden fund	1,116	138	(557)	-	-	697
Community Defibrillator fund	984	-	-	-	-	984
Fabric fund	<u>233,394</u>	<u>32,205</u>	<u>(33,684)</u>	<u>-</u>	<u>-</u>	<u>231,915</u>
	<u>277,550</u>	<u>38,535</u>	<u>(39,734)</u>	<u>-</u>	<u>-</u>	<u>276,351</u>
Unrestricted funds						
General fund	<u>152,321</u>	<u>114,977</u>	<u>(125,573)</u>	<u>(8,218)</u>	<u>-</u>	<u>133,507</u>
Total funds	<u>901,481</u>	<u>153,512</u>	<u>(165,307)</u>	<u>(8,218)</u>	<u>-</u>	<u>881,468</u>

MIDSTOCKET PARISH CHURCH OF SCOTLAND ABERDEEN

NOTES AND ACCOUNTING POLICIES (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

14. Movements in funds (continued)

	1 January 2021 £	Income £	Expenditure £	Gains/ (losses) £	Transfers £	31 December 2021 £
Endowment funds						
Capital Endowment fund	<u>471,610</u>	-	-	-	-	<u>471,610</u>
	<u>471,610</u>	-	-	-	-	<u>471,610</u>
Restricted funds						
Legacies held in Trust fund	17,346	-	-	-	-	17,346
World Mission and Ecumenical Relations fund	1,098	2,153	(2,160)	-	375	1,466
Benevolent fund	1,670	14	-	-	-	1,684
Life and Work Subs fund	553	504	(553)	-	-	504
Travel and Assistance fund	511	-	-	-	-	511
██████████ fund	-	1,000	-	-	(375)	625
Development Donations fund	9,596	-	-	-	-	9,596
Music fund	1,976	310	(1,395)	-	-	891
Information Technology fund	434	-	(434)	-	-	-
Youth Worker fund	9,787	-	(354)	-	-	9,433
Bible Garden fund	1,761	-	(645)	-	-	1,116
Community Defibrillator fund	984	-	-	-	-	984
Fabric fund	<u>248,643</u>	-	<u>(15,249)</u>	-	-	<u>233,394</u>
	<u>294,359</u>	<u>3,981</u>	<u>(20,790)</u>	-	-	<u>277,550</u>
Unrestricted funds						
General fund	<u>133,780</u>	<u>118,821</u>	<u>(109,447)</u>	<u>9,167</u>	-	<u>152,321</u>
Total funds	<u>899,749</u>	<u>123,177</u>	<u>(130,612)</u>	<u>9,167</u>	-	<u>901,481</u>

Endowment funds

The Capital Endowment fund arises from the purchase of the manse and represents the purchase price.

Restricted funds

- Legacies held in Trust fund: Legacies held for income generation purposes
- World Mission and Ecumenical Relations fund: Fund for promotion of church mission
- Benevolent fund: Fund for the benefit of retired ministers
- Life and Work Subs fund: Life and Work subscriptions received in advance
- Travel and Assistance fund: Fund to assist with travel costs related to church events and work
- ██████████ fund: Fund to support Youth initiatives in the UK and overseas
- Development Donations fund: Congregational donations to enhance the facilities of the church
- Music fund: Funds and donations generated from Music@Midstocket recitals and musical events
- Information Technology fund: Fund to enhance audio visual equipment
- Youth Worker fund: Fund to support the four churches group youth worker
- Bible Garden fund: Fund to support the development of a community bible garden within the church grounds
- Community Defibrillator fund: Fund to provide a community defibrillator within the church grounds
- Fabric fund: Fund arising from the sale of property to provide for fabric expenditure, including repairs and maintenance

MIDSTOCKET PARISH CHURCH OF SCOTLAND ABERDEEN

NOTES AND ACCOUNTING POLICIES (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

14. Movements in funds (continued)

Designated funds

Currently there are no designated funds, all unrestricted funds being available for general purpose use.

15. 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.

16. Controlling party

The charity is under the control of the Trustees, as detailed on page 7.

17. Reconciliation of net movement in funds to net cash flow from operating activities

	2022	2021
	£	£
Net movement in funds	(20,013)	1,732
Add back depreciation charge	-	-
Deduct investment income	(3,867)	(1,994)
Deduct gains/add back losses on investments	8,218	(9,167)
Deduct other gains/add back other losses	-	-
(Increase)/decrease in debtors	16,183	(19,623)
Increase/(decrease) in creditors	<u>(22,039)</u>	<u>1,215</u>
Net cash used in operating activities	<u>(21,518)</u>	<u>(27,837)</u>

MIDSTOCKET PARISH CHURCH OF SCOTLAND ABERDEEN

NOTES AND ACCOUNTING POLICIES (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

18. Collections for third parties

During the year the following collections were made for third parties:

	2022 £	2021 £
World Mission and Ecumenial Relations		
Camfed International	75	75
Dr Graham's Homes	-	900
LEPRA	75	75
Nkolokoti Church, Bantyre, Malawi	1,000	500
Scottish Bible Society	175	210
Tear Fund Scotland	75	75
The Vine Trust	200	250
Mary's Meals	100	75
DEC Ukraine Appeal	100	-
DEC Pakistan Flood Appeal	<u>100</u>	<u>-</u>
	<u>1,900</u>	<u>2,160</u>
 Music@Midstocket Recitals		
Aberdeen Chamber Orchestra	-	100
St Margaret's Bursary Fund	-	75
Granite City Brass Band	-	100
Various Performers	-	893
Ukrainian Refugee Support	362	-
Royal Conservatoire of Scotland*	1,055	-
Christian Aid	136	-
Cairns Counselling	<u>500</u>	<u>-</u>
	<u>2,053</u>	<u>1,168</u>
 Donations Made via Collections		
Bethany Christian Trust	146	-
Maggies	146	-
DEC Ukraine Appeal	766	-
DEC Pakistan Flood Appeal	<u>404</u>	<u>-</u>
	<u>1,462</u>	<u>-</u>
	<u>5,415</u>	<u>3,328</u>

*To support Ukrainian Musicians at RCS