

**The Church of Scotland
Lorne & Lowland Church**

**Receipts and Payments Accounts
Year ended 31 December 2021**

Congregation No: 191235

Charity No: SC011686

31 MAR 2022

Lorne & Lowland Church

Reference and Administration Information

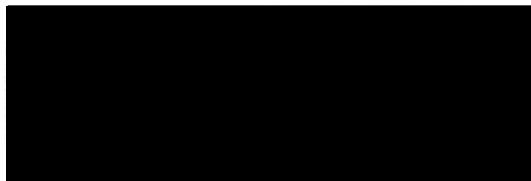
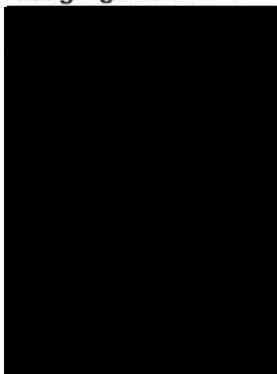
Charity Name:	Lorne and Lowland Church
Charity Registration Number	SC011686
Congregation Reference No	19135
Contact Address:	Avernish, Ardnacraig Avenue, Campbeltown PA28 6JP

Trustees

Kirk Session

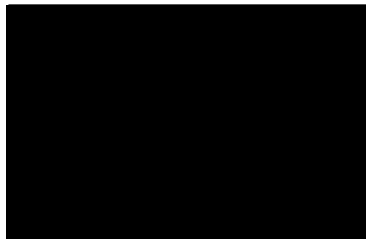


Congregational Board



Principal Office-bearers

Interim Moderator
Interim Moderator
Minister:
Session Clerk:
Clerk to the Board:
Church Treasurer:



Resigned 31.01.2022
Appointed 01.03.2022

Independent Examiner



Bankers

Clydesdale Bank plc	Royal Bank of Scotland
Longrow, Campbeltown, PA28 6ES	26 George Street, Oban, PA34 5SB

Structure, Governance and Management

Governing Document

The Church is administered in accordance with the terms of the Model Deed of Constitution.

Recruitment and Appointment of Trustees

Members of the Kirk Session and the Congregational Board 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. At the moment the parish is vacant and [REDACTED] has been appointed Interim Moderator as of March 2022. The Congregational Board is appointed from within the congregation and members of the congregation are invited to nominate individuals who are believed to have the skills and commitment to contribute to the management affairs of the Church, to become members of the Board. Members are then appointed at the Stated Annual Meeting and serve for a period of three years after which they may seek re-election at the next Stated Annual Meeting.

Organisational Structure

The Congregational Board is chaired by the minister and meets at least four times in a year. Certain responsibilities are delegated to the Finance Committee and Property Committee as appropriate. The Kirk Session, which meets at least six times a year, is responsible for spiritual affairs within the church.

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 ordinance of the 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.

Lorne and Lowland church provide regular Sunday worship, as well as providing services for weddings and funerals. The Triple C (formerly the Sunday School), Church Guild, Friendship Guild and Tiny Tots (formerly the Mother and Toddler Group) all form an integral part of the church and community life.

Achievements and Performance

A worldwide COVID-19 pandemic was declared by the World Health Organisation on 11th March 2020, followed by the start of a period of national lockdown on 23rd March. There has continued to be periods of lockdown and then slight relaxations. During this time the church has been careful of its congregations and they have not been encouraged to fund raise or hold social gatherings. When churches were reopened it was with face masks and no singing and a track and trace register.

The Boys' Brigade has now ceased to function and will not reopen. Other gatherings, such as the Lunch Club have not restarted. Any Hall Lets in 2021 were in accordance with Risk Assessment and within the Covid Guidelines which meant that during 2021 the flow of funds was severely diminished to the detriment of the church's finances.

The Lorne & Lowland Church Guild stopped meeting in March 2020 when COVID-19 restrictions came into force. However, even when restrictions eased, members didn't wish to meet due to many being elderly and therefore more vulnerable. Unfortunately, no new members were coming forward so the group officially ceased in 2021. It is expected that the fund balance from this group will be transferred into the general funds, however this will be discussed, agreed by the Board, and confirmed with the Church of Scotland in the 2022 year.

It was impossible to hold "in person" meetings of the Kirk Session and Congregational Board during most of 2021 though a system of email consultations was established in accordance with Church Law. With the assistance of the Property Convener and Church Officer, a weekly programme of building inspections was put in place to ensure the continuing security and maintenance of the church and halls, though projects like the replacement of the church central heating boiler were placed "on hold".

To enable the weekly programme of clock winding, which is done manually, two persons were permitted to enter the church each week during the period of closure.

During 2021 following the easing of the government's lockdown regulations and with the agreement of the Kirk Session, congregational worship was resumed with a maximum attendance of 50, all attending having to wear face coverings, and safe social distancing being maintained. A hand-sanitising station was set up in the entrance vestibule and floor markings put in place. A further period of closure, following a resurgence of the virus required the reinstatement of weekly property inspections.

**Lorne and Lowland Church
Trustees' Annual Report
Year Ended 31st December 2021**

Following discussions with the independent examiner, and with the assistance of the Church of Scotland Finance Department and OSCR, a process was begun in the course of the year to simplify and better align the number of church funds with bank accounts and also to allow the transfer of the balances in the restricted Missionary and Widow Funds, respectively, into unrestricted General Funds. These restricted funds were unable to be used within the terms of their original purpose. The latter necessitated the approval of the General Trustees and of OSCR and the process was completed at the start of 2021.

In terms of life events, one baptism took place in 2021, three weddings and 65 funerals.

The work of the church continued to be much disrupted in 2021, but it nevertheless continued in some novel ways. For most of lockdown, two video messages were published on the internet each week, along with one textual Reflection. Publishing the videos involved setting up the church's own YouTube channel, with links from the pre-existing FaceBook page. We were fortunate in having the assistance of an AV expert based locally. Following re-opening, the video messages were reduced to one per week and the textual Reflections continued as in lockdown. These online forms of worship are usually accessed by an average of between 1,000 and 1,500 people. The FaceBook engagement report for the week ending 14th March 2021 showed that 1,700 people had accessed our messages in that week alone. It is planned to continue this digital ministry after 'normal' services resume. Congregational life, when it fully resumes, will be an exciting mix of the traditional and the new.

Financial Review

Receipts and Payments Accounts were prepared as the income of the Church was less than £250k. A review of these is as follows:

Receipts: Overall receipts for the year were £80k against £77k last year, a small increase of £3k. The pandemic has continued to be a challenging time financially with reduced offerings and fundraising activities.

Payments: Overall payments for the year were £92k compared to £97k last year, a reduction of £5k. Refurbishment projects were again put on hold due to the pandemic, while overall other costs and overheads remained at similar levels.

Overall, once again there is an excess of payments over receipts leading to a deficit of £12k for the year (last year deficit £20k). This is to be expected as a result of the pandemic.

Risk and Safeguarding

At the end of December 2021 Lorne and Lowland Parish Church had in the region of 640 members. The trustees are considering a number of ways in which the ongoing income levels can be increased. The weekly congregation of 200 is certainly viable, and as the accounts show, the congregation can continue to ensure that the church is a spiritual and physical focal point, used by many sectors of the community for a variety of purposes.

The Kirk Session takes very seriously the responsibility for ensuring that the safeguarding procedures demanded by the Church of Scotland are implemented. Jesus Christ encourages us to look after the marginalised and the defenceless, and so it is right that the "Protection of Vulnerable Groups" legislation is incorporated into the work of the church.

The church is fully compliant with the terms of the General Data Protection Regulations (GDPR).

Reserves Policy

It is the Trustees' policy to hold reserves of a level it considers necessary for the current running costs of the charity, and for future unforeseen additional expenditure or capital works.

At the year end the Church held unrestricted Bank & Deposit funds of £207k (1/1y £170k). Of these unrestricted funds, £20k are held in a Designated Fabric and Restoration Fund and £48k in a Designated Reserves Fund.

The overall increase in the unrestricted funds, despite the deficit, is due to the transfer of the restricted fund balances of £48k in total from the restricted Missionary and Widow funds to the general funds.

There are good levels of investments held in the Church of Scotland Investors Trust funds. As noted in the Statement of Balances, investments were valued at a very healthy £471k against £466k last year.

Lorne and Lowland Church
Trustees' Annual Report
Year Ended 31st December 2021

Statement of Trustees' Responsibilities

The members of the Congregational Board must prepare financial statements which give sufficient detail to enable an appreciation of the transactions of the Church during the financial year. The members of the Congregational Board are responsible for keeping proper accounting records which, on request, must reflect the financial position of the Church at that time. This must be done to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 and the Regulations Anent Congregational Finance approved by the General Assembly of the Church of Scotland in 2007. They are also responsible for safeguarding the assets of the Church and must take reasonable steps for the prevention and/or detection of fraud and other irregularities.

Approved by the Trustees and signed on their behalf.



Interim Moderator

Date: 28th March 2022

Independent Examiner's Report to the Trustees of Lorne & Lowland Church

I report on the accounts of the charity for the year ended 31st December 2021 which are set out on pages 6 to 10.

Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

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

Basis of independent examiner's statement

My examination is carried out in accordance with Regulation 11 of the Charities Accounts (Scotland) Regulations 2006. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosure 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 report

In the course of my examination, no matter has come to my attention.

1. which gives me reasonable cause to believe that in any material respect the requirements:
 - to keep accounting records in accordance with Section 44 (1) (a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations, and
 - to prepare accounts which accord with the accounting records and comply with Regulation 9 of the 2006 Accounts Regulations have not been met, or
2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Date:

30.3.22

Lorne & Lowland Church
Receipts and Payments Account
Year ended 31 December 2021

		Unrestricted Funds	Restricted Funds	Total	Total
	Note	2021	2021	2021	2020
		£	£	£	£
Receipts					
Donations	3	61,732	0	61,732	46,705
Legacies		1,000	0	1,000	2,500
Activities for Generating Funds		214	0	214	6,646
Bank & Deposit interest		45	0	45	257
Investment income		13,602	240	13,842	16,269
		<u>76,593</u>	<u>240</u>	<u>76,833</u>	<u>72,377</u>
Rental of premises (rental of halls only)		1,616	0	1,616	1,758
Sale of assets		0	0	0	0
Receipts from General Trustees		0	0	0	1,289
Other Receipts	4	1,985	0	1,985	2,054
Total Receipts		<u>80,194</u>	<u>240</u>	<u>80,434</u>	<u>77,478</u>
Payments					
Costs of generating funds	5	390	0	390	404
Charitable activities		89,585	0	89,585	94,651
Governance costs		2,100		2,100	2,010
Other payments		0	0	0	0
Total Payments		<u>92,075</u>	<u>0</u>	<u>92,075</u>	<u>97,065</u>
Excess of Receipts over Payments for the year before transfers		-11,881	240	-11,641	-19,587
Transfers		48,314	-48,314	0	0
Excess of Receipts over Payments for the year		<u>36,433</u>	<u>-48,074</u>	<u>-11,641</u>	<u>-19,587</u>

Lorne & Lowland Church
Statement of Balances
At 31 December 2021

	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total 2021 £	Total 2020 £
Bank & Deposit Balances				
Bank & deposit balances brought forward	170,478	48,314	218,792	238,379
Movement in year:				
Excess of Receipts over Payments for the year	36,433	-48,074	-11,641	-19,587
Bank & deposit balances carried forward	<u>206,911</u>	<u>240</u>	<u>207,151</u>	<u>218,792</u>
Investments at market value (cost £338,194 - l/y £338,194)	<u>400,714</u>	<u>69,808</u>	<u>470,522</u>	<u>466,037</u>
Assets				
Gift Aid Receivable	1,697	0	1,697	2,082
	<u>1,697</u>	<u>0</u>	<u>1,697</u>	<u>2,082</u>
Liabilities				
Locum costs	2,733	0	2,733	2,735
Heat & Light	221	0	221	0
Independent Examiner's Fee	<u>2,205</u>	<u>0</u>	<u>2,205</u>	<u>2,040</u>
	<u>5,159</u>	<u>0</u>	<u>5,159</u>	<u>4,775</u>

The accounts were approved by the Kirk Session and Financial Board on 28th March 2022

For and on behalf of the Kirk Session and Financial Board

Interim Moderator

Session Clerk

1. Trustee Remuneration and Related Party Transactions

During the year, two trustees (1/y 2) received remuneration totalling £4,280 (1/y £4,280) for services provided to the Church in the roles as detailed in brackets after their names. These were [REDACTED] (Organist) and [REDACTED] (Groundsman).

No expenses were paid to trustees.

2. Movements in Funds

	At 1 Jan 2021 £	Receipts £	Payments £	Transfers £	At 31 Dec 2021 £
Restricted Funds					
Missionary Fund	5,276	0	0	-5,276	0
Benevolent Fund	0	227	0	0	227
Organ Fund	0	13	0	0	13
Widows Fund	43,038	0	0	-43,038	0
	<u>48,314</u>	<u>240</u>	<u>0</u>	<u>-48,314</u>	<u>240</u>
Unrestricted Funds					
Designated Fabric and Restoration Fund	14,948	8,887	3,900	0	19,935
Designated Triple C Fund	1,268	329	135	0	1,462
Designated Tiny Tots Fund	1,034	0	184	-10	840
Designated Friendship Guild Fund	2,012	10	10	0	2,012
Designated Turner Fund	490	30	0	0	520
	<u>19,752</u>	<u>9,256</u>	<u>4,229</u>	<u>-10</u>	<u>24,769</u>
General Fund	20,762	65,630	87,018	25,794	25,168
Reserve Fund	19,212	2,470	0	26,520	48,202
Church Guild	32,684	29	648	-3,990	28,075
MacTaggart Fund	78,068	2,809	180	0	80,697
	<u>150,726</u>	<u>70,938</u>	<u>87,846</u>	<u>48,324</u>	<u>182,142</u>
Total Funds	<u>218,792</u>	<u>80,434</u>	<u>92,075</u>	<u>0</u>	<u>207,151</u>

Purposes of Designated Funds

Fabric and Restoration Fund: The Trustees have set aside funds for the maintenance and restoration of the Church property.

Triple C (formerly Sunday School) Fund: The Trustees have set aside funds for use by Triple C.

Tiny Tots (formerly Mother & Toddler) Fund: The Trustees have set aside funds for use by the Tiny Tots Group.

Friendship Guild Fund: The Trustees have set aside funds for the use by the Friendship Guild.

Turner Fund: The Trustees have set aside funds for the benefit of the elderly in the Parish.

Purposes of Restricted Funds

Missionary Fund: as agreed with OSCR and the Church of Scotland, this fund has now been transferred to General Funds

Benevolent Fund: This is a fund to enable financial support to members of the local congregation whenever appropriate.

Organ Fund: This is a fund to provide for the maintenance of the church organ.

Widows Fund: as agreed with OSCR and the Church of Scotland, this fund has now been transferred to General Funds

Purposes of General Funds

General Fund: This fund is used for the day to day income & expenditure of the church.

Reserve Fund: This fund provides reserves for the exceptional costs of the church, as and when required.

Church Guild: These funds are generally for the purpose of the Guild, with excesses being passed to the general fund. The Guild ceased in 2021, with the destination of the final funds to be discussed, agreed and approved in 2022.

MacTaggart Fund: This fund is intended for the poor of the congregation, with excesses being spent for congregational purposes.

	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total 2021 £	Total 2020 £
3. Analysis of Donations				
FWO Scheme	5,365	0	5,365	3,211
Gift Aid Donations	39,524	0	39,524	27,716
Tax Recovered on Gift Aid Donations	10,545	0	10,545	10,505
Ordinary Offerings (Open Plate)	5,151	0	5,151	3,366
Other Offerings, Donations etc	1,147	0	1,147	1,907
	<u>61,732</u>	<u>0</u>	<u>61,732</u>	<u>46,705</u>
4. Analysis of Other Income				
Insurance recharge	1,985	0	1,985	1,953
Life and Work	0	0	0	101
	<u>1,985</u>	<u>0</u>	<u>1,985</u>	<u>2,054</u>
5. Analysis of Payments				
Costs of generating funds				
Fundraising expenses	0	0	0	20
Offering envelopes	390	0	390	384
	<u>390</u>	<u>0</u>	<u>390</u>	<u>404</u>
Charitable activities				
Ministries & Mission allocation	38,643	0	38,643	44,765
Staff Costs	15,714	0	15,714	15,788
Presbytery dues	2,353	0	2,353	2,732
Travel - Minister & Pulpit Supply	288	0	288	0
Telephone & other - Minister	0	0	0	0
Rates & Insurance	6,054	0	6,054	7,759
Council Tax	0	0	0	0
Heating	6,263	0	6,263	7,035
Repairs - Church	3,900	0	3,900	2,044
Repairs - Manse	0	0	0	0
Equipment repairs & replacement	109	0	109	0
Professional Fees	0	0	0	1,800
Cleaning	180	0	180	160
Printing, stationery and post	2,642	0	2,642	2,808
Advertising	311	0	311	397
Pulpit Supply	11,428	0	11,428	7,346
Gifts (including Guild Donations)	630	0	630	200
Sundry	431	0	431	745
Telephone	120	0	120	120
Church Group Meeting expenses	519	0	519	952
	<u>89,585</u>	<u>0</u>	<u>89,585</u>	<u>94,651</u>
Governance costs				
Independent examiner's fees	2,100	0	2,100	2,010
Other payments				
Purchase of investments	0	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

6. Minister's Stipend

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 of service £35,269.

	2021 £	2020 £
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7. Staff Costs

Salaries and wages	13,194	13,268
Treasurer Fees	2,520	2,520
	<u>15,714</u>	<u>15,788</u>

8. Collections for Third Parties

Poppy Scotland	0	221
	<u>0</u>	<u>221</u>

9. Other registered charities, trusts etc under the control of Trustees

██████████ is a trustee of the charity Supporting the Homeless in Kintyre (SC041780). ██████████ and ██████████ are trustees for Campbeltown Heritage Trust and ██████████ is a trustee for Kintyre Foodbank.

APPENDIX

FUNDS HELD ON BEHALF OF THE CONGREGATION

BY THE CHURCH OF SCOTLAND GENERAL TRUSTEES

	2021	2020
	£	£
<u>CAPITAL ACCOUNT</u>		
Credit Balances held at 31 December at cost	<u>14,362</u>	<u>14,362</u>
Market Value of Balances at 31 December	<u>23,841</u>	<u>22,548</u>
<u>REVENUE ACCOUNT</u>		
Credit Balance at 31 December	<u>414</u>	<u>0</u>