

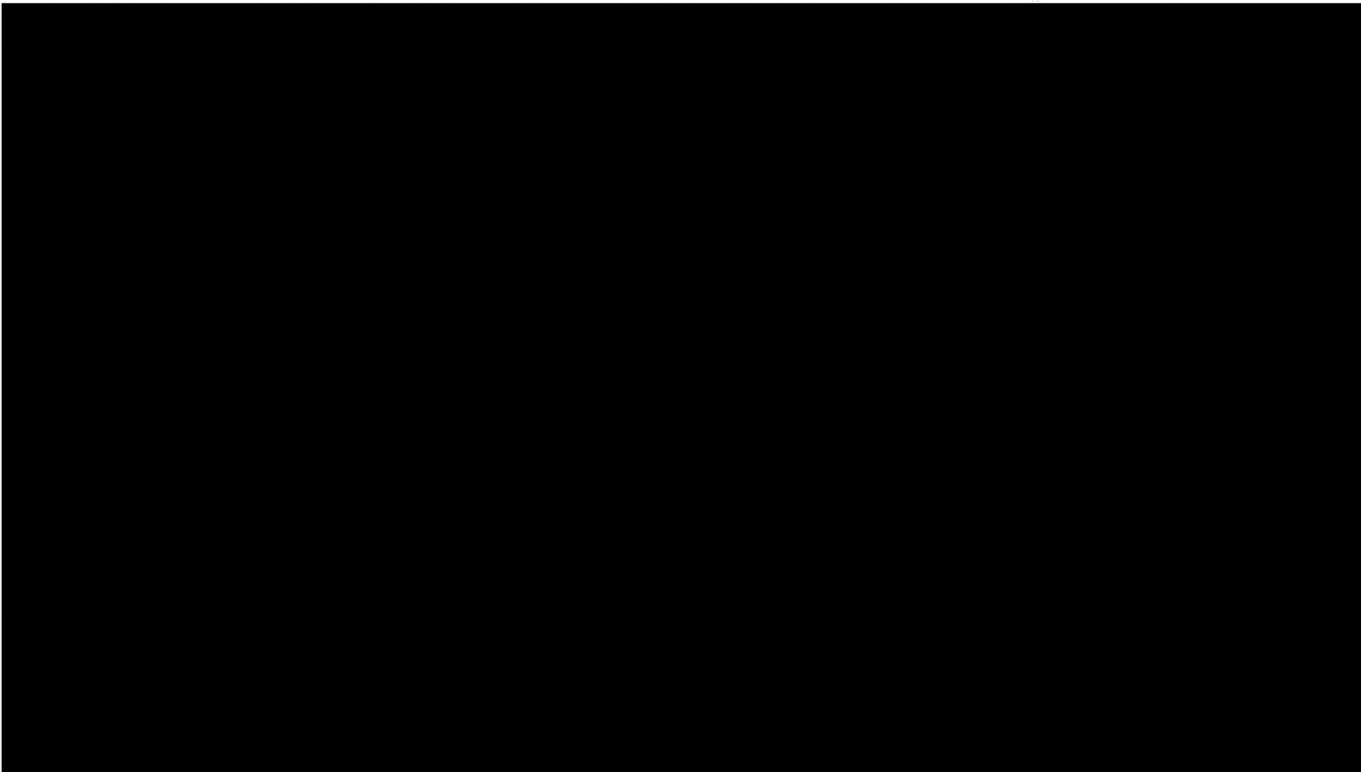
**The Scottish Episcopal Church of St Magnus, Lerwick  
in the United Diocese of Aberdeen and Orkney**

**Registered Charity SC014584**

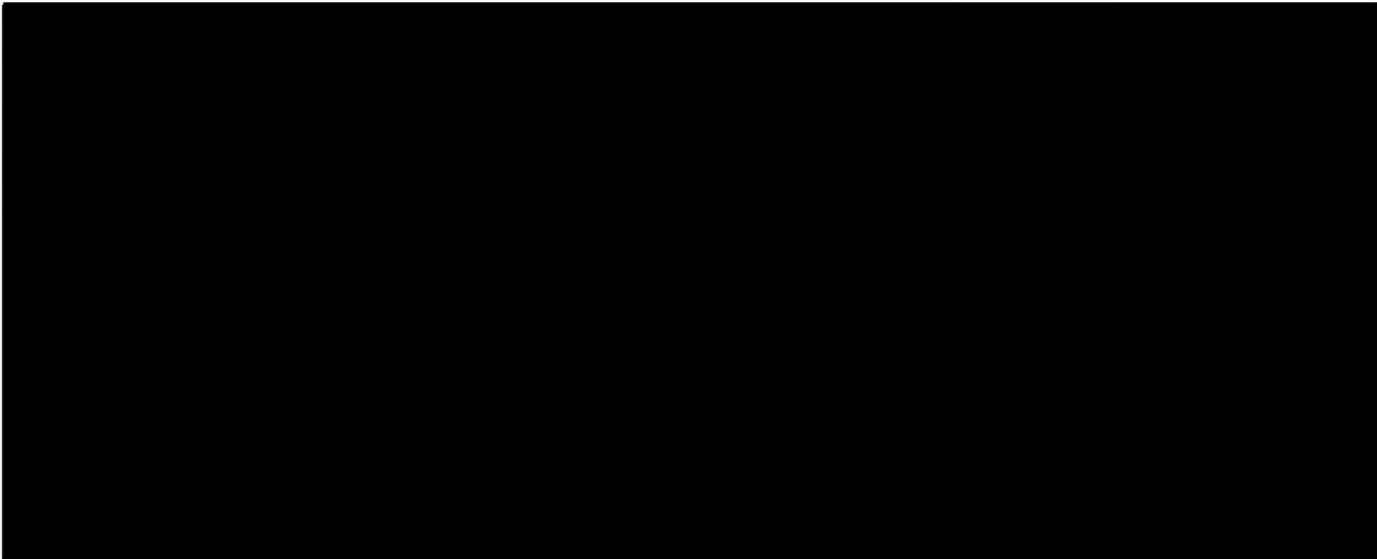
**Trustees’ report and accounts for the year from 1 October 2023  
to 30 September 2024**

**Reference and administrative information**

<b>Principal address</b>	St Magnus Episcopal Church 12 Greenfield Place, Lerwick, ZE1 0AQ
--------------------------	---



**Vestry members - charity trustees**





Vacant

Rector's Warden  
Vestry Secretary

**Bankers**

Virgin Money  
106 Commercial Street, Lerwick, ZE1 0JJ

**Independent examiner**

   
Chartered Management Accountant  
40 Grosvenor Place, Aberdeen, AB25 2RE

## **Introduction**

The church and charity of St Magnus, Lerwick is an incumbency of the Scottish Episcopal Church (SEC)<sup>1</sup> (Registered Charity SC015962), a Province of the Anglican Communion.

St Magnus is established for exclusively charitable purposes, primarily for the advancement of religion and to provide public benefit. It has a close relationship with the church of St Colman, Burravoe on the island of Yell (Registered Charity SC011720), an independent congregation of the SEC overseen by the Rector of St Magnus.

## **Governance and management**

St Magnus is an unincorporated association governed by a constitution last amended in 2010. As a congregation of the United Diocese of Aberdeen and Orkney (Registered Charity SC022180), it is also subject to the Code of Canons of the SEC as determined by resolutions of its General Synod.

St Magnus is assisted by the SEC at Diocesan and Provincial levels through the pastoral oversight of the Bishop of Aberdeen and Orkney, provision of central support services, and access to grants and loans from central funds. In return, the church has an obligation to contribute, in proportion to its income, to the running costs of the Diocese and Province through payment of an annual quota. During the year, St Magnus was represented on the Diocesan Synod by its Rector and an elected Lay Representative, both of whom were also members of the General Synod as elected representatives of the Diocese.

## **Responsibilities of trustees**

The trustees of the charity are the members (listed above) of the church's Vestry which is elected by the church's congregation and accountable to the Bishop of the Diocese. The Vestry is responsible for managing and safeguarding the assets of the charity and assisting the Rector in matters affecting the spiritual welfare of the church and its congregation.

The Vestry is responsible for keeping financial records and ensuring that annual accounts are prepared in accordance with the requirements of the *Charities and Trustee Investment (Scotland) Act 2005* and the *Charities Accounts (Scotland) Regulations 2006* (as amended). It considers the financial and other risks faced by St Magnus and ensures that appropriate risk management procedures are in place to mitigate them, seeking to hold a level of unrestricted reserves that would enable the church to maintain its activities for a reasonable period in the event of a significant reduction in its normal income.

---

<sup>1</sup> The General Synod of the Scottish Episcopal Church does not accept responsibility for any loss which may arise from reliance on information or expressions of opinion contained in this document.

## Activities and Achievements

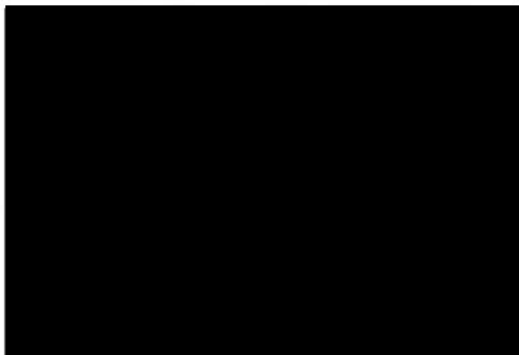
Open, inclusive and welcoming of all, St Magnus is a liberal catholic church with an established choral tradition. It occupies a distinctive liturgical and sacramental niche amongst Shetland's numerous churches of most denominations or none and, as well as numerous visitors to Shetland, attracts a steady stream of new members

The charity's income is primarily dependent on donations received from church members and others through intentional (planned) and incidental (occasional) giving, together with the related tax reclaimed under the Gift Aid schemes. Intentional and incidental giving accounted for £33,182.21 of total unrestricted income of £42,791.16 in the reporting year.

No reclaimed tax was received during the year under the Gift Aid and Gift Aid Small Donations Schemes, but outstanding sums of £7599.23 and £4334.84 remain to be claimed for the 2023-2024 and (from 6 April-30 September) 2024-2025 tax years respectively.

Though the statement of receipts and payments for 2023-2024 shows a deficit of £4069.89, there remained an end-of-year cash balance of £45,774.77. The trustees continue to be aware, however, in the light of architects' quinquennial inspections of the church, rectory and church hall, of pressing needs for substantial expenditure on repairs to the charity's buildings.

**On behalf of the trustees:**



## **Independent examiner's report to the trustees of the Scottish Episcopal Church of St Magnus, Lerwick (Registered Charity SC014584)**

I report on the financial statements of the charity for the year from 1 October 2023 to 30 September 2024 which are set out on the following pages.

### **Respective responsibilities of the trustees and examiner**

The church's trustees (Vestry members) 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 2006 Regulations").

The trustees consider that the audit requirement of Regulation 10(1)(d) of the 2006 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.

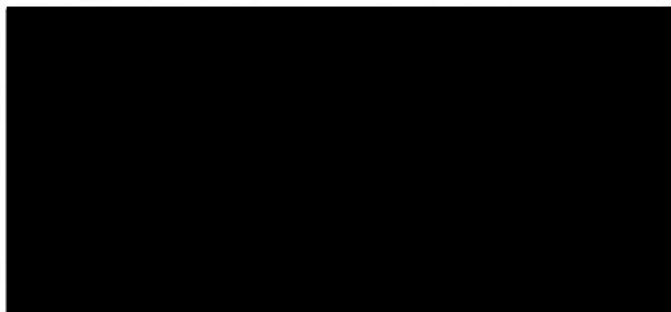
### **Basis of independent examiner's statement**

My examination is carried out in accordance with Regulation 11 of the 2006 Regulations. It 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 such matters. The procedures undertaken do not provide all of the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.

### **Independent examiner's statement**

In the course of my examination no matter has come to my attention 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 Regulations, and to prepare accounts which accord with the accounting records and comply with Regulation 9 of the 2006 Regulations, have not been met.

Signed and dated:



Chartered Management Accountant  
40 Grosvenor Place  
Aberdeen  
AB25 2RE

The Scottish Episcopal Church of St Magnus, Lerwick

Registered Charity SC014584

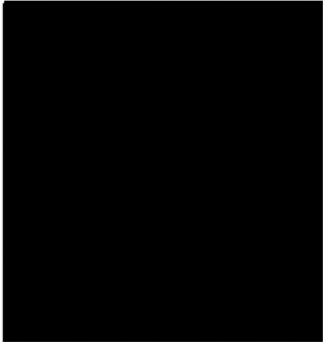
Receipts and payments accounts for the year from 1 October 2023 to 30 September 2024

Statement of receipts and payments		Notes	Unrestricted funds	Designated funds	Restricted funds	Total funds current year	Total funds previous year
		1, 2, 3	£	£	£	£	£
Receipts							
Donations		4	33,182.21	0.00	4,496.00	37,678.21	35,042.90
Gift Aid tax reclaimed		5	0.00	0.00	0.00	0.00	15,013.77
Grants received		6	3,533.38	0.00	0.00	3,533.38	8,161.73
Receipts from fund-raising activities		7	108.00	0.00	0.00	108.00	1,547.55
Income from investments other than land and buildings		8	12.79	0.00	918.72	931.51	865.90
Income from land and buildings		9	2,360.00	4,541.60	0.00	6,901.60	5,360.00
Fees received - funerals (including musicians')		10	1,350.00	0.00	180.00	1,530.00	1,350.00
Bank account interest etc		11	1,473.24	0.00	0.00	1,473.24	1,009.61
Sale of books			0.00	0.00	203.45	203.45	0.00
Refunds of overpayments on utility bills		13	771.54	0.00	0.00	771.54	0.00
Total receipts			42,791.16	4,541.60	5,798.17	53,130.93	68,351.46
Payments							
Expenses for fund-raising activities		7	0.00	0.00	0.00	0.00	83.64
Property letting management costs		2, 9	0.00	675.10	0.00	675.10	605.00
Repayment of loan		12	0.00	2,874.96	0.00	2,874.96	4,312.44
Fees paid - funeral musicians		10	0.00	0.00	180.00	180.00	180.00
Payments relating directly to charitable activities		13	46,256.63	433.50	5,960.63	52,650.76	44,594.84
Grants and donations		14	144.00	0.00	676.00	820.00	1,365.00
Total payments			46,400.63	3,983.56	6,816.63	57,200.82	51,140.92
Surplus/(deficit) for the year			(3,609.47)	558.04	(1,018.46)	(4,069.89)	17,210.54

Receipts and payments accounts for the year from 1 October 2023 to 30 September 2024

Statement of balances	Notes	Unrestricted funds £	Designated funds £	Restricted funds £	Total funds current year £	Total funds previous year £
<b>Cash funds</b>						
Bank balance at start of year		24,518.02	23,720.73	1,605.91	49,844.66	32,634.12
Surplus/(deficit) from receipts and payments statement		(3,609.47)	558.04	(1,018.46)	(4,069.89)	17,210.54
Bank balance at end of year		20,908.55	24,278.77	587.45	45,774.77	49,844.66
<b>Investments</b>						
8						
Market value at start of year		325.00	0.00	27,954.64	28,279.64	26,733.45
Unrealised gain/(loss) during year		71.76	0.00	4,259.38	4,331.14	1,546.19
Market value at end of year		396.76	0.00	32,214.02	32,610.78	28,279.64
<b>Cash funds and investments</b>						
Combined value at start of year		24,843.02	23,720.73	29,560.55	78,124.30	59,367.57
Cash surplus/(deficit)		(3,609.47)	558.04	(1,018.46)	(4,069.89)	17,210.54
Unrealised gain/(loss) on investments		71.76	0.00	4,259.38	4,331.14	1,546.19
Combined value at end of year		21,305.31	24,278.77	32,801.47	78,385.55	78,124.30
<b>Overall movement in funds</b>						
		(3,537.71)	558.04	3,240.92	261.25	18,756.73

On behalf of the trustees:



The Scottish Episcopal Church of St Magnus, Lerwick

Registered Charity SC014584

Receipts and payments accounts for the year from 1 October 2023 to 30 September 2024

Notes to the accounts	£	£	£	£
-----------------------	---	---	---	---

1. Accounting policies

These accounts have been prepared on a receipts and payments basis. They comprise a summary statement of all monies received and paid by the church during the year from 1 October 2023 to 30 September 2024, together with a statement of balances.

Fixed assets other than investments are not capitalised. The trustees believe that it is not possible to place market values on the church's buildings and they are not included in the statement of balances. Insurance cover of the church, church hall and rectory is currently provided by the Ecclesiastical Insurance Office up to the following limits:

Church (loss limit)	6,650,000.00
Church hall (loss limit)	3,330,000.00
Rectory (sum insured)	923,181.00

2. Designated funds

Designated funds comprise a buildings fund and a choir fund. Movements in those funds were as follows:

	Buildings fund	Choir fund	Total funds current year	Total funds previous year
Balance at start of year	22,482.09	1,238.64	23,720.73	24,028.17
Receipts	4,541.60	0.00	4,541.60	4,800.00
Payments	3,550.06	433.50	3,983.56	5,107.44
Balance at end of year	23,473.63	805.14	24,278.77	23,720.73
Surplus/(deficit) for the year	991.54	(433.50)	558.04	(307.44)

Receipts of the buildings fund were rent from the letting of the rectory under a tenancy managed by Shetland Property Lets (SPL) (Note 9). The tenancy ended on 6 September 2024. Payments from the fund comprised SPL's management fee and related charges (£675.10) and repayments of £2874.96 to the Scottish Episcopal Church (SEC) of a loan (Note 12) for earlier repairs to the rectory.

### 3. Restricted funds

Restricted receipts comprised:

- (a) a monthly contribution of £300.00 to ministry costs from the church of St Colman, Burraeoe (for which the Rector of St Magnus is also responsible);
- (b) grants for specific purposes from the SEC (Note 6);
- (c) proceeds from purchases of books taken on a sale-or-return basis in connection with an exhibition of wall hangings displayed in the church between August and October 2024;
- (d) income from an investment of 1056 units in the SEC's Unit Trust Pool (UTP) (Note 8);
- (e) collections for the Bishop of Aberdeen and Orkney's Lent Appeal, Old St Paul's Church, Edinburgh (in memory of a former member of St Magnus and St Paul's) and the Scottish Episcopal Institute (Note 14), and for a congregational gift to the Rector on his approaching retirement;
- (f) fees to be paid to musicians for playing at funerals (Note 10).

Movements in those funds were as follows:

	Contribution from St Colman, Burraeoe (a)	SEC grants (b)	Sale of books (c)	Income from SEC Unit Trust Pool (d)	Collections for Bishop's Lent Appeal etc (e)	Musicians' fees (f)	Total funds current year	Total funds previous year
Balance at start of year	0.00	1,605.91	0.00	0.00	0.00	0.00	1,605.91	1,000.00
Receipts	3,600.00	0.00	203.45	918.72	896.00	180.00	5,798.17	9,878.28
Payments	3,600.00	1,441.91	0.00	918.72	676.00	180.00	6,816.63	9,272.37
Balance at end of year	0.00	164.00	203.45	0.00	220.00	0.00	587.45	1,605.91
Surplus/(deficit) for the year	0.00	(1,441.91)	203.45	0.00	220.00	0.00	(1,018.46)	605.91

The balance at the start of the year comprised the remainder of a SEC Sunday school grant of £500.00 received from the Diocese of Aberdeen and Orkney in 2020-2021 but previously unspent because of restrictions in place during the COVID-19 pandemic, together with remaining funds from 2 SEC travel grants, each of £1000.00, received in 2022-2023.

### 4. Donations

Donations received are categorised as follows:

	Unrestricted funds	Restricted funds	Total funds current year	Total funds previous year
Contribution from St Colman, Burraeoe for ministry costs	0.00	3,600.00	3,600.00	3,600.00
Incidental (occasional) giving - foreign currencies	293.28	0.00	293.28	74.68
Incidental giving - one-off donations	1,225.47	0.00	1,225.47	1,475.56
Incidental giving - open plate	1,170.21	0.00	1,170.21	1,465.36
Incidental giving - Soup & Sweet donations	387.00	0.00	387.00	0.00
Incidental giving - tea donations	574.30	0.00	574.30	504.79
Incidental giving - wall safe	697.95	0.00	697.95	517.51
Intentional (planned) giving - bank transfers	26,600.00	0.00	26,600.00	24,535.00
Intentional giving - weekly envelopes	2,234.00	0.00	2,234.00	2,262.00

Mission giving - for Bishop's Lent Appeal	0.00	216.00	0.00
Mission giving - for Old St Paul's Church, Edinburgh	0.00	380.00	0.00
Mission giving - for Scottish Episcopal Institute	0.00	80.00	0.00
Mission giving - for DEC Turkey-Syria Earthquake Appeal	0.00	0.00	608.00
Contributions to retirement gift for Rector	0.00	220.00	0.00
Total	<u>33,182.21</u>	<u>4,496.00</u>	<u>35,042.90</u>
		<u>37,678.21</u>	

## 5. Gift Aid

No reclaimed tax was received during the year under the Gift Aid and Gift Aid Small Donations Scheme (GASDS).

Outstanding sums of £7599.23 and £4334.84 remain to be claimed for the 2023-2024 and (from 6 April-30 September) 2024-2025 tax years respectively.

Tax year	Gift Aid	GASDS	Interest	Combined total current year	Combined total previous year
6 April 2024-5 April 2025	0.00	0.00	0.00	0.00	0.00
6 April 2023-5 April 2024	0.00	0.00	0.00	0.00	0.00
6 April 2022-5 April 2023	0.00	0.00	0.00	0.00	6,791.13
6 April 2021-5 April 2022	0.00	0.00	0.00	0.00	5,520.97
6 April 2020-5 April 2021	0.00	0.00	0.00	0.00	2,606.32
6 April 2019-5 April 2020	0.00	0.00	0.00	0.00	95.35
Total	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>15,013.77</u>

## 6. Grants received

Grants were received as follows from the SEC's Diocese of Aberdeen and Orkney or trusts managed by or related to the Diocese:

Source	Amount	Purpose	Previous year
Diocese of Aberdeen and Orkney	0.00	Restricted - SEC travel grant	1,000.00
Diocese of Aberdeen and Orkney	0.00	Restricted - SEC travel grant	1,000.00
Diocese of Aberdeen and Orkney	0.00	Restricted - SEC stipend support grant	2,668.20
Dr John Anderson's Will Trust	3,000.00	Unrestricted	3,000.00
Powell Trust	282.52	Unrestricted	254.43
Powell Trust	251.36	Unrestricted	239.10
Total	<u>3,533.88</u>		<u>8,161.73</u>

The Powell Trust is a bequest to the Diocese of Aberdeen, invested in the SEC's UTP, the income from which is shared between St Magnus, Lerwick (52%) and St Olaf, Kirkwall (48%). St Magnus is eligible for a (pro rata) SEC stipend support grant for the period from 1 January 2024 to 17 November 2024 (when the Rector will retire). An application for £977.44 is pending.

7. Fund-raising activities

Receipts and expenses of fund-raising activities were as follows:

Activity	Receipts	Expenses	Previous year receipts	Previous year expenses
Soup & Sweet 2 Mar 2024 - raffle ticket sales	108.00	0.00	0.00	0.00
Soup & Sweet 22 Apr, 24 Jun, 30 Sep 2023 - donations	0.00	0.00	1,204.50	83.64
Soup & Sweet 22 Apr, 24 Jun, 30 Sep 2023 - raffle	0.00	0.00	343.05	0.00
Total	108.00	0.00	1,547.55	83.64

8. Income from investments

The charity's investments comprise holdings of 1056 units in the SEC's UTP and 104 shares in Banco Santander SA. The UTP holding was purchased with funds from a bequest to St Magnus in the will of Miss Mary Foster of the Island of Vailla, Shetland, who died in 1969. Miss Foster's bequest was provided to St Magnus for augmentation of the Rector's stipend. ("Augmentation" in this context is understood to mean "contribution to" as distinct from "supplementation of" the stipend.)

	Unrestricted funds Santander shares* (104)	Restricted funds SEC UTP** (1056 units)	Combined funds total investments	Previous year total investments
Market value at start of year	325.00	27,954.64	28,279.64	26,733.45
Unrealised gain/(loss) during year	71.76	4,259.38	4,331.14	1,546.19
Market value at end of year	396.76	32,214.02	32,610.78	28,279.64
Dividends received during year	12.79	918.72	931.51	865.90

\* Of values £3.1250 and £3.8150 per share on 30 September 2023 and 30 September 2024 respectively.

\*\* Of values £26.4722 and £30.5057 per unit on 30 September 2023 and 30 September 2024 respectively.

9. Income from land and buildings

Income from land and buildings was derived from two sources: rent from letting of the rectory and hiring of the church hall. The letting agent's management fee and related charges (£675.10) for managing the rectory tenancy were deducted from the designated rental income of £4,541.60 (Note 2). The tenancy ended on 6 September 2024.

	Unrestricted funds	Designated funds	Combined funds	Previous year combined funds
Rectory rental income (gross)	0.00	4,541.60	4,541.60	4,800.00
Hire of church hall - occasional	890.00	0.00	890.00	560.00
Hire of church hall - regular	1,470.00	0.00	1,470.00	0.00
Total receipts	2,360.00	4,541.60	6,901.60	5,360.00

Rectory tenancy - agent's management fee and related	0.00	675.10	675.10	605.00
Total costs	0.00	675.10	675.10	605.00

## 10. Fees received and paid

	Current year	Previous year
Funeral fees received	1,350.00	1,170.00
Funeral musicians' fees received	180.00	180.00
Total fees received	1,530.00	1,350.00
Funeral musicians' fees paid	180.00	180.00
Net fees retained	1,350.00	1,170.00

## 11. Bank account interest etc

	Current year	Previous year
Bank account interest	1,454.16	1,009.21
Cashback on debit card purchases	3.01	0.40
Commission payments from Easyfundraising	16.07	0.00
Total	1,473.24	1,009.61

## 12. Repayment of loan

The church has repaid to the SEC, in 60 monthly instalments of £359.37 from its designated buildings fund (Note 2), a loan for earlier repairs to the rectory of £20,000.00 plus total interest at 3% per annum of £1,562.20. The final payment to discharge the loan was made on 15 May 2024.

	Current year	Previous year
Loan capital	20,000.00	
Total interest at 3% per annum	1,562.20	
Total to be repaid	21,562.20	
Repayments in earlier years (52, previous year 40)	18,687.24	14,374.80
Repayments in current year (8, previous year 12)	2,874.96	4,312.44
Repayments outstanding (0, previous year 8)	0.00	2,874.96

### 13. Payments relating directly to charitable activities

Payments relating to the church's charitable activities are categorised as follows:

	Unrestricted funds	Designated funds	Restricted funds	Combined funds	Previous year combined funds
Quota - diocesan and provincial	3,733.20	0.00	0.00	3,733.20	4,050.40
Minister's expenses - travel - curate	875.64	0.00	443.76	1,319.40	0.00
Minister's expenses - travel - rector	349.50	0.00	688.15	1,037.65	825.97
Rector - stipend (including Income Tax and NI)	13,296.33	0.00	4,518.72	17,815.05	16,410.45
Rector - pension	10,429.92	0.00	0.00	10,429.92	9,606.90
Professional fees - buildings	3,180.00	0.00	0.00	3,180.00	0.00
Repairs and maintenance - church	102.00	0.00	0.00	102.00	158.60
Repairs and maintenance - hall	206.79	0.00	0.00	206.79	760.29
Repairs and maintenance - rectory	1,024.57	0.00	0.00	1,024.57	0.00
Supplies and services - choir	0.00	433.50	0.00	433.50	190.00
Supplies and services - church	1,070.05	0.00	0.00	1,070.05	761.06
Supplies and services - hall	178.92	0.00	0.00	178.92	116.23
Supplies and services - office	556.54	0.00	0.00	556.54	666.56
Supplies and services - publicity	269.35	0.00	0.00	269.35	471.72
Supplies and services - Sunday school	0.00	0.00	310.00	310.00	526.00
Utilities etc - broadband - church and hall	460.80	0.00	0.00	460.80	475.20
Utilities etc - Council Tax - rectory	2,404.11	0.00	0.00	2,404.11	1,262.21
Utilities etc - district heating - church	1,272.00	0.00	0.00	1,272.00	1,372.00
Utilities etc - district heating - hall	812.00	0.00	0.00	812.00	640.00
Utilities etc - electricity - church and hall	1,901.34	0.00	0.00	1,901.34	1,949.99
Utilities etc - insurance - church and hall	2,940.41	0.00	0.00	2,940.41	2,851.33
Utilities etc - insurance - rectory	1,018.16	0.00	0.00	1,018.16	961.67
Utilities etc - telephone - rectory office	175.00	0.00	0.00	175.00	235.00
Utilities etc - water	0.00	0.00	0.00	0.00	518.26
<b>Total payments</b>	<b>46,256.63</b>	<b>433.50</b>	<b>5,960.63</b>	<b>52,650.76</b>	<b>44,809.84</b>

Repayment of £518.26 paid for water services in 2022-2023, because of delay by Scottish Water in its annual confirmation of eligibility of the church hall for charitable exemption, was received on 10 October 2023.

An end-of-year refund of £253.28 overpaid by monthly direct debit for district heating of the church was received from Shetland Heat Energy & Power Ltd on 24 May 2024.

#### 14. Mission giving payments granted

Donations were made to other organisations as follows:

Recipient	Unrestricted funds	Restricted funds	Combined funds	Previous year combined funds
Bishop of Aberdeen and Orkney's Lent Appeal	54.00	216.00	270.00	0.00
Old St Paul's Church, Edinburgh	70.00	380.00	450.00	0.00
Scottish Episcopal Institute	20.00	80.00	100.00	0.00
DEC Turkey-Syria Earthquake Appeal	0.00	0.00	0.00	1,300.00
Shetland Prayer Link	0.00	0.00	0.00	30.00
<b>Total</b>	<b>144.00</b>	<b>676.00</b>	<b>820.00</b>	<b>1,330.00</b>

Each of the donations to the Bishop's Lent Appeal, Old St Paul's Church, Edinburgh and the Scottish Episcopal Institute comprised a restricted collection for that purpose, to which was added a sum equivalent to the eligible Gift Aid that would be reclaimed on those receipts.

#### 15. Debtors

See Note 5 (Gift Aid) and Note 6 (Grants received) above.

The church has a credit note to the remaining value of £348.50 (originally £381.50) for expenditure at GTS Central Ltd, Lerwick (IT services, safety equipment and office supplies).

Outstanding payment for use of the church hall by a mother-and-toddler group between 1 January 2022 and 30 September 2023 was received during the current year.

#### 16. Payments to trustees

The Rector of St Magnus (and St Colman, Burravoe) received 55% (£17,815.05) of the SEC's standard annual stipend for full-time clergy and 100% (£10,429.92) of the full stipend's associated contribution to the SEC Pension Fund, together with travel expenses of £1037.65 (£29,282.62 in total). He was also reimbursed for a number of payments made on behalf of the church in the "supplies and services" and "utilities etc" categories.

No payments were made to other trustees apart from occasional reimbursements for purchases made on behalf of the church.