

ST. TERNAN'S SCOTTISH EPISCOPAL CHURCH MUCHALLS

Registered Charity Number SC023264

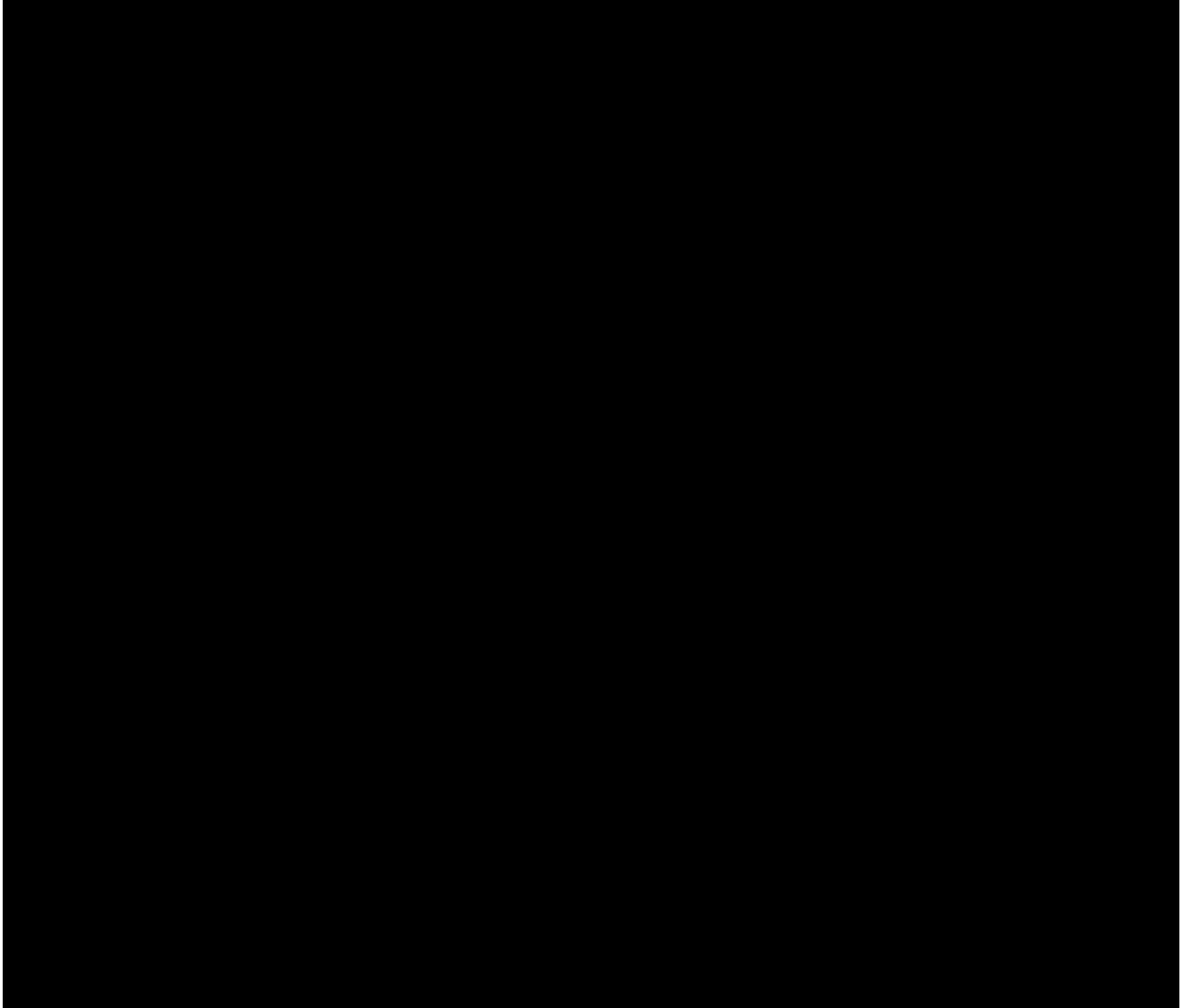
**Report and Accounts For the Year Ended
31st August 2024**

OUR MISSION

At St. Ternan's God calls us to use the Gifts we have been given, to grow as a Loving Church-Centred community of inclusivity in which we welcome The Stranger, Worship God and reach out to The World in which we live, always demonstrating Jesus' Love.

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1. The Trustees of the Charity who have served during the year, are as follows:-



At least one Trustee retires from the Vestry at the Annual General Meeting and at least one Trustee falls to be elected.

2. Bankers

The Bank of Scotland, 27 Market Square, Stonehaven, Aberdeenshire, AB39 2BB

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3. Independent Examiner

[REDACTED]

4. Church Address

St Ternan’s Scottish Episcopal Church, Muchalls, Stonehaven, Aberdeenshire, AB39 3PP.

5. Principal Office

[REDACTED]

6. Report of the Trustees

In terms of the Charities Accounts (Scotland) Regulations 1992 the Trustees report to the Congregation as follows:-

St. Ternan’s Church, Muchalls is a Church of the Scottish Episcopal Church, in full communion with the Anglican Church.

The superior authority is the Bishop of Brechin.

Our Charitable Purpose is the Advancement of Religion. We are part of the Scottish Episcopal Church. We offer regular public worship within the broad tradition of the Episcopal Church. We seek to live out the Christian Gospel in our local community in love and service.

The present Constitution of the Church dates from 2013. It is available for inspection if required.

The Trustees of the Charity present their annual report together with the financial statements for the year ended 31st August 2024.

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7. Review of the Accounts for the Year

The Accounts for the year show a deficit of £8,026 (2023 – a deficit of £9,937). This is clearly undesirable and the Trustees have been much exercised over the past months to identify and implement a number of cost savings where possible. The costs of both heating and building maintenance have increased dramatically following the invasion of Ukraine and the subsequent jump in inflation and in particular building costs. Advice is being taken from the Provincial Net Zero team as to how to further reduce our heating costs whilst safely preserving the fabric of our building. Fundraising from donations has also suffered a decline.

However, on a brighter note our three year Transitional Ministry, which is coming to an end in January 2025, has been judged so successful that arrangements are now being made for a re-licencing of our Priest, [REDACTED], our current Transitional Minister, to a Priest-in-Charge on an open ended basis for the two linked charges of St Ternan’s and St James, Stonehaven. It has been agreed between St Ternan’s, St. James, Stonehaven and the Diocese that the present arrangements for sharing the costs of this will continue, and the cost to St. Ternan’s will therefore continue to be at the same level as in previous years. When we agreed to link ourselves with St James, back in 2021, there was understandable concern that we could both lose our individual identities and more particularly our own style of services. Fortunately, this has not been the case and over the years the two churches have been able to find a friendly and productive way to work together and also to hold the occasional joint service.

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8. Reserves Policy

The Trustees are mindful of the effect of continuing deficits on the remaining reserves of the charity. If the charity continues to have a deficit at the current level of £8,000pa then our reserves, (as at 31st August 2024 - £27,800), would be exhausted, assuming closure costs of no more than £7,500, within 2-3 years. Our Vestry has accepted that our reserves must not fall below £7,500 so as to allow an orderly closure in the event of cessation. Much effort is being concentrated on reducing our running costs, increasing our income streams and realising any assets not directly involved in the day to day work of the church.

9. Expenses paid to Trustees

Whilst the great majority of payments to the Trustees are for the reimbursement of costs incurred buying small items of stationery, altar supplies, catering and cleaning goods there have been a number of payments, which on further review should have been approved in advance and so minuted by the Vestry:-

- 9.1 Two small gifts, costing £60.97, were purchased on behalf of the Vestry by the Secretary, [REDACTED], and presented to two retiring members who had left the Vestry after many years of great service to our Church. Although this matter was discussed with other members of Vestry no formal minute recording approval was taken at the time. This has subsequently been rectified by a retrospective minuted approval dated 3rd November 2024.
- 9.2 A member of Vestry, [REDACTED], is being paid the sum of £15.00 for a fortnightly cleaning of our various toilet and kitchen facilities. This was agreed upon in 2012 as being more cost effective than employing outside cleaners. Since 19th November 2023 [REDACTED] has become a Trustee and the prior practice of claiming this amount on expense forms was ceased from 31st August and for the current year replaced by the submission of invoices.
- 9.3 On the retirement due to her leaving the North East a luncheon was held in the Church for our long standing organist [REDACTED]. The cost of the food for this lunch which was

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purchased from an outside supplier was £113.44 and was claimed by our then Treasurer, [REDACTED], but again no formal minute was taken to record any prior approval by the Vestry. Again this matter has been subsequently rectified by a retrospective minuted approval dated 3rd November 2024.

In addition to the above our Transitional Minister, [REDACTED], who is also a Trustee by virtue of her position, receives a Stipend and associated housing provision from the Diocesan team. We, together with St James, Stonehaven and the Diocesan team share the costs of her Stipend and housing in a proportion agreed between the three parties before this arrangement commenced. During the year under review the costs borne by St. Ternan's for our share of the Stipend, housing and sundry travel costs was £12,692 and are reported in the accounts under the heading Transitional Ministry.

10. Budgetary Control

The practice of preparing annual budgets prior to the commencement of a new financial year had fallen into disuse up to and including the year under review. On the appointment of a new Treasurer a forecast for the remainder of the year was established so as to guide the Vestry in it's decision making. Subsequently from September 2024 a detailed agreed budget has been put in place.

11. Transactions between the Charity, Charity Trustees or Connected Persons

Apart from a moral obligation to pay Quota to the Diocese together with our agreed share of [REDACTED] Stipend, housing costs and sundry travel costs referenced in Note 9 above, there are no material transactions with any other connected or associated body.

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12. Responsibility of the Trustees regarding the Accounts

It should be noted that it is the responsibility of the Trustees to prepare financial statements, which give sufficient detail to enable an appreciation of the transactions of the Church during the financial year. The Trustees are responsible for keeping proper accounting records, which, on request, must reflect the current 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 and the Charities Accounts (Scotland) regulations 2006. They are also responsible for safeguarding the assets of the Church and must take reasonable steps for the prevention and/or detection of fraud or other irregularities.

Signed on behalf of the Trustees

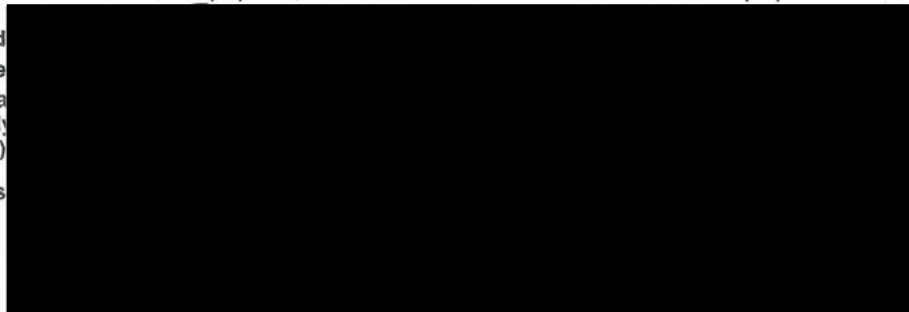
APPENDIX 3



Independent examiner's report on the accounts							v2
Report to the trustees/members of	Charity name ST TERNANS SCOTTISH EPISCOPAL CHURCH.						
Registered charity number	SC 023 264						
On the accounts of the charity for the period	Period start date			to	Period end date		
	Day	Month	Year		Day	Month	Year
	1	SEPT.	2023		31	AUG.	2024
Set out on pages	1 to 13						(remember to include the page numbers of additional sheets)

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) 2005 Act 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 2006 Accounts Regulations. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts and seeks explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and, consequently, I do not express an audit opinion on the view given by the accounts.
Independent examiner's statement	<p>In the course of my examination, no matter has come to my attention [other than that disclosed on the attached page*]</p> <ol style="list-style-type: none"> which gives me reasonable cause to believe that in any material respect the requirements: <ul style="list-style-type: none"> 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 <p>have not been met, or</p> <ol style="list-style-type: none"> to which, in my opinion, attention should be drawn in order to enable a proper

Signed
Name
Relevant professional qualification(s) or body (if any)
Address



*Please delete the words in the brackets if they do not apply. If the words do apply, set out those matters which have come to your attention on the following page.

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RECEIPTS & PAYMENTS FOR YEAR ENDED 31ST AUGUST 2024

RECEIPTS	Notes	2024	2023
Congregational & Voluntary	2	16,306	16,019
Tax Reclaimed	2	4,297	4,436
Special Collections	3	408	581
Investment Income	4	355	239
Donations	2	514	3,377
Rental of Rectory	6	10,200	10,200
Rectory Heating Refunded	2	498	454
Sale of Register CD's	7	28	32
Fundraising Events	7	832	720
Total Income		33,438	36,058

PAYMENTS

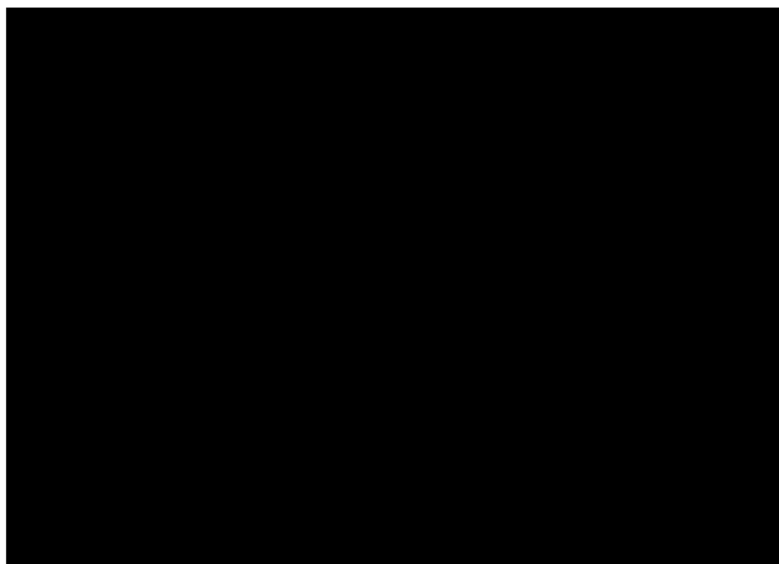
Quota – Provincial & Diocesan	8	4,121	3,625
Cost of Ministry	8	250	388
Church Expenses	10	14	326
Property Expenses	9	19,338	22,203
Organist/Organ Repairs	10	2,599	1,945
Transitional Ministry	10	12,692	13,103
Administrative Expenses	11	1,965	2,241
Charitable Expenditure	12	485	1,000
Quinquennial Inspection	10	0	1,163
Total Expenses		41,464	45,995
DEFICIT FOR THE YEAR		£8,026	£9,937

SCOTTISH EPISCOPAL CHURCH – DIOCESE OF BRECHIN

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STATEMENT OF BALANCES AS AT 31ST AUGUST 2024

	Notes	2024	2023
BANK AND CASH IN HAND			
Opening Balances	14	35,881	45,818
Deficit for the Year		(8,026)	(9,937)
Closing Balances	14	£27,855	£35,881
RESERVES HELD BY THE CHARITY			
Bank of Scotland General Fund		27,855	6,274
Bank of Scotland Community Fund		0	2,869
Virgin Money		0	26,738
Closing Reserves		£27,855	£35,881



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Notes to the Accounts

1. Accounting Policies

The Accounts are prepared on a Receipts and Payments basis without the recognition of any debtors or creditors.

Investments held beneficially are stated at cost unless stated otherwise. Endowment Investments granting rights to income only are excluded from the Balance Sheet.

Unrestricted Funds are divided into general funds and designated funds and are controlled by the Vestry. Restricted funds are funds subject to specific conditions imposed by the donor or related trust.

	2024	2023
2. Congregational and Voluntary Income		
Gift Aid Envelopes – net	13,306	12,969
Deeds of Covenant – net	3,000	3,050
Tax reclaimed - net	4,297	4,436
Donations	514	3,377
Refunded Rectory Heating	498	454
Totals	£21,615	£24,286

3. Special Collections

Swaziland	0	300
Cyrennians	0	27
Turkey Syria Disaster	0	254
Vocal Moves Choir	190	0
Prayer Day	83	0
Eswatini Shoe Appeal	135	0
Totals	£408	£581

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Notes to the Accounts (Cont'd)

	2024	2023
4. Investment Income		
General Funds – SEC Unit Trust Pool	144	133
Virgin Money – Interest	211	106
Totals	£355	£239
5. Endowment Income		
Not Applicable		
6. Property Income		
Rental of Rectory	£10,200	£10,200
7. Sundry Income		
Sale of Register CD's & Baptismal Prints & PC's	28	32
Fund Raising	832	720
Totals	£860	£752
8. Cost of Ministry		
Payment of Quota	4,121	3,525
Visiting Preachers & Ministry Team Expenses	250	388
Totals	£4,371	£4,013

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Notes to the Accounts (Cont'd)

	2024	2023
9, Property Expenses		
Church & Grounds:-		
Heating, Lighting & Related Repairs	9,004	11,444
Building Repairs & Maintenance	5,728	2,173
Insurances	1,631	1,463
Ground Maintenance	2,179	6,756
Rectory:-		
Insurances	435	367
Repairs & Maintenance	361	0
Totals	£19,338	£22,203

10. Church Expenses

Transitional Ministry	12,692	13,103
Organ Repairs & Organists	2,599	1,945
Altar Expenses	14	327
Quinquennial Inspection	0	1,163
Totals	£15,305	£16,538

11. Administration Expenses

Church Telephone & WiFi	826	631
Printing, Newsletters & Stationery	498	839
Scottish Churches Trust	50	50
Messy Church	0	320
Sundries – CCLI Licence, Facebook & Grapevine	591	400
Totals	£1,965	£2,240

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Notes to the Accounts (Cont'd)

	2024	2023
12. Charitable Expenditure		
Poppy Scotland	150	100
Bishop's Lent Appeal	100	500
Swaziland	0	300
Eswatini Shoe Appeal	135	0
Cyrennians	0	100
Totals	£385	£1,000

13. Investments

Although Income was received from funds invested in the SEC Unit Trust Pool during the year of £144, (2023 -£133) the origins of the funds are still being investigated to ascertain whether they should now be included in the General Funds controlled by the Vestry. Enquiries are still continuing and as at the Balance Sheet date no decision had been taken.

14. Bank and Savings Account Balances

During the year it was agreed to simplify the Banking arrangements and combine all the accounts with the Bank of Scotland into one General Account and to close the Virgin Money Account and again combine those funds into the General Fund at the Bank of Scotland.

Bank of Scotland General Fund	27,855	6,274
Bank of Scotland Community Fund	0	2,869
Virgin Money Savings Account	0	26,738
Totals	£27,855	£35,881

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Notes to the Accounts (Cont'd)

	2024	2023
15. Movement on Funds		
Opening Funds at Start of Year	35,881	45,818
Deficit for the Year	(8,026)	(9,937)
Closing Funds at End of Year	£27,855	£35,881

16. Outstanding Commitments

There were no capital commitments as at 31st August 2024, (2023 – nil).