

**Mid Deeside Parish
Church of Scotland**

TRUSTEES' REPORT AND ACCOUNTS

Year ended 31st December 2018

Congregation No: 321931

Charity No: SC 012967

Mid Deeside Parish Church of Scotland
Reference and administrative information

Charity name: Mid Deeside Parish, Church of Scotland
Charity registration number: SC 012967
Congregation reference no: 321931
Contact address: St Marnan Road
Torphins, Banchory
Kincardineshire
AB31 4JQ

Trustees - Kirk Session members:

Ms Tracy Anderson	Mrs Ruth Jones
Mr Bob Auckland	Mr Alistair Kellas
Mrs Pam Auckland	Mrs Dorothy Keir
Mr Alan Bainbridge	Mr Dave McGregor
Mr Arthur Beaton	Mrs Alice McLean
Mrs Sheila Blair	Mr Andrew McMurtrie
Mrs Irene Bonner	Mrs Sheila McMurtrie
Mr Danny Brown	Mr Rob Mackay
Mr Frank Crichton	Mrs Mary Marshall
Mrs Shiona Davidson	Mr Neil Mathers
Mrs Hilary Dow	Miss Maureen Mearns
Mr Peter Ferries	Mrs Lilian Milne
Mrs Alison Findlay	Mrs May Murray
Mr Archie Findlay	Mr Richard Orren
Mr Colin Guy	Mrs Margaret Stewart
Mrs Sharon Guy	Mr Brian Still
Mrs Anne Hilton	Mrs Lesley Stone
Mr Charlie Hilton	Mrs Anne Thomson (until 21.6.18)
Mr Pete Howe	Mr David Wildgoose
Mr Maurice Jones	Mrs Edna Wildgoose

Principal office-bearers:

Minister: Charge vacant
Interim Moderator: Rev Tony Stephen
Session Clerk: Mrs Pam Auckland
Church Treasurer: Mr Bob Auckland

Independent examiner:

Mr Raymond Donald
8 Battock Terrace
Torphins
AB31 4JD

Bankers:

Clydesdale Bank plc
38 High Street
Banchory
AB31 5RS

Mid Deeside Parish Church of Scotland
Trustees' Report
Year ended 31st December 2018

Structure, governance and management

Governing Document

The Church is administered in accordance with the Unitary Constitution of the Church of Scotland.

Recruitment and appointment of Trustees

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.

Organisational structure

The Kirk Session, which meets six to eight times a year, is responsible for spiritual affairs within the Church. It is represented at Presbytery by an elected elder. Day to day affairs are looked after by various Teams which report regularly to Kirk Session via a Steering Group made up of representatives from each Team and the Minister or Moderator and the Session Clerk.

The Congregational Roll at 31st December 2018 stood at 537 members (2017: 571).

Objectives

The Church of Scotland is Trinitarian in doctrine, Reformed in tradition and Presbyterian in polity. It exists to glorify God and to work for the advancement of Christ's Kingdom throughout the world. As a national Church, it acknowledges a distinctive call and duty to bring the ordinances of religion to the people in every parish of Scotland through a territorial ministry. It co-operates with other churches in various ecumenical bodies in Scotland and beyond.

The Kirk Session met in conference to discuss a fresh vision for eldership and to formulate a church growth plan going forward. The main focus will be to try to encourage younger adults into our church family by means of different forms of worship, removing outdated language, having contemporary music included in our worship, more social gatherings, learning opportunities and fresh activities like Messy Church. The appointment of a youth worker is also a priority.

Activities, achievements and performance

The Nomination Committee continues to seek applications for the position of Minister in the Parish; meanwhile, the church carries on its regular work, as well as promoting new initiatives.

Morning worship takes place each Sunday in the church building in Torphins. Communion is held bi-monthly and services take place in the Care Homes on a monthly basis. Attendance at the 'World Day of Prayer' service has been dropping in recent years so in 2018 it was decided to use the service material on the Sunday morning rather than the Friday evening and this was a successful initiative with the whole congregation learning about life in Suriname.

There was the usual excellent attendance at our Church Garden Praise service in August though the weather meant that it had to take place indoors for the first time in quite a number of years. The Granite City Brass Band accompanied the singing with their accustomed professionalism.

Volunteers are available to give a lift to anyone requiring transport to church.

Mid Deeside Parish Church of Scotland

Trustees' Report

Year ended 31st December 2018

Activities, achievements and performance (continued)

Children's Christian education is looked after in Pebbles (pre-school) and Rocking Stones (P1-S2). Seven (2017: 7) young people attend Rocking Stones. There is one regular user at Pebbles (2017: 0) with others on an ad hoc basis. The Rocking Stones leaders plan teaching and activities appropriate to those in attendance. The young people also take part in morning services at different times in the year.

The congregation pledged to take part in '2018- the Year of Young People' and a variety of inter-generational events was held including card making with the Guild, creating mosaics, 'Happyween' and Christmas parties for primary school aged children.

A regular inter-generational activity is the Knit One, Purl One group which meets monthly to teach and share knitting and crochet skills. The Garden Gang continue to work hard each week from Spring till Christmas to keep the grounds at all our properties looking tidy and colourful and the Rocking Stones have joined in by planting fruit trees at the church.

Music Box, our group for parents or carers with pre-school children, meets in the church hall in Lumphanan every Monday during term time for singing, snack and playtime. This lively group continues to grow with up to 20 families taking part.

There are two House Groups which meet regularly (one weekly, one monthly) for study and fellowship. These are open to anyone who wishes to join and around 16 people currently attend one or the other group.

The Church encourages the congregation to read God's word every day and currently makes available the quarterly booklet, "The WORD for Today", which is a daily study aid providing encouraging words and helpful bible references. In addition, around 30 members of the congregation subscribe to the Church of Scotland's monthly "Life and Work" magazine.

A Prayer Group, which meets on a Sunday before worship, prays for all those listed in the prayer request notebook which is kept in the foyer for anyone to use.

The Pastoral Care Co-ordination Team holds regular meetings which results in a good knowledge of those in the Parish who might appreciate a visit and then arranges for these visits to take place. The team is also developing a card ministry which will enable contact with a greater number of people.

The Guild continues to enjoy the very loyal, committed support of some 24 members. Visitors are welcomed at the monthly meetings too. The Guild play an important role in congregational life, actively promoting and fund raising for national Guild projects and helping out with local church activities and fund raising events.

The Choir, which has around 14 members, meets every week and takes part in special worship services as well as leading the congregational singing on a Sunday. It also entertains at the Holiday at Home in the summer and at the Christmas Tree Festival.

Mid Deeside Parish Church of Scotland
Trustees' Report
Year ended 31st December 2018

Activities, achievements and performance (continued)

The Praise Band continues to rehearse weekly and is always keen to welcome new members. It accompanies praise at morning worship from time to time and the brass players also take part in the Christmas services.

The Banner Group continues to create beautiful banners to enhance the worship space and now has the extra challenge of three new rooms where banners can be used.

A Church Newsletter is published three times a year and distributed to all homes within the three villages. It is an important part of our outreach and contains news of the various activities, dates of services and events, puzzles and articles. Copies are also passed on to others who live outwith the Parish.

The Communications Team also produces a fortnightly 'Keeping in Touch' (KIT) e-mail which anyone can request to receive. This provides information about week to week activities and services and church family news as well as reports from the Church of Scotland and beyond. Some recipients also print out a copy to pass on to a friend or neighbour who does not have e-mail. KIT is a much valued method of communication, especially for those unable to attend worship regularly. The number of people receiving KIT continues to increase.

The Church website www.middeesidechurch.org.uk has moved to a new platform which is more modern and user-friendly. The site includes details of most aspects of Mid Deeside Church's events, groups and dates/venues. A recent addition has been the uploading of the weekly message from the preacher in audio format for those unable to attend or those who want to hear again what the preacher had to say on any Sunday. The newsletter can be downloaded in PDF form via the website.

The 'Bread of Life' Charity Shop, which opened in June 2014, goes from strength to strength. There is a large team of volunteers who work in the shop sorting goods, preparing the window displays, serving at the counter and banking the takings. The policy of the shop is to support the church and worthwhile causes within the Parish and in 2018 it transferred £2,400 to the organ restoration fund in support of the project to bring the church organ back into regular use.

In addition, during 2018 a total of £6,149 (2017: £13,834) was distributed out of the Charity Shop trading surplus to various causes in the Parish as follows:

- Torphins Primary School- £149 for subscription to Fischy Music.
- Torphins Playgroup- £240 for a gazebo and sandpit with cover.
- Torphins Scouts- £1,470 for ten 3-person hike tents.
- Notes from Torphins- £1,000 for telescopic banners and music bags for members.
- Tornaveen Community Association- £700 for carpeting for Tornaveen Hall.
- Torphins Paths Group- £1,550 for website development, leaflet printing and signage.
- Torphins School Parent Council- £250 for outdoor play equipment.
- Lumphanan Welfare Committee- £290 towards a bus for a summer outing for Senior Citizens.
- Kincardine O'Neil Twinning Group- £500 for travel costs to encourage young families to take part in the trip to France in summer 2019.

Mid Deeside Parish Church of Scotland
Trustees' Report
Year ended 31st December 2018

Activities, achievements and performance (continued)

In addition, the Charity Shop will transfer up to £500 at a time, as required, to the Benevolent Fund which is a fund available to the minister/interim moderator to make discretionary and confidential grants to those in real need in the Parish.

As there were fewer applications for grants in 2018 than in 2017 the balance on the 'Bread of Life' Charity Shop Fund rose to £9,120 at 31st December 2018 (2017: £4,634).

From October to May there is a Soup Lunch on the second Thursday of the month and these events are so popular that the tables are nearly all filled by the published starting time of noon! These events provide a chance for people to come along and chat with friends whilst attempting to answer the questions on the quiz sheet. There is always a good deal of competition to have the top score in the quiz. On the fourth Thursday of these months a Games afternoon takes place where people can join in Scrabble, whist, dominoes and other table games and enjoy a news and a cup of tea.

The Holiday at Home week with afternoon activities for senior citizens held in July, is always fully subscribed and the organising team provide a great programme of entertainment and activities as well as tea and fine pieces for all.

The congregation continues to support the Fair Trade movement with a Traidcraft stall every Sunday and other events throughout the year including the Big Brew and our own Christmas Shopping Evening. The congregation also continues to support the Blythswood Shoe Box appeal and makes regular donations to the Banchory Foodbank through a collection box in the church and our 2018 Harvest Thanksgiving Service included a special collection for the foodbank.

Christian Aid Week was celebrated with a special service focussing on Christianity in Ethiopia and a display showing how Christian Aid uses the money it receives in donations and this was followed by a soup lunch. Proceeds from the soup lunch, a sales table of jams and produce, a quiz as well as donations amounted to a total of £453.

Members of the congregation and the wider community continue to support the Joyful Motherhood Project in Malawi by sending hand knitted jerseys and soft toys for newborn babies. The significant cost of posting these items is mainly covered by donations and fundraising events.

Our third, and most successful Christmas Tree Festival to date, took place in December with nearly 40 trees displayed in the sanctuary and hallway. Entertainment and refreshments were provided and we were particularly delighted to welcome the Torphins Primary School Choir who sang on the Friday afternoon. Donations amounting to £586 were sent to Home Start Deeside and Donside.

Mid Deeside Parish Church of Scotland
Trustees' Report
Year ended 31st December 2018

Financial review

Presentation of accounts

Once again, this year's Accounts include only those funds held locally by the congregation. Those funds held by the General Trustees at the Church of Scotland in Edinburgh are shown in the Appendix. Legal titles for all church properties are also held by the General Trustees.

Church buildings, equipment and grounds

Once again, a lot of work was carried out and expenditure incurred on the fabric of buildings, equipment and upkeep of grounds. A summary cost analysis is included below under two sections – (a) fabric, equipment & grounds and (b) the Church alterations & extension project.

[a] Fabric, equipment & grounds (including repairs & maintenance):		2018	2017	2016
		£	£	£
Church	Boiler, painting, lighting, extinguishers, etc.	286	301	408
	Organ maintenance & work estimates	144	-	-
	Filters for heat recovery system	-	274	274
	Repair to leaded windows in porch	-	-	250
	Roof vent repair and roof security	9,242	-	-
	Portable wi-fi sound system	1,134	-	-
	Grit spreader & grit boxes	385	-	41
	Traffic cones & slippery surface signage	129	188	
	Tree surgery & pruning	-	-	600
	Bedding plants, young trees & gardening	323	-	139
	Other	249	329	-
Manse	Heating system repairs	-	-	1,365
	Zanussi electric ceramic cooker	-	-	610
	Architect fees, surveys & planning costs	2,206	-	-
	Valuation fees	-	400	-
	Roof slate repairs	147	-	-
	Tree surgery & pruning	650	-	-
	Other - inspections, boiler & chimney	136	184	849
Ha'berry	Carpet	547	-	-
	External joinery repairs (incl. rear porch)	-	6,006	-
	Tree surgery & pruning	300	-	-
	Other, including inspection costs	43	15	141
Charity shop – 'Bread of Life'	Joinery, electrics, improved lighting, etc.	650	671	101
Lumphanan church hall	Electric heater & seven-day timer	55	-	-
	Drains, painting, inspections, etc.	61	6	191
		16,687	8,374	4,969

In 2018 the biggest repair was to the vent on the top of the church roof which had to be replaced. Also, a portable wi-fi sound system for use in outside services and events was purchased. Professional fees were also incurred in 2018 on preparing the Manse for sale with the potential for a new access onto Auchmacoy Road. In 2017 the biggest repair was to the outside woodwork and painting at Ha'berry. These fabric costs were funded through the locally held general, fabric, organ restoration and charity shop funds.

Mid Deeside Parish Church of Scotland
Trustees' Report
Year ended 31st December 2018

Financial review (continued)

Church buildings, equipment and grounds (continued)

[b] Church alteration & extension project:		2018	2017	2016	2015	2014
		£	£	£	£	£
Professional services	architect fees & expenses	-	3,113	-	6,592	5,693
	quantity surveyor fees	2,099	-	-	9,328	-
	structural engineer fees	-	-	-	8,394	-
	other	-	-	-	1,676	-
Timber felling & cutting, recycling, ground clearing		-	-	-	-	1,491
Land conveyancing (from the Learney Estate)		1,222	-	-	-	-
Connection charges (telecom, electricity & water)		-	-	-	2,928	1,164
Contract liability insurance premiums		-	-	1,363	1,027	1,987
Stage payments to Bell Construction		-	-	181,211	292,933	315,150
Chairs		678	-	-	12,496	1,389
Staging		-	-	4,193	-	-
Audio visual system		-	-	41,078	-	-
Various equipment & fittings		1,064	1,724	2,186	439	-
		5,063	4,837	230,031	335,813	326,874

The costs incurred during 2018 on the Church alteration & extension project were funded through the locally held extension project fund.

At 31 December 2018, a cumulative total of £947,471 (2017: £942,408) had been spent on the Church alteration & extension project. Final expenditure on the project, including contractual retentions, will be made in 2019 and the final total cost figure is expected to be under the budget of £1,022,200.

General Fund

The General Fund is one of the four 'unrestricted' funds shown in the body of the Accounts, and as it is used for running most of the congregation's activities further analyses is set out in the following sections.

General Fund - income

The principal source of income for the Church is giving from members of the congregation (and tax reclaims thereon). Overall, giving through the General Fund totalled £64,742 which was 7% up on the previous year (2017: £60,354) and 25% higher than the comparable figure two years ago (2016: £51,605), which was before the Giving for Growth stewardship program in May 2017.

Within the total for giving, the 'open plate' was down 31% (2017: down 4%) to £3,556, 'Free Will Offering envelopes' giving were down 2% (2017: up 18%) to £4,676 and other giving and bank standing orders were up by 11% (2017: up 19%) to £43,682. The Gift Aid tax reclaimed from the government generated £12,828 in 2018 (2017: £11,063) which was a 16% increase.

Rental income increased by £7,312 to £15,852 (2017: £8,540). This income included charges made for weddings and funerals which were £1,950 higher at £2,600, income from letting out Ha'berry which was £2,308 higher at £4,806 (including an amount of £1,895 relating to 2017), income from letting out Lumphanan Hall which was £24 higher at £234 and income from letting out the rooms in the church buildings which was £3,030 higher at £8,212.

Mid Deeside Parish Church of Scotland
Trustees' Report (continued)
Year ended 31st December 2018

Financial review (continued)

General Fund – income (continued)

The annual sale of work in Kincardine O'Neil continued to be a good fund raiser contributing a total of £2,498 (2017: £2,017). As there was no annual fundraising event in Torphins the total income from fundraising was 37% lower than the amount made in 2017 (£3,948), continuing a downward trend in recent years. The Trustees are aware of this trend and note that the reduction is compensated for by an increase in congregational giving.

General Fund - expenses

The congregation's largest ongoing cost is the gross allocation made to the central Church of Scotland's Ministries and Mission Fund which totalled £41,409 in 2018 (2017: £44,985) before deducting endowment income of £9,732 (2017: £9,838) and a vacancy allowance of £11,196 (2017: £3,033). This gross allocation covers the payroll and pension costs of ministers in the Church of Scotland together with a contribution towards the wider work of the Church. The gross allocation is calculated by the central church based on a rolling three-year average of each congregation's general income. Following the successful stewardship program in 2017 Mid Deeside Church's average income base is rising and this will lead to an increase in the gross allocation in 2019 onwards.

Dr. Aileen Barclay served as our Locum from 23rd October 2017 to 15th June 2018 and in 2018 received £3,645 (2017: £1,627). The cost of pulpit supply on Sunday mornings in 2018 was £1,712 (2017: £628).

Other staffing costs include fees paid to organists of £2,220 (2017: £2,030) and cleaners £1,970 (2017: £2,034).

The Nomination Committee was appointed by the congregation on 14th January 2018 and spent a total of £1,588 during the year on recruitment costs such as advertising.

The total cost of heating and lighting all our buildings rose by £1,888 to £8,919 in 2018 (2017: £7,031). Heating oil costs per litre of kerosene rose by an average of 19% over 2017 levels with 10% more litres being ordered for the church and new meeting rooms. Additionally, a cost of £827 was incurred for kerosene on the unoccupied manse. The annual cost of electricity in the refurbished church and new meeting rooms has stabilised in 2018 at £1,500 (2017: £1,465).

The cost of council tax, water rates and sewerage costs for church buildings were lower as a result of the empty manse at £936 in 2018 (2017: £1,678).

Costs of repairs and maintenance borne by the General Fund have already been referred to earlier in this report.

Charges in the new extension relating to broadband, telephone and toilet hygiene services have also stabilised at £899 in 2018 (2017: £989).

A total of £4,531 (2017: £4,520) was spent on insurances and £1,465 on the production of three newsletters (2017: £1,855 on four newsletters).

Mid Deeside Parish Church of Scotland
Trustees' Report (continued)
Year ended 31st December 2018

Financial review (continued)

General Fund – surplus/(deficit)

The main items of operational income and expenditure in the General Fund are summarized in the following table:

General Fund		2018	2017	2016
		£	£	£
Operating income	Giving & Gift Aid reclaimed	64,742	60,354	51,605
	Legacies	-	-	1,000
	Fundraising (incl. sales of works)	2,498	3,948	4,420
	Rental income (incl. funerals)	15,852	8,540	11,089
	Investment income & interest	208	191	185
	Sale of church pews/ firewood	-	334	500
		83,300	73,367	68,799
Operating expenses	Ministries & Mission allocation	(20,481)	(32,114)	(38,713)
	Nomination Committee expenses	(1,588)	-	-
	Locum & pulpit supply	(5,357)	(2,255)	(246)
	Minister's travel & telephone	-	(2,736)	(2,772)
	Presbytery dues	(436)	(422)	(388)
	Organists & cleaners	(4,190)	(4,064)	(3,317)
	Fabric & upkeep of grounds	(3,839)	(1,444)	(3,980)
	Heat & light	(8,919)	(7,031)	(5,919)
	Misc. building service costs	(899)	(989)	(947)
	Insurances – net of rebates	(4,531)	(4,520)	(4,115)
	Rental charges from Christ Church	(50)	(75)	(150)
	Council tax & water charges	(936)	(1,678)	(2,607)
	Public entertainment & VHF licences	-	(135)	(180)
	Study, music, worship	(415)	(406)	(423)
	Children's Christian education	(280)	(93)	(172)
	Youth club	(157)	(1,031)	(177)
	Copyright fees	(494)	(476)	(468)
	Website & electronic comms.	(795)	-	-
	Newsletters & publicity	(1,465)	(1,855)	(1,773)
	Stationery supplies & postage	(479)	(537)	(302)
	Giving for Growth program	-	(556)	-
	Community outreach initiatives	(113)	(76)	(134)
	Path of Renewal fee	-	-	(1,000)
	Training & conference costs	(420)	-	-
	Other costs & expenses	(607)	(405)	(426)
		(56,451)	(62,898)	(68,209)
General Fund surplus/(deficit)		26,849	10,469	590

Before any transfers from the Guild, Charity Shop and Fair Trade Stall and before accounting for third party fundraising, there was a surplus on the General Fund of £26,849 (2016: £10,469, 2015: £590).

Mid Deeside Parish Church of Scotland
Trustees' Report (continued)
Year ended 31st December 2018

Financial review (continued)

General Fund – surplus/(deficit) (continued)

The proportion of operating expenses that is covered by giving in 2018 has improved over 2017 and earlier years rising to 114.7% (2017: 96.0%, 2016: 75.7%, 2015: 75.6%). The Trustees aim has been to move this stewardship performance indicator closer towards 100% through stewardship programs and by careful control over costs. The 114.7% indicator is unusually strong in 2018 because of the lower operating expenses in a time of ministerial vacancy. This indicator is unlikely to be so strong in future years when the gross allocation to the central Church of Scotland's Ministries and Mission Fund is likely to increase.

General Fund		2018	2017	2016	2015
		£	£	£	£
Giving	Included as part of operating income	64,742	60,354	51,605	49,611
Operating expenses	In total	56,451	62,898	68,209	65,604
		114.7%	96.0%	75.7%	75.6%

General Fund - reserves policy

It is the Trustees' intention to hold liquid reserves of between three and four months' expenditure in its General Fund at any time – between £16,000 and £22,000 approximately. At 31st December 2018, the Church held £47,759 (2017: £31,115) in its General Fund (see Note 8). While this balance in the General Fund is strong and £10,000 was transferred in 2018 to bolster the Fabric Fund, the Trustees are aware of the continuing need to avoid deficits and maintain general reserves in order to meet unexpected items of expenditure. The Kirk Session has plans for using part of the strong balance in the General Fund to finance church growth.

At 31st December 2018, Mid Deeside Church held locally funds with a total of £188,712 (2017: £170,356) which have been provided for the purposes explained in Note 2 and a breakdown of these balances can be found in Note 8.

Investment policy and performance

It is the Trustees' policy to hold a small proportion, but no less than £10,000, of its funds (other than the General Fund) in bank and deposit accounts in order to have sufficient liquidity to meet short term emergencies and commitments to contractors. The balance of the Church's capital resources is held in the Income and Growth Funds administered by the Church of Scotland Investors Trust. Over the past year, the investment performance of these funds has fallen with the weighted average capital return being a negative 3.6% (2017: positive 6.5%).

Statement of Trustees' responsibilities

The members of the Kirk Session 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 Kirk Session are responsible for keeping proper accounting records which, on request, must reflect the financial position of the Church at that time.

Mid Deeside Parish Church of Scotland
Trustees' Report (continued)
Year ended 31st December 2018

Statement of Trustees' responsibilities (continued)

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, by

Pam Auckland
Session Clerk

21st March 2019

Independent Examiner's Report to the Trustees of Mid Deeside Parish Church of Scotland

I report on the accounts of the charity for the year ended 31st December 2018 which are set out on pages 13 to 22.

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.

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 disclosures in the accounts, and seeks explanations from the Trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.

Independent examiner's statement

In 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.

Raymond Donald

8 Battock Terrace
Torphins
AB31 4JD

29th March 2019

Mid Deeside Parish Church of Scotland

Receipts and Payments Account

Year ended 31st December 2018

		Unrestricted funds	Restricted funds	Endow ment funds	Total 2018	Total 2017
<u>Receipts</u>	<u>Note</u>	£	£	£	£	£
Donations	[4a]	65,287	1,581	-	66,868	65,235
Grants received		-	100	-	100	100
Activities for generating funds	[4b]	7,163	24,264	-	31,427	33,372
Bank & deposit interest		344	157	-	501	623
Investment income:						
- from Income Fund		521	36	-	557	557
- from Growth Fund		59	-	-	59	59
		<u>73,374</u>	<u>26,138</u>	<u>-</u>	<u>99,512</u>	<u>99,946</u>
Rental of premises		15,852	-	-	15,852	8,540
Total receipts		<u>89,226</u>	<u>26,138</u>	<u>-</u>	<u>115,364</u>	<u>108,486</u>
<u>Payments</u>						
Costs of generating funds	[5a]	-	(9,948)	-	(9,948)	(10,316)
Governance costs		-	-	-	-	-
Charitable activities	[5b]	(73,434)	(13,027)	-	(86,461)	(92,742)
Total payments		<u>(73,434)</u>	<u>(22,975)</u>	<u>-</u>	<u>(96,409)</u>	<u>(103,058)</u>
Excess of receipts over payments						
/ (payments over receipts)		<u>15,792</u>	<u>3,163</u>	<u>-</u>	<u>18,955</u>	<u>5,428</u>

Mid Deeside Parish Church of Scotland

Statement of Balances

At 31st December 2018

	Unrestricted funds £	Restricted Funds £	Total 2018 £	Total 2017 £
<u>Bank & deposit balances:</u>				
Bank & deposit account balances b/f (including £110,056 with the Investors Trust Deposit Fund)	73,936	80,764	154,700	149,272
<i>Movement during the year:</i>				
Excess of receipts over payments for the year	15,792	3,163	18,955	5,428
Transfers between funds	(2,760)	2,760	-	-
Bank & deposit account balances c/f (including £82,315 with the Investors Trust Deposit Fund)	[2] 86,968	86,687	173,655	154,700
<u>Investments at market value:</u>				
(With a cost of £6,213)	[7] 14,196	861	15,057	15,656
Total funds	[8] 101,164	87,548	188,712	170,356

There are no other assets or liabilities. Titles for all church properties are held by the General Trustees in Edinburgh.

The accounts were approved by the Trustees of Mid Deeside Parish Church of Scotland on **21st March 2019** and are signed on their behalf by:

Pam Auckland, *Session Clerk*

Neil Mathers, *Finance Team*

Bob Auckland, *Treasurer*

Mid Deeside Parish Church of Scotland

Notes to the Accounts

Year ended 31st December 2018

1. Trustee remuneration and related party transactions

During the year eleven (2017: eleven) Trustees received reimbursement for day to day expenses, equipment purchases and other costs incurred on behalf of the congregation totalling £4,227 (2017: £4,575). One (2017: one) Trustee received fees of £650 (2017: £175) for carrying out beadle duties at funerals.

Rev. Alec Wark retired in September 2017 so therefore in 2018 he received no reimbursement (2017: £1,926) for travel expenses (paid through the Church of Scotland offices) and no reimbursement (2017: £810) for telephone costs.

2. Movements in funds

Comprising bank and deposit account balances only (i.e. investments are not included in this movements table).

	At 1st January 2018 £	Receipts £	Payments £	Transfers £	At 31st December 2018 £
Unrestricted funds:					
General Fund	28,086	86,547	(56,451)	(10,110)	44,841
- To good causes [9]			(3,231)		
Fabric Fund	1,574	508	(9,241)	10,000	2,841
Development Fund	43,731	208	(2,856)	(2,500)	38,583
The Guild	545	1,963	(652)	(150)	703
- To good causes [9]			(1,003)		
	<u>73,936</u>	<u>89,226</u>	<u>(73,434)</u>	<u>(2,760)</u>	<u>86,968</u>
Restricted funds:					
Fair Trade Stall	-	2,370	(1,609)	260	-
- To good causes [9]			(1,021)		
Charity Shop	4,634	21,374	(8,339)	(2,400)	9,120
- To good causes [9]			(6,149)		
Extension Project Fund	64,895	223	(5,063)	-	60,055
Organ Restoration Fund	5,744	1,166	(144)	4,900	11,666
Children's Christian Education Fund	3,496	150	(650)	-	2,996
Graves Fund	343	-	-	-	343
Spark Clock Fund	1,151	6	-	-	1,157
Benevolent Fund	501	849	-	-	1,350
	<u>80,764</u>	<u>26,138</u>	<u>(22,975)</u>	<u>2,760</u>	<u>86,687</u>
Total funds	<u>154,700</u>	<u>115,364</u>	<u>(96,409)</u>	<u>-</u>	<u>173,655</u>

Mid Deeside Parish Church of Scotland
Notes to the Accounts
Year ended 31st December 2018

2. Movement in funds (continued)

Purposes of Designated or Restricted funds

(a) Funds held locally:

General Fund: For the day-to-day income and expenses of Church life.

Fabric Fund: The Trustees have set aside funds for the maintenance of church properties.

Development Fund: The Trustees have set aside funds for the development of church buildings, their interiors, fixtures and multi-media equipment.

The Guild: The aim of the Guild is to invite and encourage men and women to commit their lives to Jesus Christ and to enable them to express their faith in worship, prayer and action.

Fair Trade Stall: This activity supports farmers and producers in less developed countries.

Charity Shop: This activity supports the church and causes within the Parish.

Extension Project Fund: Funds raised for the sanctuary refurbishment and extension.

Organ Restoration Fund: This is a fund for the restoration and ongoing maintenance of the pipe organ in the sanctuary of Mid Deeside Church.

Children's Christian Education Fund: This is a fund to support the work of young people's groups in the congregation.

Graves Fund: This fund is an amalgamation of several funds and is to be used for the maintenance of graves.

Spark Clock Fund: This is a fund for the maintenance of the clock in the tower of the former Lumphanan sanctuary of Mid Deeside Church.

Benevolent Fund: This is a fund used by the Minister to make discretionary and confidential grants to those in real need within the Parish.

(b) Funds held by the General Trustees in Edinburgh:

Development Fund: Funds have been set aside for the development of church buildings, their interiors, fixtures and multi-media equipment. These funds have now been applied in full.

Miss J Spark Fund: This fund is to be used for the fabric of the Mid Deeside Church building in Lumphanan.

G Spark Fund: This fund is to be used for the upkeep and replacement of fabric of church properties.

3. Accounting policies

The accounts are prepared on a cash basis. This means that only income received and expenditure incurred in the financial year is included in these accounts.

Normal repairs and maintenance to the fabric of the buildings are charged against the General Fund and the Fabric Fund. Exceptional and significant repairs and/or improvements are met from the Development Fund or by special fund raising efforts.

Mid Deeside Parish Church of Scotland
Notes to the Accounts (continued)
Year ended 31st December 2018

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
4. Receipts				
(a) Donations				
Free Will Offering envelopes	4,676	-	4,676	4,776
Tax recovered on Gift Aid	12,828	713	13,541	11,175
Open plate	3,556	120	3,676	5,173
Other offerings	44,227	748	44,975	44,111
	<u>65,287</u>	<u>1,581</u>	<u>66,868</u>	<u>65,235</u>
(b) Activities for generating funds				
Fundraising events:				
- For Mid Deeside Church	2,498	403	2,901	5,232
- For third party charities, etc.	4,665	157	4,822	3,746
Sale of Fair Trade stock	-	2,213	2,213	2,752
Charity Shop "Bread of Life" sales	-	21,313	21,313	21,308
Sale of pews & chairs	-	178	178	334
	<u>7,163</u>	<u>24,264</u>	<u>31,427</u>	<u>33,372</u>
5. Payments				
(a) Costs of generating funds				
<i>Fair Trade stall:</i>				
Purchase of Fair Trade stock	-	1,609	1,609	2,270
<i>Charity Shop "Bread of Life":</i>				
Rental costs	-	4,800	4,800	4,800
Fabric - repairs & maintenance	-	607	607	671
Water charges	-	288	288	358
Council tax	-	547	547	472
Heat & light	-	1,670	1,670	1,030
Insurances	-	225	225	242
Stationery	-	70	70	107
Other expenses	-	132	132	366
	<u>-</u>	<u>8,339</u>	<u>8,339</u>	<u>8,046</u>
	<u>-</u>	<u>9,948</u>	<u>9,948</u>	<u>10,316</u>

Mid Deeside Parish Church of Scotland
Notes to the Accounts (continued)
Year ended 31st December 2018

	Unrestricted funds	Restricted funds	Total 2018	Total 2017
	£	£	£	£
5. Payments (continued)				
(b) Charitable activities:				
Ministries & Mission gross allocation	41,409	-	41,409	44,985
Endowment income & glebe rents	(9,732)	-	(9,732)	(9,838)
Vacancy allowance	(11,196)	-	(11,196)	(3,033)
Net payment made to the Church of Scotland Ministries and Mission funds	20,481	-	20,481	32,114
Presbytery dues	727	-	727	686
Donations to charities, etc. [9]	4,234	7,170	11,404	18,183
Minister's expenses	-	-	-	2,736
Locum & pulpit supply costs	5,357	-	5,357	2,255
Other staffing costs	4,190	-	4,190	4,064
Nomination Committee expenses	1,588	-	1,588	-
Community outreach initiatives (including Music Box & Holiday at Home)	113	-	113	76
Fabric, equipment & repairs	14,772	144	14,916	7,492
Extension & Sanctuary Project	-	5,063	5,063	4,837
Upkeep of grounds	1,164	-	1,164	211
Broadband, telecom & sundries	899	-	899	989
Council tax & water charges	936	-	936	1,678
Heat and light	8,919	-	8,919	7,031
Insurances	4,531	-	4,531	4,520
Website & electronic communications	795	-	795	-
Worship, music & teaching	1,239	-	1,239	1,201
Youth Club	157	650	807	1,031
Training, conferences/courses	628	-	628	147
Printing, stationery & postage	494	-	494	1,118
Newsletter production	1,465	-	1,465	1,855
Other expenses	745	-	745	518
	73,434	13,027	86,461	92,742
Total payments	73,434	22,975	96,409	103,058

6. Minister's stipend

All Church of Scotland congregations contribute to the National Stipend Fund which bears the costs of all ministers' stipends and employers' 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 £27,044 and the maximum stipend (in the fifth and subsequent years of service) £33,234.

Mid Deeside Parish Church of Scotland
Notes to the Accounts (continued)
Year ended 31st December 2018

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
7. Investments at market value				
<i>Church of Scotland Investors Trust:</i>				
Income Fund	12,474	861	13,335	13,871
Growth Fund	1,722	-	1,722	1,785
	<u>14,196</u>	<u>861</u>	<u>15,057</u>	<u>15,656</u>

The market value of investments decreased by £599 in 2018 (2017: increased by £736).

	2018 £	2017 £
8. Total value of funds held locally (including investments stated at their market value)		
Unrestricted funds		
General Fund	47,759	31,115
Fabric Fund	14,119	13,305
Development Fund	38,583	43,731
The Guild	703	545
	<u>101,164</u>	<u>88,696</u>
Restricted funds		
Fair Trade Stall	-	-
Charity Shop	9,120	4,634
Extension Project Fund	60,055	64,895
Organ Restoration Fund	11,666	5,744
Children's Christian Education Fund	3,857	4,392
Graves Fund	343	343
Spark Clock Fund	1,157	1,151
Benevolent Fund	1,350	501
	<u>87,548</u>	<u>81,660</u>
Endowment funds	-	-
Total funds	<u>188,712</u>	<u>170,356</u>

Mid Deeside Parish Church of Scotland
Notes to the Accounts (continued)
Year ended 31st December 2018

	2018	2017
	£	£
9. Donations to charities and other good causes		
<u>(a) International:</u>		
Christian Aid	701	875
Barnabas Fund	241	-
Joyful Motherhood project - Malawi	1,059	694
Disasters Emergency Council – Rohingya peoples from Myanmar	-	152
Fairtrade projects in the developing world (mainly from Fair Trade Stall)	1,021	527
Guild project – Feed the Minds	200	-
Guild project – Free to Live Trust	25	-
Guild project – Friends of Bolenga	150	-
Guild project – Caring for Mother Earth (Bolivia)	-	213
Guild project – Mission Aviation Fellowship	-	40
Guild project – HIV/AIDS, A New Hunger	-	104
Guild project – Leprosy Mission (developing world)	170	120
Toilet Twinning	240	-
World Day of Prayer	163	139
United Christian Broadcasters Ltd – “WORD for today”	45	19
	4,015	2,883
<u>(b) National & Regional:</u>		
Earl Haig Fund – "Poppy Appeal"	168	77
Charlie House (Aberdeen)	241	152
All Friends Together (Cults)	-	212
Homestart Deeside	586	-
Salvation Army	45	-
Guild project - Street Pastors	200	-
Dundee church - mission	-	25
	1,240	466

Mid Deeside Parish Church of Scotland
Notes to the Accounts (continued)
Year ended 31st December 2018

2018 2017
£ £

9. Donations to charities and other good causes (continued)

(c) Within the Parish:

Kincardine O'Neil Primary School – book shelves (from Charity Shop)	-	800
Kincardine O'Neil Christ Church – children's program (Charity Shop)	-	300
Kincardine O'Neil Bowling Club – fencing court area (from Charity Shop)	-	1,000
Kincardine O'Neil Twinning Group (from Charity Shop)	500	-
Lumphanan Pre-school Playgroup – play equipment (from Charity Shop)	-	400
Lumphanan playpark refurbishment (from Charity Shop)	-	1,000
Lumphanan Heritage Society – planning report costs (from Charity Shop)	-	340
Lumphanan Welfare Committee (from Charity Shop)	290	-
Tornaveen Community Association (from Charity Shop)	700	-
Notes from Torphins Singing Group (from Charity Shop)	1,000	-
Torphins Medical Practice (from Charity Shop)	-	4,074
Torphins Paths Group (from Charity Shop)	1,550	500
Torphins Community Council – notice board (from Charity Shop)	-	500
Torphins Scout Group (from Charity Shop)	1,470	-
Torphins Golf Club – set up costs for 'Footgolf' (from Charity Shop)	-	1,500
Torphins Bowling Club – kitchen refurbishment (from Charity Shop)	-	1,000
Torphins Tennis Club – replacement nets (from Charity Shop)	-	400
Torphins Majong Group – playing equipment (from Charity Shop)	-	320
Torphins PS Parents Council – playground improvements (Charity Shop)	250	1,700
Torphins Primary School – Fischy Music (from Charity Shop)	149	-
Torphins Playgroup	240	-
Grants to alleviate hardship situations (Charity Shop & Benevolent Fund)	-	1,000
	6,149	14,834
	11,404	18,183

2018 2017
£ £

In summary, the donations were made out of the following funds:

General Fund	3,231	2,023
The Guild	1,003	799
Fair Trade Stall	1,021	527
Charity Shop	6,149	13,834
Benevolent Fund	-	1,000
	11,404	18,183

APPENDIX – 1 -

FUNDS HELD ON BEHALF OF THE MID DEESIDE PARISH CHURCH OF SCOTLAND CONGREGATION BY THE CHURCH OF SCOTLAND GENERAL TRUSTEES

	2018	2017
	£	£
<u>CAPITAL ACCOUNT (Investments)</u>		
Market value of credit balances at 31 December (With a cost of £8,594 at 31 st December 2018 and at 31 st December 2017)	26,475	27,443
<u>REVENUE ACCOUNT (Deposit & current accounts)</u>		
Credit balance at 31 December	12,134	12,725
Total value of funds	<u>38,609</u>	<u>40,168</u>

The balances on the individual funds held by the General Trustees are as follows:

	Miss J Spark Fund	G Spark Fund	Manse marketing & legal costs	2018	2017
	£	£	£	£	£
Deposit & current accounts	11,395	2,311	(1,572)	12,134	12,725
<u>Investments at market value:</u>					
Growth Fund	12,950	13,525	-	26,475	27,443
Total value of funds	<u>24,345</u>	<u>15,836</u>	<u>(1,572)</u>	<u>38,609</u>	<u>40,168</u>

The movement on the individual funds held by the General Trustees during the year was as follows:

	Miss J Spark Fund	G Spark Fund	Manse marketing & legal expenses	Total funds held by the General Trustees
Total value of funds at 1st January 2018	<u>24,315</u>	<u>15,853</u>	-	<u>40,168</u>
<u>Receipts:</u>				
Deposit account interest	56	10	-	66
Investment income	447	468	-	915
	<u>503</u>	<u>478</u>	-	<u>981</u>
<u>Payments:</u>				
Manse marketing & legal expenses	-	-	(1,572)	(1,572)
Change in market value	(473)	(495)	-	(968)
Total value of funds at 31st December 2018	<u>24,345</u>	<u>15,836</u>	<u>(1,572)</u>	<u>38,609</u>

**APPENDIX – 2 -
GENERAL FUND BUDGET FOR 2019**

	Actual 2018	Changes planned in 2019	Budget 2019
	£	£	£
<u>INCOME</u>			
<u>(a) Offerings & Gift Aid tax recovered</u>			
Open plate	3,556	(56)	3,500
Free Will Offering envelopes	4,676	24	4,700
Other offerings (incl. bank standing orders)	41,526	(26)	41,500
Tax recovered from HMRC for Gift Aid donations	12,828	72	12,900
	62,585	15	62,600
<u>(b) Use of premises by outside organisations</u>			
Rental income for use of church & new extension	8,212	88	8,300
Rental income for use of Ha'berry	4,806	(2,306)	2,500
Rental income for use of Lumphanan Hall	234	16	250
	13,252	(2,202)	11,050
<u>(c) Fundraising for church funds</u>			
Annual sale/fete in Torphins.	-	-	-
Annual sale at Village Hall, Kincardine O'Neil.	2,498	(2,498)	-
	2,498	(2,498)	-
<u>(d) Funeral fees & special donations</u>			
Legacies	-	7,724	7,724
Fees for use of church for weddings & funerals	2,600	(325)	2,275
Donations from soup lunches, Holiday at Home, Games A'noon	1,695	5	1,700
Donations from Music Box	461	(20)	441
	4,756	7,384	12,140
<u>(e) Other income</u>			
Bank interest & investment income	209	1	210
Sale of pews / manse items	-	-	-
	209	1	210
TOTAL INCOME	83,300	2,700	86,000
<u>EXPENDITURE</u>			
<u>(a) Ministry, mission and wider work</u>			
Ministries & Mission allocation	20,481	1,649	22,130
Youth Worker	-	12,000	12,000
	20,481	13,649	34,130
<u>(b) Ministerial expenses</u>			
Pulpit supply, travel & telephone expenses	1,713	808	2,520
Locum (incl. travel expenses)	3,645	(3,645)	-
Presbytery dues	436	14	450
Nomination Committee expenses	1,588	(88)	1,500
	7,381	(2,911)	4,470
<u>(c) Property costs</u>			
Premises - electricity	3,497	(1,267)	2,230
Premises - heating oil	4,495	705	5,200
Premises - Manse (electricity & heating oil)	926	(146)	780
Premises - insurances (incl. liability, etc)	4,531	139	4,670
Premises - internet & toilet supplies contract	899	1	900
Premises & grounds - repairs & maintenance	3,839	1,161	5,000
Cleaning - staff	1,969	631	2,600
Cleaning - materials	154	(4)	150
Public entertainment & VHF licences	-	330	330
Council tax and water rates	936	2,204	3,140
	21,248	3,752	25,000
<u>(d) Other running costs</u>			
Newsletter & publicity	1,465	35	1,500
Stationery supplies & postage	479	21	500
IT equipment - laptop, printer, photocopier, software	-	800	800
Website - upgrade & security	795	(595)	200
	2,739	261	3,000
<u>(e) Activities & other worship expenses</u>			
Organist fees	2,220	220	2,440
Worship - musical aids for organist & choir	57	3	60
Copyright fees	494	16	510
Rental of Christ Church, Kincardine O'Neil	50	(50)	-
Adult teaching, study, music & worship	282	718	1,000
Children's activities & teaching	280	220	500
Youth Club activities	157	(157)	-
Holiday at Home	85	15	100
Music Box	29	21	50
New initiatives - experiment	-	500	500
Training & conference costs	420	280	700
Special gifts, flowers & cakes	122	18	140
Catering expenses	151	(1)	150
Miscellaneous	255	(5)	250
	4,602	1,798	6,400
TOTAL EXPENDITURE	56,451	16,549	73,000
SURPLUS	26,849	(13,849)	13,000