

ST JOHN'S EPISCOPAL CHURCH, ANNAN.

Annual Report and Accounts for the year ended 30 September 2021.

1. Administrative Information:

Principal Address St John's Episcopal Church, 12 St Johns Road, Annan DG12 6AW.

Website www.annan.church.scot

**Charity Trustees
(Vestry Members)** The Rev'd Martin Callaghan, Rector
John Armstrong
Mairi Mole
Kath MacDonald Hon Secretary
Pam Simpson Hon Treasurer
Roy Beeby
Florence Dewar

Bankers Royal Bank of Scotland, High Street, Dumfries

Independent Examiner Ian Stewart OBE CPFA

2. Annual report of the Members of the Vestry

Introduction

The Vestry is pleased to present the annual accounts of St John's for the year to 30 September 2021.

We are a small, friendly congregation whose objective is to advance the mission of the Christian Church in Annan and the surrounding district through worship, service and fellowship. We aim to do this through supporting existing church members, welcoming new members and visitors and cooperating with the other Churches in the Annandale Group, in the Galloway Region, in the Diocese, and where the opportunity arises, with the members of other denominations in our area.

We particularly value our links with the Episcopal Churches at Eastriggs and Gretna, who along with St John's, make up the Annandale Group. All ministry costs are shared between the five Churches on the basis of an agreed formula which reflects ability to pay.

The Church is fully accessible and has disabled facilities.

This annual report and accounts presents a summary of our financial activities during the year and gives an overview of the general activities which have taken place in the life of the Church in the past year.

Activities and Achievements

Before the Covid 19 lockdown we continued with our Eucharistic service at 9.30 am each Sunday. This is normally taken by Rev'd Callaghan. We also from time to time welcome the services of non stipendiary clergy and lay readers. During lockdown the Church was closed but reopened recently.

There is considerable co-operation between the various denominations in Annan and our members have played an active part in ecumenical events.

Financial performance

As the Church and hall were closed until late in the financial year due to the pandemic we suffered from a significant drop in our income although this was partially offset by increased giving by standing order. Although there were some savings in expenditure when the Church had to be closed our total expenditure increased due to property repairs required by our insurers. The drop in income and increase in expenditure resulted in a deficit of £6,532.

Reserves

Our cash reserves reduced by the amount of the deficit and unless we can find some way to eliminate annual deficits we will soon have to consider selling investments which will lead to a further drop in income due to a fall in dividends.

Investments

Our portfolio of two managed funds was reviewed by a stockbroker during the year and no changes were recommended.

Structure, Governance and Management

St John's is an unincorporated association, governed by a constitution. As a member congregation of the United Diocese of Glasgow & Galloway in the Scottish Episcopal Church, we are also governed by Canon Law of the Scottish Episcopal Church. The management team of the Church is known as the Vestry. For the purposes of charities law, the members of the Vestry are the Charity Trustees of the Church. Details of the Vestry members are given on the front page.

Apart from the Rector the other Vestry members are elected by the congregation in annual meeting. The Secretary and Treasurer are elected annually whilst at least two of the ordinary Vestry members must retire annually but are eligible for re-election. The Vestry is chaired by the Rector.

Vestry Responsibilities

The Vestry are responsible for managing and safeguarding the assets of the Church and assisting the Rector in matters affecting the spiritual welfare of the congregation. They are also responsible for keeping proper accounting records and ensuring that the accounts are prepared in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. The Vestry regularly considers the risks faced by St John's and ensures that appropriate risk management procedures are in place to mitigate those risks.


Relationship with Diocese and Province

St John's is supported by the Diocese and the Province through the pastoral oversight of the Bishop, central support functions provided at Diocesan level, and grants from central funds. The Church is represented at Diocesan level by the Rector and the Lay Representative. As a member of the Scottish Episcopal Church St John's has an obligation to contribute to the costs of the Diocese and the Province through payment of an annual quota. This amount is based on the relative level of our income in comparison with other Churches in the Diocese and the Province.

Conclusion

The members of the Vestry would like to thank all those who contribute their time, energy and money so generously to ensure the continuation and development of St John's as a centre of worship and an important part of the Christian life of the Annan District.

On behalf of the Trustees

 Chairman of the Vestry. 10 November 2021.

3. Independent Examiner's Report to the Trustees of St John's Episcopal Church, Annan

I report on the accounts of the charity for the year ended 30th September 2021 as set out on pages 5 to 7.

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 report.

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.


..... John C Stewart OBE CPFA. 15 November 2021.

Address of Independent Examiner : Highview, Marjoriebanks, Lochmaben, Lockerbie DG11 1QH.

4. Receipts and Payments Account for the year ended 30 September 2021

	Notes	General Fund Unrestricted	Fabric Fund Restricted	Total Funds	2020
		£	£	£	£
Receipts					
Donations	3	3,937	0	3,937	4,519
Legacies		0	0	0	0
Grants		210	0	210	0
Fundraising	4	0	0	0	345
Investment income	5	1,804	0	1,804	2,094
Hall income		1,272	0	1,272	1,612
Proceeds from sale of investments		0	0	0	0
Total Receipts		7,223	0	7,223	8,570
Payments					
Payments relating to charitable activities	6	13,755	0	13,755	12,287
Expenses of fundraising activities		0	0	0	0
Grants and donations		0	0	0	0
Governance costs		0	0	0	0
Purchase of investments		0	0	0	0
Total Payments		13,755	0	13,755	12,287
Surplus/deficit(-) for the year		-6,532	0	-6,532	-3,717

Statement of Balances as at 30 September 2021

	Unrestricted	Restricted	Total Funds	2020
Cash at Bank and in hand				
Balance at beginning of year	15,478	6,930	22,408	26,125
Surplus/deficit (-) for year	-6,532	0	-6,532	-3,717
Total at end of year	8,946	6,930	15,876	22,408
Comprising				
RBS	6,505	0	6,505	3,715
Scottish Widows	1,765	6,930	8,695	18,693
Cash in hand	676	0	676	0
	8,946	6,930	15,876	22,408
Investments				
Market value at beginning of year	30,445	0	30,445	40,101
Unrealised gain/loss(-) in year	9,515	0	9,515	-9,656
Market value at end of year	39,960	0	39,960	30,445
1,100 Merchants Trust	5,874	0	5,874	3,778
2,213 M&G Charifund	34,086	0	34,086	26,667
	39,960	0	39,960	30,445
Total Reserves				
At beginning of year	45,923	6,930	52,853	66,226
Surplus/deficit(-) for year	-6,532	0	-6,532	-3,717
Movements in investments	9,515	0	9,515	-9,656
	48,906	6,930	55,836	52,853
Other Assets and Liabilities - for information only				
Assets	None			
Liabilities	£252 is due to the Diocese for Quota			

On behalf of the Trustees

Rector 10 November 2021



5. Notes to the Accounts

1. Accounting Policies

Basis of Preparation

The accounts have been prepared on a receipts and payments basis. They consist of a summary of all moneys received and paid via the bank and in cash during the financial year, along with a statement of balances. No adjustments have been made for any income due but not received, nor for any expenses incurred but not yet paid at the year end. Except for investments, fixed assets are not capitalised.

Restricted Funds

The restricted fund balance represents money received over the years from various sources which is restricted to expenditure on the property of the church or hall.

Joint Costs

As part of the Annandale Group, St John's pays an agreed share of ministry costs. This includes stipends, employer's national insurance, pension, travel, telephone, Council Tax, rectory costs and locum fees and expenses. In the past year our share has been £600 per month.

Buildings

Neither the Church or the hall is included in the statement of balances. The vestry believe that it is not possible to place an accurate market value on the Church. The buildings and contents of the church and hall are insured for £2,976,750 and £60,278 respectively.

2. Special collections

There were no collections for outside charities during the year.

3. Donations

	2021	2020
	£	£
Open plate	851	1,452
Banker's orders, etc	1,644	944
White Gift Aid envelopes	0	0
Tax recovered on Gift Aid	324	1,200
Payroll giving scheme	123	370
Donations	580	553
Weddings, Baptisms and Funerals	<u>415</u>	<u>0</u>
	<u>3,937</u>	<u>4,519</u>

4. Fundraising

	2021	2020
	£	£
FR 1	0	345

5. Investments	2021	2020
	£	£
Bank interest	0	13
Dividends	<u>1,804</u>	<u>2,081</u>
	<u>1,804</u>	<u>2,094</u>

6. Payments relating to Charitable Activities	2021	2020
	£	£
Share of Annandale Group Ministry costs	7,200	7,068
Provincial & Diocesan Quota	629	1,032
Insurance	2,302	2,109
Electricity	361	341
Gas	996	1,361
Church property maintenance	<u>2,267</u>	<u>376</u>
	<u>13,755</u>	<u>12,287</u>

7. Remuneration and Expenses paid to Vestry Members

None of the vestry members received any remuneration or expenses relating to their position as vestry members. However the Rector received stipend in accordance with the SEC approved rate together with travel expenses. His accommodation was provided and council tax paid.