

THE CHURCH OF SCOTLAND

PENICUIK SOUTH & HOWGATE CHURCH

Congregational Number 030232

Scottish Charity No: SC011871

**Trustees Annual Report
Year Ended 31st December, 2020**

The trustees present the annual report and accounts for Penicuik South & Howgate Church for the year ended 31.12.20

Reference and Administration Information

Charity Name:	Penicuik South & Howgate Church
Charity Registration Number:	SC011871
Congregation Number:	030232
Contact Address:	11 Balfour Terr Penicuik EH26 0LY

Trustees:

Church Treasurer:
Session Clerk:
Interim Moderator:



Independent Examiner



Bankers

Bank of Scotland
163a John St
Penicuik

Trustees Annual Report Year Ended 31st December, 2020

Structure, Governance and Management

Governing Document

The Church is administered in accordance with the terms of the Deed of Constitution (or Deed of Constitution (Unity Form))

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 talents for the spiritual development of the congregation.

Organisation Structure

The Kirk Session meets every month and is responsible for all affairs of the church

Objectives and Activities

The Church of Scotland is Trinitarian in doctrine, Reformed in tradition and Presbyterian in policy. 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 of every parish of Scotland through a territorial ministry. It co-operates with other Churches in various ecumenical bodies in Scotland and beyond. Services of Worship are held at 10.30 am each and every Sunday, through zoom. Communion has been celebrated through 2020 when our Interim Moderator has had availability. A congregational group meets each week on a Sunday evening for prayer, through zoom. Several house/bible study groups meet on a weekly/fortnightly basis to pray and explore the work of God together. Pastoral needs are met through these groups and/or through a team of pastoral visitors.

Trustees Annual Report Year Ended 31st December, 2020

ANNUAL REPORT YEAR ENDED DECEMBER 31st 2020

Report of Interim Moderator

At the end of 2019 the Penicuik South & Howgate (PSH) Kirk Session agreed to accept the presbytery proposal that the church be put into Guardianship and for the Revd. Peter Wood to act as locum minister and interim moderator. This courageous decision was a recognition that things needed changing and signalled a willingness to experiment with new ways of being church.

The year began with enthusiasm and an away day in early February in Peebles helped set the scene for the transition necessary.

New developments were however complicated in March when the country was put into lockdown because of the outbreak of COVID-19. This prevented the proposed missional ventures taking place and instead church went online. Zoom services started just before Easter 2020. Nearly as many people attended these online services on average as pre-lockdown though physical separation was especially tough on those who were less mobile and who did not have the facility to get on the internet. Participation in smaller house groups proved particularly important in such times.

As with others in the country there was a great sense of loss and there was particular sadness with the deaths of several well known PSH members. In this acute situation the Kirk session met fortnightly to pray and to try and ensure that church provided support, focus and care for those associated with it. The use of zoom allowed for increased participation and numerous people shared Easter joy through sending in pictures, cakes & paintings...

As the year went on so the focus moved from PSH to Penicuik as a whole and the need to hold a bigger picture for the sake of mission. PSH's orientation added fresh appetite that all the Penicuik churches -and especially the Church of Scotland congregations, work more closely together. All new PSH mission ventures were to be with other Christians. In addition to Penicuik Churches Together (PCT) the new association of Kirk in Penicuik (KIP) was created. This was to provide a shared expression of the life of the three Church of Scotland churches together through a shared Facebook page. This desire for closer integration was demonstrated by agreement to hold a joint monthly worship service. The Holy Habit series was chosen as a framework to aid discipleship. Prayer has also been paramount in this mission orientation and desire for closer cooperation.

In this year of transition South Kirk manse sold for £300K & South kirk halls sold for £251K

Howgate church and hall are currently under offer.

Trustees Annual Report (cont) Year ended 31st December, 2020
Financial Review

The balance at the start of the year £13994 and keeping a tab on expenses, coupled with a positive Stewardship campaign ensures we have our expenditure within reasonable levels for the current year.

The trustees and the congregation will continue to look at ways to build on the current momentum in order to ensure that the congregation is able to meet its financial obligations in the coming years.

Reserves Policy

The Church continued to maintain the same balance as in 2019

Trustees Annual Report (cont)
Year Ended 31st December, 2020

Statement of Trustees Responsibilities

Charity law requires the trustees to prepare financial statements for each financial year which show a true and fair view of the state of affairs of the charity and its financial activities for that period. In preparing those financial statements, the trustees are required to:

Select suitable accounting policies and then apply them consistently;

Make judgements and estimates that are reasonable and prudent;

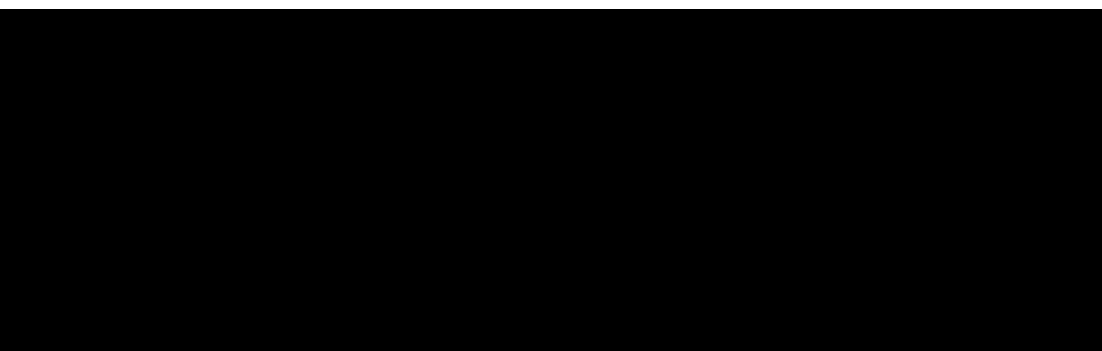
State whether applicable accounting standards and statements of recommended practise have been followed, subject to any departures disclosed and explained in the financial statement;

And

Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operational existence.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them 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 responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Trustees and signed on their behalf



Date 13th April 2021

Penicuik South & Howgate Church SC011871
Report of the Independent Examiner

I report on the accounts of the charity for the year ended 31st December, 2020, which are set out on pages 10-16

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) (a) to (c) 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 these records. It also includes consideration of any unusual items or disclosures in the accounts and seeking 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 of the statement of accounts for the year ended 31st December 2020 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 Regulation and
to prepare accounts which accord with the accounting records and comply with Regulation 8 of the 2006 Accounts Regulations have not been met or

2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached

Date

29th May 2021

Penicuik South & Howgate Church

Accounting Policies

The principal accounting policies, which have been applied consistently in the current and preceding year in dealing with items which are considered material to the accounts, are set out below. The charity has adopted the requirements of the Statement of Recommended Practice: Accounting and Reporting by Charities issued February 2005.

Basis of Preparation

The accounts have been prepared in accordance with applicable accounting standards and under the historical cost convention, and modified in accordance with the Charities and Trustee Investment (Scotland) Act 2005, The Charities Accounts (Scotland) Regulations 2006, the Regulations anent Congregational Finance approved by the General Assembly of the Church of Scotland in 2007 and the Statement of Recommended Practice: Accounting and Reporting to Charities (2005).

Funds

Funds are classified as either restricted funds or unrestricted funds, defined as follows. Restricted funds are funds subject to specific requirements as to their use which may be declared by the donor or with their authority or created through legal processes, but still within the wider objects of the charity. The restricted fund arose from the sale of the old manse in 2007 and the purchase of the current manse. The balance on the fund is £2,564 although currently the market value is lower. Unrestricted funds are expendable at the discretion of the trustees in furtherance of the objects of the charity. If parts of the unrestricted funds are earmarked at the discretion of the trustees for a particular purpose, they are designated as a separate fund. This designation has an administrative purpose only and does not legally restrict the trustee's discretion to apply the fund.

Incoming Resources

All donations and gifts are included within incoming resources under either unrestricted or restricted funds according to the terms under which the donation is made and when the amount can be quantified with reasonable certainty. Donations and gifts in kind are brought into the accounts at their market value to the charity.

Resources expended

Expenditure is recognised on an accruals basis as the liability is incurred.

Penicuik South & Howgate Church

Accounting Policies (continued)

Tangible Fixed assets

The charity has the right to occupy and use for its charitable objects certain tangible fixed assets, including the Church, Peebles Road, Penicuik, and the Church at Howgate, vested in the Church of Scotland General Trustees. No consideration is payable for the use of these assets. Expenditure incurred on the repair and maintenance of these assets is charged as resources expended in the statement of financial activities in the period in which the liability arises.

All tangible fixed assets having a value to the charity greater than one year, other than those acquired for specific purposes, are capitalised. Depreciation is provided on a straight-line basis to write off the cost or initial value, less residual value, of tangible fixed assets over their estimated useful lives.

Taxation

Penicuik South Church is recognised as a charity for the purposes of applicable taxation legislation and is therefore not subject to taxation on its charitable activities. The charity is not registered for VAT and resources expended therefore include irrecoverable input VAT.

Penicuik South and Howgate
Receipts and Payments
For the year ended 31 December 2020

		Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total 2020 £	Total 2019 £
<u>Receipts</u>	<u>Note</u>				
Donations	3	42,198	-	42,198	50,216
Bank and Deposit INT & Dividends		2,104	-	2,104	-
Fundraising Events		-	-	-	-
		44,302	-	44,302	50,216
Rental of Premises		-	-	-	1,665
Incoming Resources - Howgate Union		9,410	-	9,410	-
		9,410	-	9,410	1,665
<u>Total Receipts</u>		53,712	-	53,712	30,634
<u>Payments</u>	<u>4</u>				
Charitable activities		53,242	-	53,242	47,321
Cost of generating funds		-	-	-	-
		53,242	-	53,242	26,467
<u>Total Payments</u>		53,242	-	53,242	26,467
Surplus(Excess) of Receipts over Payments for year		470	-	470	4,167

**Penicuik South and Howgate
Statement of Balances
As at 31 December 2020**

	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total 2020 £	Total 2019 £
<u>Bank & Deposit Balances</u>				
Bank Deposit and Cash Balances B/FWD	13,995	-	13,995	9,736
<u>Movement in Year:</u>				
Surplus / (Excess) of Receipts over Payments for year Transfers	470 -	- -	470 -	4,259 -
Bank & Deposit Balances C/FWD	14,465	-	14,465	13,995
<u>Liabilities</u>				
Bills due in 2021 relating to 2020 General	500	-	500	-

The Accounts were approved by the Kirk Session on:

Date: 13th April 2021

Session Clerk

Penicuik South and Howgate
Notes to the Accounts
For the year ended 31 December 2020

1. Trustees Remuneration and Related party Transactions

One trustee was paid £nnn to undertake Administration and Fabric duties, and another £nnnn as organist.

2. Movements in Funds

	As at 01-Jan 2020	Receipts	Payments	Transfers	As at 31-Dec 2020
Unrestricted Funds					
General Fund	7,199	53,697	(51,874)	(250)	8,772
Petty Cash	1	-	(250)	250	1
Total General Funds	7,200	53,697	(52,124)	-	8,773
Other Designated Funds					
Benevolent	1,721	15	-	-	1,736
Youth Project	2,437	-	(1,118)	-	1,319
Transport Fund	1,607	-	-	-	1,607
Reserve	30	-	-	-	30
Bequest	1,000	-	-	-	1,000
Total Designated Funds	6,795	15	(1,118)	-	5,692
Total Funds	13,995	53,712	(53,242)	-	14,465

Purpose of Designated Funds

Benevolent	For the minister to access for the benefit of the congregation and parishioners who may find themselves in financial hardship.
Youth Project	This fund is to be used for the benefit of local community youth
Transport Fund	A fund created for the purposes of raising finances to purchase a mini bus, reviewed in 2008 to allow access to mini busses for outreach work.
Reserve	Set up in 2011 to manage funds transferred from Bequest
Bequest	For bequest funds received pending implementation of the terms of the bequest.

**Analysis of Income and Expenditure
For the year ended 31 December 2020**

	Unrestricted Funds 2020 £	Designated Funds 2020 £	Total 2020 £	Total 2019 £
3. Analysis of Donations				
Offerings	32,347	-	32,347	38,363
Gift Aid – Tax recovered	9,559	-	9,559	9,559
Contributions from Organisations	120	-	120	600
Dividends and Interest	2,104	-	2,104	-
Bequest Fund	-	-	-	1,000
Other	172	-	172	694
Weddings & Funerals	-	-	-	-
Café Income	-	-	-	-
Total	44,302	-	44,302	50,216

4. Analysis of Payments

Cost of generating Funds

FWO envelopes	-	-	-	-
Total	-	-	-	-

Charitable Activities

Ministries & Mission	27,368	-	-	30,248
Presbytery Dues	-	-	-	727
Ministers Expenses	1,118	-	-	-
Education	-	-	-	-
Ministers Resources	7,418	-	-	289
Pulpit Supply	-	-	-	2,901
Salaries	-	-	-	-
Fabric Repairs & Maintenance	1,118	-	-	429
Council Tax	-	-	-	-
Youth Work	-	-	-	-
Energy	3,670	-	-	5,083
Insurance	9,427	-	-	6,111
Stationary/Printing/Administration	-	-	-	655
Outreach Ministry	-	-	-	-
Telephone	-	-	-	118
Other Expenses	3,123	-	-	760
Total	53,242	-	-	47,321

5. Minister's Stipend

All Church of Scotland congregations contribute to the National Stipend Fund which bears the cost of all Minister's stipends and employer's National Insurance, pension and Housing and Loan Fund.

Minister's stipends are paid in accordance with the National Stipend Scale, which is related to years of service. For the year under review the minimum stipend was £28,137 and the maximum stipend in the 5th and subsequent years of service - £34,577.

6. Reconciliation of Opening

Congregation to prepare accounts on a Receipt and Payment basis. The following table reconcies the starting balance for 2020.

	£
Closing Funds as at 31st December 2019	26,118
Less Adjustment for Debtors	<u>9,559</u>
	16,559
Less Adjustment for Fabric Fund Balance	<u>2,564</u>
Adjusted opening balance	<u><u>13,995</u></u>

Penicuik South and Howgate

APPENDIX

	2020	2019
	£	£
<u>CAPITAL ACCOUNT</u>		
Credit Balances held as at 31 December (at Cost)		
CofS Deposit Funds	-	-
CofS Investor Trust Growth Funds	-	-
CofS Investor Trust Income Funds	50,762	50,762
	<u>50,762</u>	<u>50,762</u>
Market Value		
CofS Deposit Funds	-	-
CofS Investor Trust Growth Funds	-	-
CofS Investor Trust Income Funds	56,292	55,141
	<u>56,292</u>	<u>55,141</u>
<u>Consolidated Fabric Fund</u>		
Credit Balances held as at 31 December	<u>-</u>	<u>-</u>
Income on Revenue Account		
Total Revenue Income	<u>-</u>	<u>-</u>
Expenditure on Revenue Account		
Total Revenue Expenditure	<u>-</u>	<u>-</u>