Charity Registration No. SC009458 (Scotland)

LERWICK CONGREGATIONAL CHURCH

UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2025

THE A9 PARTNERSHIP LIMITED
Chartered Accountants
47 Commercial Road
Lerwick
Shetland
ZE1 0NJ

LERWICK CONGREGATIONAL CHURCH

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mrs A Erskine Mrs W Manning Mrs E Leask	
Charity registration	Scotland	SC009458
Registered office	3 Bellevue Park Lerwick Shetland ZE1 0EE	
Independent examiner	The A9 Partnership Limited 47 Commercial Road Lerwick Shetland Isles ZE1 0NJ	
Bankers	Bank of Scotland 117 Commercial Street Lerwick ZE1 0DN	

LERWICK CONGREGATIONAL CHURCH

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LERWICK CONGREGATIONAL CHURCH

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2025

The trustees present their annual report and financial statements for the year ended 31 December 2025.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)".

Objectives and activities

Lerwick Congregational Church seeks to advance the Christian faith through its work, witness and outreach in the local community.

Public benefit

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Activities

We hold weekly services and through them we have an active outreach in to the community. The women also meet monthly from October - March with guest speakers and a time of fellowship. we also attend World Day of Prayer services, Bible Week services and Bible Study groups.

As we are a small fellowship with too few members to sustain a minister we are indebted to locum preachers who prepare and take our weekly services and enable us to have regular worship.

We are committed to carrying out the duties required to maintain a Christian presence in our community.

Achievements and performance

Significant activities and achievements against objectives

Our members are very supportive of charitable work within the community. This financial year we have supported:

- Dogs Against Drugs
- Shetland Care Attendant Scheme
- RNMDSF
- Shetland Foodbank
- Shetland Stroke Group

We sold the Manse in October and we have deposited the proceeds in a 30-Day Notice deposit account. Our income from offerings will need to be supplemented from these funds to meet our outgoings. The sale of this property is a one-off event.

Financial review

Unrestricted income for the financial year, excluding proceeds for the sale of the Manse, totalled £11,912 (2024: £19,149). Unrestricted expenditure, excluding costs to sell the Manse, totalled £21,945 (2024: £20,120).

Net unrestricted proceeds received for the sale of the Manse was £258,872 and excludes any original purchase costs.

Unrestricted reserves at the end of the financial year were £297,821 (2024: £48,982).

Going concern

Funds for the sale of the Manse will be used to cover costs of the charity going forward as current incomings are not expected to be of a level to cover all future costs. There are no going concern issues at this time however, the trustees intention is to dissolve the charity and transfer surplus assets to local charities.

Reserves policy

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

Structure, governance and management

The charity is an unincorporated association and has been a registered charity since 13 December 1907. The governing document is its constitution.

The trustees who served during the year and up to the date of signature of the financial statements were:

Mrs A Erskine
Mrs W Manning
Mrs E Leask

Recruitment and appointment of trustees

New trustees are appointed as per the charity's constitution. All trustees give their time voluntarily.

The trustees' report was approved by the Board of Trustees.

Wilma Manning
Mrs W Manning
Trustee

25 August 2026

LERWICK CONGREGATIONAL CHURCH

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF LERWICK CONGREGATIONAL CHURCH

I report on the financial statements of the charity for the year ended 31 December 2025, which are set out on pages 4 to 11.

Respective responsibilities of trustees and examiner
The charity's trustees are responsible for the preparation of the financial statements 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)-(c) of the Charities Accounts (Scotland) Regulations 2006 does not apply.

It is my responsibility to examine the financial statements as required under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 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 financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, 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 financial statements.

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 Charities and Trustee Investment (Scotland) Act 2005 and Regulation 4 of the Charities Accounts (Scotland) Regulations 2006, and
    - to prepare financial statements which accord with the accounting records and comply with Regulation 8 of the Charities Accounts (Scotland) Regulations 2006

have not been met, or

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

The A9 Partnership Limited
The A9 Partnership Limited

47 Commercial Road
Lerwick
Shetland Isles
ZE1 0NJ
1 September 2026

LERWICK CONGREGATIONAL CHURCH

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Income from:			
Donations and legacies	**2**	9,191	10,252
Charitable activities	**3**	1,623	8,897
Investments	**4**	1,098	-
Other material income		273,111	-
Total income		285,023	19,149
Expenditure on:			
Charitable activities	**5**	21,945	20,120
Other material expenditure		14,239	-
Total expenditure		36,184	20,120
Net income/(expenditure) and movement in funds		248,839	(971)
Reconciliation of funds:			
Fund balances at 1 January 2025		48,982	49,953
Fund balances at 31 December 2025		297,821	48,982

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

Other material income and expenditure for 2025 relates to the sale of property - Manse, 44 Murrayston.

LERWICK CONGREGATIONAL CHURCH

BALANCE SHEET

AS AT 31 DECEMBER 2025

	Notes	2025 £	2025 £	2024 £	2024 £
Current assets					
Debtors	**10**	618		-	
Cash at bank and in hand		299,140		48,982	
		299,758		48,982	
Creditors: amounts falling due within one year	**11**	(1,937)		-	
Net current assets			297,821		48,982
The funds of the charity					
Unrestricted funds	**12**		297,821		48,982
			297,821		48,982

The financial statements were approved by the trustees on 25 August 2026

Wilma Manning
Mrs W Manning
Trustee

1 Accounting policies

These financial statements for the year ended 31 December 2025 are the first financial statements of Lerwick Congregational Church prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 January 2024. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

Charity information

Lerwick Congregational Church is registered as an unincorporated Scottish charity.

1.1 Basis of preparation

The financial statements have been prepared in accordance with the charity's governing document, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)". The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities not to prepare a statement of cash flows.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors or grantors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

1 Accounting policies **(Continued)**

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

1.6 Heritage assets

In a departure from compliance with the FRS102 accounting standards regarding the treatment of freehold property the decision has been taken to not include the Church on the balance sheet of the charity. The current market value of the building is unknown and there is no evidence to suggest that an active market for the property exists therefore it would not give a true and fair view of the financial position of the charity if this tangible asset were to be included.

Last year did not include the value of the Manse as it was unknown, and has since been sold during this year.

The heritage assets were originally donated to the charity, therefore had no initial valuation and have not been valued until disposal. Disposals have gone out to market to achieve the best price for the charity. The Trustees ensure the preservation of the assets.

All other applicable standards and legislation have been complied with. There is no monetary effect on the current or prior period financial statements as a result of the departure.

The Church is open during weekly services, which anyone is welcome to attend.

1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

1 Accounting policies (Continued)

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

2 Income from donations and legacies

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Donations and gifts	8,701	10,252
Other	490	-
	9,191	10,252

3 Income from charitable activities

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Other trading activities		
Charitable rental income	1,523	8,707
Other income	100	190
	1,623	8,897

4 Income from investments

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Interest receivable	1,098	-

5 Expenditure on charitable activities

	2025 £	2024 £
Direct costs		
Supply costs	2,202	2,601
Insurance	2,512	2,953
Advertising and stationery	563	482
Heat and light costs	6,786	4,426
Repairs ad maintenance	2,115	3,343
Donations	2,130	2,205
Organist	660	720
Legal and professional fees	718	549
Travel expenses	441	459
Miscellaneous costs	2,425	2,046
Affiliation and Guild fees	393	336
	20,945	20,120
Share of support and governance costs (see note 6)		
Support	1,000	-
	21,945	20,120
Analysis by fund		
Unrestricted funds - general	21,945	20,120

6 Support costs allocated to activities

	2025 £	2024 £
Governance costs	1,000	-
Analysed between:		
Other trading activities	1,000	-

7 Net movement in funds

	2025	2024
	£	£
The net movement in funds is stated after charging/(crediting):		
Fees payable for the independent examination of the charity's financial statements	1,000	-

8 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

9 Employees

The average monthly number of employees during the year was:

	2025	2024
	Number	Number
Total	-	-

There were no employees whose annual remuneration was more than £60,000.

10 Debtors

	2025	2024
Amounts falling due within one year:	£	£
Prepayments and accrued income	618	-

11 Creditors: amounts falling due within one year

	2025	2024
	£	£
Accruals and deferred income	1,937	-

12 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 January 2025	Incoming resources	Resources expended	At 31 December 2025
	£	£	£	£
General funds	48,982	285,023	(36,184)	297,821

12 Unrestricted funds **(Continued)**

Previous year:	**At 1 January 2024**	**Incoming resources**	**Resources expended**	**At 31 December 2024**
	£	**£**	**£**	**£**
General funds	49,953	19,149	(20,120)	48,982

13 Related party transactions

There were no disclosable related party transactions during the year (2024 - none).

MANAGEMENT INFORMATION

FOR THE YEAR ENDED 31 DECEMBER 2025

The following pages do not form part of the statutory financial statements which are the subject of the independent examiner's report.

LERWICK CONGREGATIONAL CHURCH

DETAILED STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2025

	2025 £	2024 £
INCOMING RESOURCES		
Donations and Legacies		
Offerings received	8,334	9,962
Donations	367	290
Guild	490	-
	9,191	10,252
Income from Charitable Activities		
UF Charitable income 1 - property rental within Charitable objects	1,523	8,707
UF Charitable income 1 - miscellaneous	100	190
	1,623	8,897
Other Incoming Resources		
UF Other interest receivable non-operating	1,098	-
Sale of Manse	272,000	-
Manse costs refunded	1,111	-
	274,209	-
TOTAL INCOMING RESOURCES	285,023	19,149

LERWICK CONGREGATIONAL CHURCH

DETAILED STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2025

	2025	2024
OUTGOING RESOURCES		
Charitable Expenditure		
Supply costs	2,202	2,601
Insurance costs	2,512	2,953
Advertising and stationery	563	482
Heat and light costs	6,786	4,426
Repairs and maintenance	2,115	3,343
Donations	2,130	2,205
Organist fees	660	720
Legal and professional fees	718	549
Travel expenses	441	459
Miscellaneous expenses	2,425	2,046
Affiliation and guild costs	393	336
UF CA1 - Share of support costs	1,000	-
	21,945	20,120
Other Expenditure		
Manse - costs to sell	14,239	-
	14,239	-
TOTAL OUTGOING RESOURCES	36,184	20,120
NET MOVEMENT IN FUNDS	248,839	971