

Scottish Charity No.SC038151

East Kilbride Free Church of Scotland

(Also known as West Mains Church)

Trustees' Report and Financial Statements

For the Year Ended 31 December 2021

East Kilbride Free Church of Scotland

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East Kilbride Free Church of Scotland

Report of the Trustees for the year ended 31 December 2021

The Trustees are pleased to present their report together with the financial statements of the church for the year ended 31 December 2021. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's trust deed, the Charities and Trustee Investment (Scotland) Regulations 2006 (as amended) and 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.

Objectives and Activities

East Kilbride Free Church of Scotland is a congregation that belongs to the Free Church of Scotland. We are evangelical in the reformed Presbyterian tradition. Preaching of the Word of God is central to our worship. Our emphasis is on simplicity, spirituality and sound biblical teaching as we seek to worship together in Spirit and Truth, in unity and love.

The Free Church has an explanatory document which explains the origins of the Church and which gives the historical background to the Church coming into being in 1843 and lists documents in which is embodied its constitution. The document is available on request from the Free Church of Scotland, 15 North Bank St., The Mound, Edinburgh, EH1 2LS.

The Free Church of Scotland currently has around 100 congregations in Scotland, as well as one in London and five in North America, and sister Churches founded by mission work in India, Peru and South Africa. The Church also has a full-time, degree-awarding college in the heart of Edinburgh for the training of Ministers and other Christian workers and sustains an extensive Missionary programme relative to the size of the church. The principal activity of the Church is the conduct of the public worship and associated matters in the context of local congregations.

Dating from 1843 but with its roots in the Reformation, it owes its distinctive title to its historical struggle to remain 'free' from state interference in its internal affairs. It has close and active relations with many other Reformed churches of Jesus Christ throughout the world and stands firmly in the tradition which accepts the Bible in its entirety as the Word of God and, therefore, derives its forms of teaching, worship, ministry and government from it. The main emphasis of our worship is the preaching of the gospel - the good news of a free and sovereign salvation through Jesus Christ alone.

East Kilbride Free Church of Scotland is a congregation of the national Free Church of Scotland working towards the common aims set out above. The congregation is within the Glasgow and Argyll Presbytery and at present is not authorised by the Church to have a minister; instead, the congregation pay for resident supply.

The Church building and the Minister's manse are the property of the congregation and are held in trust by locally elected property (or congregational) trustees under the Church's Model Trust Deed. The manse was sold in May 2021. Some of the money from the sale was used to renovate the Church; the balance is being held in Edinburgh for when a manse is required.

East Kilbride Free Church of Scotland

Report of the Trustees for the year ended 31 December 2021 (continued)

Achievements and Performance

During the year, the congregation met regularly for public worship with the services also being available via Zoom. During the year, the Cubs Den resumed meeting in the church hall on a weekly basis. The congregation continued its commitment to support the National Free Church of Scotland both spiritually and financially.

The Presbytery appointed Rev. Douglas Cranston, retired to be interim moderator during the vacancy.

Significant highlights, events and developments of note in the year include the following: -

1 In relation to **congregational activities:**

- Support for under-privileged children in Kenya, Indonesia & Guatemala by individual members of the congregation via the Compassion initiative.
- Support for the local Food Bank.
- Support for Blythswood Care charity.

2 In relation to **congregational funding:**

- There was an increase in the overall income of £187,145, which was due to the gain on the sale of the Manse. However, the ordinary income dropped due to the pandemic and the closure of the Church for part of the year.
- There was a large increase in expenditure due to the renovations to the church building. However, there were no expenses for the Manse after it was sold in May.
- Remittances to Central Funds are down due to the Minister leaving at the end of 2020 and the congregation not being allowed to call another one.

Financial review

Principal sources of funding

The congregation principally receives its funding by way of weekly offerings and Gift Aid income. However, due to the pandemic and the closure of the Church building during lock down many members switched to weekly and monthly standing orders and bank transfers.

Results for the year

The financial statements for the year are set out in pages 7 to 15. The Statement of Financial Activities on page 7 reflects net incoming resources of £137,713 (2020 – net outgoing £5,145).

Reserves

It is the policy of the congregation to maintain unrestricted funds, i.e., funds not committed or invested in fixed assets, at a level which equates to approximately 3 months' unrestricted expenditure. This allows sufficient funds to enable the ongoing work of the church to be maintained. The General Fund (page 7) on 31 December 2021 amounted to £11,131 (2020 - £5,672) and was above the required level. Total reserves, including the net book value of fixed assets and balances on restricted funds amounted to £393,496 (2020 - £255,783).

Statement of Risk

The trustees assess the major risks to which the congregation is exposed on an ongoing basis and have established procedures to mitigate those that are identified as a result of these reviews.

East Kilbride Free Church of Scotland

Report of the Trustees for the year ended 31 December 2021 (continued)

Structure, Governance and Management

East Kilbride Free Church is established by Constitution. The church is a Scottish Charity (No. SC038132).

Trustees and Office Bearers

The church is Presbyterian in government and its day-to-day running is undertaken by the Elders (the Kirk Session) and the Deacons (the Deacons' Court). The Deacons' Court's specific function relates to the material and financial business of the congregation, whereas the Elders are charged with the general and spiritual oversight of the congregation. {It is accepted practice for the Minister and Elders to also be in membership of the Deacons' Court}. Under charity law the Deacons are deemed to be Trustees of the Congregation. (This is distinct from the role of Congregational Trustees responsible only for holding property in trust.)

Appointment of Charity Trustees

The Kirk Session exercises its discretion in determining the most appropriate method of electing new Trustees (Elders and Deacons). Any election process must involve the communicant membership of the congregation. There is no fixed term for Trusteeship. Prior to their appointment, new Trustees would have served the church for some time in various roles and would be familiar with the church's values, its aims and objectives as well as its day-to-day operations. As part of their induction programme, new Trustees are required to understand their statutory responsibilities as well as their responsibility as elder or deacon.

Reference and Administrative Details

Registered Name: East Kilbride Free Church of Scotland

Charity Registration Number: SC038151

Address
Blacklands Road
West Mains
East Kilbride
G74 1BE

For correspondence
6 Fenton Place
Lindsayfield
East Kilbride
G75 9FL

Trustees

The Deacons' Court (the Trustees) who served during the year were as follows: -

Deacons' Court

Elders

Deacons

Interim Minister

Congregational Trustees

For holding Property –

East Kilbride Free Church of Scotland

Report of the Trustees for the year ended 31 December 2021 (continued)


Bankers

Bank of Scotland
Princes Mall
Town Centre
East Kilbride

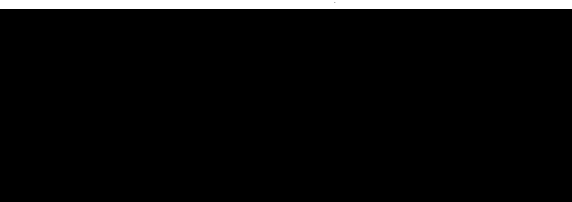
Solicitors

Balfour and Manson LLP (unless local agents are used)
54-66 Frederick Street
Edinburgh
EH2 1LS

Independent Examiner


Member of the Institute of Chartered Accountants of Scotland
I A Stewart & Co
The Mechanics Workshop
New Lanark
ML11 9DB

On behalf of the Trustees



Dated: 20/1/22

East Kilbride Free Church of Scotland

Report of the Independent Examiner to the Trustees for the year ended 31 December 2021

I report on the accounts of the church for the year ended 31 December 2021, which are set out on pages 7 to 15.

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) (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. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charity's members as a body, for my work, for this report, or for the opinions I have formed.

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 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 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.


Member of the Institute of Chartered Accountants of Scotland
Independent Examiner

I A Stewart & Co
The Mechanics Workshop
New Lanark
ML11 9DB

Date: *22 September 2022*

East Kilbride Free Church of Scotland

Statement of financial activities

Year ended 31 December 2021

	Notes	Unrestricted Funds			Total 2021 £	<i>Restated</i>
		General Fund £	Designated Funds £	Restricted Funds £		Total 2020 £
Incoming resources						
<i>From generated funds:</i>						
Voluntary income	2	23,123	-	160	23,283	27,129
Bank interest		-	-	959	959	-
<i>From charitable activities:</i>						
Magazine sales	3	-	-	-	-	175
<i>Other income</i>	14/ 15	-	-	190,207	190,207	-
Total incoming resources		23,123	-	191,326	214,449	27,304
Resources expended						
Charitable activities	4	17,294	-	56,350	73,644	31,982
Expenses of Sale of Manse	5	-	-	2,704	2,704	-
Other resources expended: deprec'n		-	388	-	388	467
Total resources expended		17,294	388	59,054	76,736	32,449
Net incoming/outgoing resources before transfers		5,829	-388	132,272	137,713	-5,145
Transfers	14	-370	-179,423	179,793	-	-
Net movement in funds after transfers		5,459	-179,811	312,065	137,713	-5,145
Total funds brought forward		5,672	252,963	-2,852	255,783	260,928
Total funds carried forward		11,131	73,152	309,213	393,496	255,783
		<i>(Note 14)</i>	<i>(Note 14)</i>	<i>(Note 15)</i>		

The notes form part of these financial statements.

East Kilbride Free Church of Scotland

Balance sheet

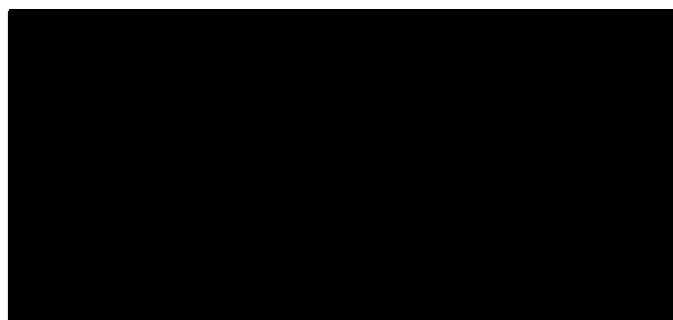
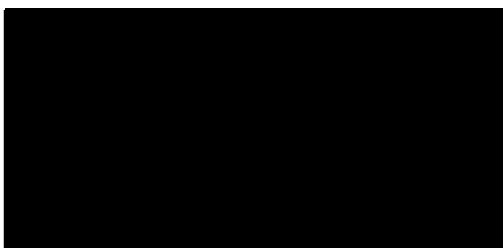
As at 31 December 2021

	Notes	2021 £	£	restated 2020 £	£
Fixed Assets					
Tangible assets	9		72,857		252,668
Current assets					
Debtors	10	2,077		2,151	
Cash at bank and in hand		6,673		2,342	
Money held in Edinburgh		<u>311,905</u>		<u>-</u>	
		320,655		4,493	
Creditors: falling due within one year	11	<u>16</u>		<u>1,378</u>	
Net Current Assets			320,639		3,115
Creditors: falling due after one year	12		-		-
Total Net Assets	16		<u>393,496</u>		<u>255,783</u>
Represented by:					
Unrestricted funds	14		84,283		258,635
Restricted funds	15		309,213		-2,852
			<u>393,496</u>		<u>255,783</u>

The financial statements on pages 7 to 15 were approved by the Trustees on
signed on their behalf by the undernoted:

20/9/22

and



The notes form part of these financial statements.

East Kilbride Free Church of Scotland

Notes to the Financial Statements

Year ended 31 December 2021

1. General information

The charity is a public benefit entity and a registered charity in Scotland and is unincorporated.

a. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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) (Charities SORP (FRS 102)) and the Charities and Trustee Investment (Scotland) Act 2005 and the Charity Accounts (Scotland) Regulations 2006 (as amended).

b. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

East Kilbride Free Church of Scotland enjoys the support of its members. The trustees have no reason to suspect that this support will not continue for the foreseeable future therefore these accounts have been prepared on the going concern basis.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The trustees are of the opinion that there are no matters of significant judgements, estimates or assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in the next financial year.

Taxation

East Kilbride Free Church of Scotland 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.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the purposes of the charity.

Designated funds are unrestricted funds earmarked by the trustees for specific purposes.

Restricted funds are subjected to restrictions on their expenditure imposed by the donor.

East Kilbride Free Church of Scotland

Notes to the Financial Statements

Year ended 31 December 2021

b. Accounting policies (*continued*)

Income

All income is included in the statement of financial activities when the charity is entitled to the income, any performance related conditions attached have been met or are fully within the control of the charity, the income is considered probable and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

- i. Donations and legacy income is received by way of donations, legacies, grants and gifts and is included in full in the Statement of Financial Activities when receivable. Where legacies have been notified to the charity but the criteria for income recognition have not been met, the legacy is treated as a contingent asset and disclosed if material. Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.
- ii. Donated services and facilities are included at the value to the charity, being the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market.
- iii. Investment income is included when receivable.
- iv. Income from charitable trading activity is accounted for when earned.

Expenditure

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates:

- i. Costs of raising funds comprise the costs associated with attracting donations, grants and legacies and the costs of trading for fundraising purposes.
- ii. Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Freehold property	-	No depreciation
Fixtures and fittings	-	20% reducing balance
Equipment	-	20% reducing balance

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

East Kilbride Free Church of Scotland

Notes to the financial statements

Year ended 31 December 2021

2. Voluntary income	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
Collections	19,623	-	19,623	22,217
Income tax recoveries	3,500	-	3,500	3,987
Donations	-	-	-	-
Special collections-Sunday School	-	160	160	-
Other donations and income	-	-	-	925
	<u>23,123</u>	<u>160</u>	<u>23,283</u>	<u>27,129</u>

£925 related to restricted income in 2020

3. Income from charitable activities				
Magazine sales	-	-	-	175
	<u>-</u>	<u>-</u>	<u>-</u>	<u>175</u>

All income was unrestricted in 2020

4. Charitable activities	Staff costs £	Other direct costs £	Support costs £	Total 2021 £	Total 2020 £
<i>Activity</i>					
Local Ministries	-	200	73,444	73,644	31,982
National and overseas ministries	-	-	-	-	-
	<u>-</u>	<u>200</u>	<u>73,444</u>	<u>73,644</u>	<u>31,982</u>
		<i>(Note 8)</i>	<i>(Note 6)</i>		
Of which:					
Relating to unrestricted funds	-	200	17,094	17,294	30,918
Relating to restricted funds	-	-	56,350	56,350	1,064

The charity is deemed to have only one charitable activity and support costs are allocated to this activity.

5. Governance costs	2021 £	2020 £
Legal expenses regarding sale of Manse	2,704	-
From restricted funds	<u>2,704</u>	<u>-</u>

East Kilbride Free Church of Scotland

Notes to the financial statements

Year ended 31 December 2021

6. Analysis of Expenditure

	Note	Unrestricted Funds	Restricted Funds	Total Funds 2021	Total Funds 2020
		£	£	£	£
Charitable Expenditure					
Head Office Remittances		4,600	-	4,600	20,137
Presbytery Dues		523	-	523	-
Minister's/Inter-Moderator's Expenses		5,906	-	5,906	900
Evangelism		-	-	-	46
Donations and Gifts		-	-	-	1,018
Communion expenses and pulpit supply		1,727	-	1,727	585
Heat and Light - Church and Manse		1,149	-	1,149	4,145
Insurance - Church and Manse		1,471	-	1,471	1,358
Council Tax		-	-	-	2,742
Repairs and Maintenance		781	56,350	57,131	410
Ground Maintenance		510	-	510	106
Stationery, Telephone and postage		63	-	63	420
Magazines		39	-	39	58
Other expenses		325	-	325	57
		<u>17,094</u>	<u>56,350</u>	<u>73,444</u>	<u>31,982</u>

7. Staff costs and numbers

	2021	2020
	£	£
No paid staff apart from the Minister/Interim moderator	-	-
	<u>-</u>	<u>-</u>

8. Other Direct Costs

	2021	2020
	£	£
Local Ministries	-	-
	<u>-</u>	<u>-</u>
National and Overseas Ministries		
Overseas work	-	-
Home work	200	-
	<u>200</u>	<u>-</u>
Total other direct costs	<u>200</u>	<u>-</u>

(Note 4)

East Kilbride Free Church of Scotland

Notes to the financial statements

Year ended 31 December 2021

9. Tangible fixed assets

	Heritable property £	Fixtures & equipment £	Total £
Cost			
At 1 January 2021	250,800	6,608	257,408
Additions	-	439	439
Disposals	-179,793	-170	-179,963
At 31 December 2021	71,007	6,877	77,884
Depreciation			
At 1 January 2021	-	4,740	4,740
Charge for year	-	388	388
Eliminated on disposals	-	-100	-100
At 31 December 2021	-	5,028	5,028
Net Book Value			
At 31 December 2021	71,007	1,850	72,857
At 31 December 2020	250,800	1,868	252,668
10. Debtors: falling due within one year			
		2021 £	2020 £
Prepaid expenditure		1,172	983
Other debtors		905	1,168
		2,077	2,151
11. Creditors: falling due within one year			
		2021 £	2020 £
Accrued expenses		16	1,378
		16	1,378

East Kilbride Free Church of Scotland

Notes to the financial statements

Year ended 31 December 2021

12. Creditors: falling due after one year

	2021	2020
	£	£
None	-	-

13. Transactions with Trustees

The Trustees donated a total of £6,810 to the charity during the year. There were no other transactions with the Trustees during the year

14. Unrestricted funds

	Balance at 01.01.21	Incoming resources	Resources expended	Transfers/ Gains/Losses	Balance at 31.12.21
	£	£	£	£	£
General Fund	5,672	23,123	-17,294	-370	11,131
	<u>5,672</u>	<u>23,123</u>	<u>-17,294</u>	<u>-370</u>	<u>11,131</u>
Designated funds:					
Sunday School & Evangelism Outreach	295	-	-	-	295
Building - Church	71,007	-	-	-	71,007
Building - Manse sold in year	179,793	-	-	-179,793	-
Equipment, Fixtures & Fittings	1,868	-	-388	370	1,850
	<u>252,963</u>	<u>-</u>	<u>-388</u>	<u>-179,423</u>	<u>73,152</u>
Total unrestricted funds	<u>258,635</u>	<u>23,123</u>	<u>-17,682</u>	<u>-179,793</u>	<u>84,283</u>

Comparatives

	Balance at 01.01.20	Incoming resources	Resources expended	Transfers/ Gains/Losses	Balance at 31.12.20
	£	£	£	£	£
General Fund	9,286	27,304	-30,918	-	5,672
	<u>9,286</u>	<u>27,304</u>	<u>-30,918</u>	<u>-</u>	<u>5,672</u>
Designated funds:					
Sunday School & Evangelism Outreach	295	-	-	-	295
Building - Church	71,007	-	-	-	71,007
Building-Manse	179,793	-	-	-	179,793
Equipment, Fixtures & Fittings	2,335	-	-467	-	1,868
	<u>253,430</u>	<u>-</u>	<u>-467</u>	<u>-</u>	<u>252,963</u>
Total unrestricted funds	<u>262,716</u>	<u>27,304</u>	<u>-31,385</u>	<u>-</u>	<u>258,635</u>

Explanation of funds

The General Fund encompasses all income and expenditure relating to the primary focus activities of the charity, other than those for which funding is restricted.

The Designated Fund mostly represents the value of unrestricted funds tied up in fixed assets, which would not be readily convertible into cash.

East Kilbride Free Church of Scotland

Notes to the financial statements

Year ended 31 December 2021

15. Restricted funds	Balance at 01.01.21 £	Incoming resources £	Resources expended £	Transfers/ Gains/Losses £	Balance at 31.12.21 £
Church Fund	-2,298	-	-	-	-2,298
Sunday School Fund	-554	160	-	-	-394
Money held in Edinburgh for new Manse	-	191,166	-59,054	179,793	311,905
Total restricted funds	-2,852	191,326	-59,054	179,793	309,213
Comparatives	Balance at 01.01.20 £	Incoming resources £	Resources expended £	Transfers/ Gains/Losses £	Balance at 31.12.20 £
Church Fund	-1,280	-	-1,018	-	-2,298
Sunday School Fund	-508	-	-46	-	-554
Money held in Edinburgh for new Manse	-	-	-	-	-
Total restricted funds	-1,788	-	-1,064	-	-2,852

Explanation of funds

Church Fund: is when income and expenditure are for a specific purpose.

Sunday School Fund: represents income and expenditure specifically for the Sunday School.

Money held in Edinburgh: the manse was sold in May 2021; some of the money from the sale was used to renovate the church building; the remainder is being held by Edinburgh to purchase a new manse in the future.

16. Analysis of Net Assets by funds	General Fund £	Designated Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
Fixed Assets	-	72,857	-	72,857	252,668
Current Assets					
Debtors and prepayments	2,077	-	-	2,077	2,151
Cash at bank and in hand	9,070	295	-2,692	6,673	2,342
Money held in Edinburgh	-	-	311,905	311,905	-
Current Liabilities					
Creditors and accruals	-16	-	-	-16	-1,378
Net Assets	11,131	73,152	309,213	393,496	255,783

17. Contribution to Central Funds	2021 £	2020 £
Gross Ordinary Income	23,123	27,304
Fabric Fund Allowance 10%	-2,312	-2,730
Net Ordinary Income	20,811	24,574
Donations made to Central Funds	4,600	20,137
Donations as a % of net ordinary income	22%	82%

18. General Volunteers

The trust benefits greatly from the involvement and enthusiastic support of its volunteers, who oversee the general running of the charity. In accordance with FRS 102 and the Charities SORP (FRS 102), the economic contribution of general volunteers is not recognised in the accounts.