

**The Church of Scotland**

**Perth Riverside Church of Scotland**

**Congregation No. 281702**

**Charity No. SC 011113**

**Annual Report & Accounts for 2018**

## **Reference and Administrative Information**

Charity Name: Perth Riverside Church of Scotland

Charity Registration Number: SC 011113

Contact Address: 2 Dryburgh Crescent, Perth, PH1 1SF

## **Trustees**

### ***For the whole of 2018 and to date of signing***

Rev David Rankin

Martine Clyne

Keith Fleming

Steven Mackay

Rev Iain McFadzean

Keith Wellstood

### ***Up till 16th July 2018***

Helene McDonald (deceased)

## **Principal Office Bearers**

Minister:	Rev David Rankin
Community worker:	Keith Wellstood
Session Clerk:	Steven Mackay
Church Treasurer:	James Christie
Property Convenor	Steven Mackay

## **Independent Examiner**

Steven Goodacre  
16 Woollcombe Square  
Scone  
Perth  
PH2 6PN

## **Bankers**

Bank of Scotland  
10-16 King Edward Street  
Perth  
PH1 5UT

# **Trustees' Annual Report - year ended 31 December 2018**

## **Structure, Governance and management**

The Church is administered in accordance with the terms of the Deed of Constitution (Unitary Form), Recruitment and Appointment of Trustees.

Members of the Kirk Session are the charity trustees. The Kirk Session members are Elders of the Church and are chosen from those members of the Church who are considered to have the appropriate gifts and skills. The Minister, who is a member of the Kirk Session, is elected by the Congregation and inducted by Presbytery.

## **Objectives and Activities**

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.

Perth Riverside Church of Scotland is a Christian community based in north Perth.

As a church we seek to fulfil our mission, aims and values through regular Christians worship, community activities and service to our parish.

## ***Our Mission Statement***

Our Mission Statement; pray, serve, grow.

Our Aims are;

- Grow as a community of Jesus' disciples.
- Serve each other, our neighbours, our parish, our city and beyond using our abilities and our building.
- Pray as a way of life.

## **Our Values**

Faith, nurture and generosity.

## **Achievements and Performance**

### **Attendance**

Attendances have remained similar over recent years with a slight apparent increase each year. Our breakfast services can have over 100 people. We have lost a number of members this year due to death and we have gained a number of new families who remain adherents. In addition to services, many other people attend our various community activities each week.

### **Overview of 2018 at Riverside**

#### **Services**

We maintain weekly worship on a Sunday at 10:30am, during which provision is made for all ages through our children's programme. We have a monthly service on the last Thursday and a monthly evening service on the last Sunday. We continue to develop Funday School, a contemporary and lively children's ministry on the last Sunday of the month.

#### **Community Work**

Our community activities include a weekly parent and toddler group, community cafés held on Tuesday and Saturday mornings; a Very Important Mums group, and a 'Knit and Natter' group. More recently we began a Community Craft Group and a Community Gardening Club.

There are good links between the church and North Muirton and Balhousie Primary Schools and Perth Grammar School. We have maintained our project with Perth Grammar School to provide mentoring and support to some local pupils and as part of this project we occasionally provide space for the local authority to educate young people who have been excluded from school.

The minister also conducts a number of parish funerals every year and provides pastoral care to non-members as well as to members of the church. We also run a fortnightly service in the New Rannoch Day Centre.

During 2018 we planned and fundraised for a community garden which will be completed during 2019.

### **Church Life**

There is a range of activities for people who want to explore and express faith including our weekly faith and friendship group, prayer meetings and small groups which meet in people's homes.

We hold community cafe events for local families to coincide with Christian festivals such as Christmas and Easter. In December 2018 we produced 'The Nativity Experience' an interactive walk-through performance of the nativity story.

We have continued to work on the vision produced last year and have now begun to turn this into a strategy to shape our work.

## **Financial Review**

We recorded a surplus of £8,450 in 2018, following a surplus of £4,630 in 2017. After two years of growth in hall rental and café income this fell by 37% from £15,988 to £10,138. This was due to a mix of factors. Hall bookings fell because there were no elections and some of the bigger, regular bookings cut back. The accounts state that café income has fallen, but this was because of a change in the way that this income has been recorded, which makes it impossible to make a reasonable comparison with 2017.

Gift Aid giving typically provides us with 50-60% of our income and is therefore by far our largest single source of money. In 2018 this fell by 12%. We have always been heavily dependent on a relatively small number of families' regular giving. Losing just a few givers, through relocation and death (as happened in 2018) has a significant effect on our income. Although new people are coming to the church this has not compensated for the lost givers. Ordinary offerings by the open plate fell by 7%.

Overall our income in 2018 fell by 3% but this was distorted by a legacy of £10,000 and £595 received from the funds of the Acoustic Youth Café when it was wound up. The legacy is the only one that the church has received since it was founded in 2000. If these two items are stripped out to allow a better comparison with 2017 then income fell by 19%.

It is worth noting that the surplus would have been significantly lower if the Church of Scotland had not reduced our Ministries and Mission Allocation (MMA) payment retrospectively by £6,000 during the year. This reduction has to go

towards local mission work. A designated fund was created in 2017 with a starter of £3,000 from a reduction in our MMA payment for that year. The fund now holds £9,000.

Expenses fell by 9%. This was entirely due to a year of relatively light expenditure on the manse, after a year of catching up on work that needed to be done to the property. Surprisingly there was no expenditure from the fabric fund on the church building. This is clearly unsustainable and light expenditure on the building is only deferring expenditure to later years.

### **Reserves Policy**

The reserves figure is a notional item that does not appear in the accounts. It reflects the amount of money we believe we should hold in the bank as a precaution. Our policy is to hold reserves of £18,000, which currently represents approximately four months expenditure. We believe that our small size, and reliance on relatively few members require us to have such a prudent level of reserves.

### **Statement of Trustees' Responsibilities**

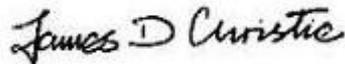
Charity law requires the trustees to prepare financial statements for each financial year which show a true and fair view of the state of affairs of the charity and its financial activities for that financial period. In preparing those financial statements, the trustees are required to:

- ◇ Select suitable accounting policies and then apply them consistently;
- ◇ Make judgements and estimates which are reasonable and prudent;
- ◇ State whether applicable accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements; 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 ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also 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**

James Christie, Treasurer



Date 20/03/2019

# Perth Riverside Church of Scotland

SC 011113

## Independent Examiner's Report to the Trustees of Perth Riverside Church of Scotland

I report on the accounts of the charity for the year ended 31st December 2018 which are set out on pages 6-11.

### ***Respective responsibilities of trustees and examiner***

The Charity Trustees are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustees 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 statement***

My examination is carried out in accordance with regulation 11 of the Charities Accounts (Scotland) Regulations 2006 (as amended). 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 Regulation, and
  - ◇ to prepare accounts which accord with the accounting records and comply with regulations 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.



Date 20/03/2019

Steven Goodacre  
16 Woollcombe Square  
Scone  
Perth  
PH2 6PN

## Perth Riverside Church Receipts & Payments Account, year to 31<sup>st</sup> December 2018

		Unrestricted Funds 2018 £	Restricted Funds 2018 £	Endowment Funds 2018 £	Total 2018 £	Total 2017 £
<b>Receipts</b>	<b>Note</b>					
Donations	3	£44,272.66	£594.65		£44,867.31	£50,907
Activities for Generating Funds						
Rental of premises	£10,059.00					
Other activities for gen funds						
Café	£79.46					
		£10,138.46			£10,138.46	£15,988
Legacies		£10,000.00			£10,000.00	
Bank & Deposit interest						
		<u>£64,411.12</u>	<u>£594.65</u>		<u>£65,005.77</u>	<u>£66,895</u>
Sale of assets						
Sale of investments						
Grants						
Receipts from General Trustees						
Other Receipts						
<b>Total Receipts</b>		<u>£64,411.12</u>	<u>£594.65</u>		<u>£65,005.77</u>	<u>£66,895</u>
<b>Payments</b>	<b>4</b>					
Costs of generating funds		£434.80			£434.80	£553
Charitable activities		£56,032.84	£87.90		£56,120.74	£61,712
Governance costs						
<b>Total Payments</b>		<u>£56,467.64</u>	<u>£87.90</u>		<u>£56,555.54</u>	<u>£62,265</u>
<b>Excess of Receipts over Payments for the year before transfers</b>		<u>£7,943.48</u>	<u>£506.75</u>		<u>£8,450.23</u>	<u>£4,630</u>
Transfers		-£87.90	£87.90		-£0.00	
<b>Excess of Receipts over Payments for the year</b>		<u>£7,855.58</u>	<u>£594.65</u>		<u>£8,450.23</u>	<u>£4,630</u>

## Perth Riverside Church Statement of Balances at 31<sup>st</sup> December 2018

	Bank Balances 2018	Unrestricted Funds 2018 £	Restricted Funds 2018 £	Endowment Funds 2018 £	Total 2018 £	Total 2017 £
<b>Bank &amp; Deposit Balances</b>						
Bank & deposit balances b/f	£61,716.99	£56,368.23	£11,132.55		£67,500.78	£62,870.66
+/- net expenses/income not cleared b/f	£5,783.79					
<b>Movement in year:</b>						
Excess of Receipts over Payments for the year	£8,450.23	£7,855.58	£594.65		£8,450.23	£4,630.12
+/- net expenses/income not cleared c/f	-£14,707.82					
Bank & deposit balances c/f	<u>£61,243.19</u>	<u>£64,223.81</u>	<u>£11,727.20</u>		<u>£75,951.01</u>	<u>£67,500.78</u>
Discrepancy						
<b>Investments at market value</b>						
(cost £ xxxxxx)						
<b>Assets</b>						
Gift Aid Receivable		£9,019.79			£9,019.79	£247.25
Income invoiced but not received/cleared		£1,672.34			£1,672.34	£2,836.99
		<u>£10,692.12</u>			<u>£10,692.12</u>	<u>£3,084.24</u>
<b>Liabilities</b>						
Expenses incurred but not paid/deared		£4,015.70			£4,015.70	£2,699.55
Cost of repair not yet billed						
		<u>£14,707.82</u>			<u>£14,707.82</u>	<u>£5,783.79</u>

NB in the above statement the "Bank Balances" figures are taken from bank statements. The funds figures and the total for the year are the balances in our accounts. The two sets of figures are reconciled by the net expenses/income that was not cleared at the start and end of the year. If the reconciliations match then the discrepancy figure is zero.

In preparing these financial statements:

- the Trustees are of the opinion that the charity is entitled to the exemption from audit conferred by Regulation 10(1)(d) of the Charities Accounts (Scotland) Regulations 2006.
- the Trustees acknowledge their responsibilities for ensuring that the charity keeps accounting records and prepares financial statements in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

The accounts were approved by the Kirk Session on xx/03/2019.

For and on behalf of the Kirk Session.

Elder

Elder

# Perth Riverside Church

## Notes to the Accounts

### 1 *Trustee Remuneration and Related Party Transactions*

No trustee or person related to a trustee received any remuneration in the period from 1st January 2018 to 31st December 2018. The Community Worker, Keith Wellstood, is both a trustee and an employee of the Church of Scotland. However, his salary comes from central funds, rather than from Riverside.

David Rankin, our minister and therefore a trustee, was reimbursed for various authorised expenditure on behalf of the church totalling £238. In addition, David received £402 reimbursing him for expenditure relating to 2017 (and recorded in that year's accounts) but which has to be paid out in 2018. The church also paid £960 to the Church of Scotland to cover expenses incurred by David. Further, the church paid Council Tax of £3,102 for the manse.

The church reimbursed Keith Wellstood with £1,306 in authorised expenditure, and £165 in expenses incurred in his role as the Community Worker.

Iain McFadzean was reimbursed £60 and James Christie (Treasurer, but not currently acting as a trustee) £297, both for authorised expenditure.

The church does not operate an imprest system (petty cash) for expenses. Two signatories are required for issuing a cheque. When dealing with small expenses, or with tradesmen, it is therefore often simpler for people to pay and then reclaim the money from the church on production of an invoice.

No trustee or a person related to a trustee had any personal interest in any contract or transaction entered into by the charity during the year.

### 2 *Movement in Funds*

	Fund balances b/f	Income	Expenses	Transfers for period	Fund balances c/f
<b>Unrestricted Funds</b>					
General Fund	£41,410.86	£64,411.12	-£54,419.18	-£18,100.00	£33,302.80
Fabric Fund	£7,156.47				£7,156.47
Youth Work Fund	£2,302.75				£2,302.75
Mission Fund	£2,282.15		-£2,048.46	£2,012.10	£2,245.79
Children's Outings	£216.00				£216.00
Designated Donations					
Designated Mission Work (MMA reduction)	£3,000.00			£6,000.00	£9,000.00
Community Work (Helen's bequest)				£10,000.00	£10,000.00
<b>Total Unrestricted Funds</b>	<b>£56,368.23</b>	<b>£64,411.12</b>	<b>-£56,467.64</b>	<b>-£87.90</b>	<b>£64,223.81</b>
<b>Restricted Funds</b>					
Restricted Fund # 1 (youth work)	£11,132.55	£594.65			£11,727.20
Restricted Fund # 2 (P&KC Creative Community)			-£87.90	£87.90	
<b>Total Restricted Funds</b>	<b>£11,132.55</b>	<b>£594.65</b>	<b>-£87.90</b>	<b>£87.90</b>	<b>£11,727.20</b>
<b>Total</b>	<b>£67,500.78</b>	<b>£65,005.77</b>	<b>-£56,555.54</b>	<b>-£0.00</b>	<b>£75,951.01</b>

NB: there are no endowment funds.

#### **Purposes of Designated Funds**

The Fabric Fund was established for the maintenance of the church building. It was set up in 2011. Expenditure categorised as "Fabric repairs and maintenance" comes out of this fund. It does not cover the manse.

The Youth Work Fund was established to provide support for Riverside's mission work with local youth.

The Mission Fund exists to ensure that we have money set aside for our core purpose of sharing the good news of God's love. It was set up in 2011. Expenditure categorised as "Mission" or "Outreach" comes out of this fund.

The children's outings fund was set up in 2015 following a gift from the family of Matt McKean, a member who died in 2010. Matt's family wanted the money to be used for some form of children's outing. The trustees have full discretion over how this money will be used.

The Designated Donations fund was created to hold money that has been raised with the express intention of donating it to an external charity. The exact destination is at the discretion of the Kirk Session, so it cannot be a Restricted Fund. There were no such donations in 2018.

The fund, "Designated Mission Work (MMA reduction)" was set up because the reduction in our MMA payments is conditional on the money being used for approved mission work. We therefore keep this money separate from the main Mission Fund, which covers the day to day work of the church.

### Purposes of Restricted Funds

Restricted Fund #1 (youth work) holds the remainder of the money that was raised between 2004 and 2006 to pay the salary of a youth worker. She resigned before the end of her contract and a replacement was not appointed. The youth worker post was managed by Perth Riverside Church and Perth YMCA as a joint project, committed to Christian youth work in Riverside's parish. This money is assigned to a restricted fund because it can be spent only on projects that are approved by both Riverside and Perth YMCA. That is why it is held in a separate fund from the general Youth Work Fund, which can be spent at the discretion of the trustees.

Restricted Fund #2 (P&KC Creative Community) holds money that was granted by Perth & Kinross Council for the Muirton Community Nativity. The money that was not spent had to be returned, and so a balancing expense item was inserted into the accounts at the end of 2017 to reflect the money we would have to hand back or which would be used to settle any outstanding bills. As it transpired the outstanding bills amounted to £87.90 more than was left in the fund, requiring a transfer of that amount from the General Fund to clear the negative balance in the fund, which will be closed in 2019.

### 3 Analysis of Donations & Other Income

	Unrestricted funds 2018	Restricted funds 2018	Total 2018	2017
Gift Aid donations	£28,580		£28,580	£32,354
Tax recovered on Gift Aid donations	£7,145		£7,145	£8,089
Tax recovered through GASDS	£1,628		£1,628	£1,124
Ordinary offerings (open plate)	£4,889		£4,889	£5,271
Other offerings, donations, etc.	£2,031	£595	£2,626	£4,070
Legacies (general fund)	£10,000		£10,000	
	<u>£54,273</u>	<u>£595</u>	<u>£54,867</u>	<u>£50,907</u>
	Unrestricted funds 2018	Restricted funds 2018	Total 2018	
Café income (gross)	£79		£79	£1,988
Hall rental	£10,059		£10,059	£14,000
Other activities for generating funds				
	<u>£10,138</u>		<u>£10,138</u>	<u>£15,988</u>
Total income in this analysis			£65,006	£66,895
Total income in income sheet			£65,006	£66,895

#### 4 Analysis of Payments

	Unrestricted funds 2018	Restricted funds 2018	Total 2018	2017
event catering & expenses				£7
café expenses	£435		£435	£545
costs (misc) of gen funds				
<b>Costs of generating funds</b>	<b>£435</b>		<b>£435</b>	<b>£553</b>
<b>Charitable activities</b>				
alarms & security	£54		£54	
assets & equipment	£2,946		£2,946	£1,176
broadband (BT)	£748		£748	£206
CCLI licence	£494		£494	£470
children's outings				
cleaning materials	£357		£357	£374
donations & gifts	£255		£255	£803
donations (designated for 3rd parties)				£190
electric	£3,346		£3,346	£3,702
gardening	£920		£920	£420
gas	£5,783		£5,783	£4,622
insurance	£2,500		£2,500	£2,465
mansie expenses (ex CT/ins)	£1,133		£1,133	£9,105
mission & outreach	£2,048		£2,048	£2,049
MMA	£14,916		£14,916	£15,269
P&KC (mansie)	£3,102		£3,102	£2,991
phone	£500		£500	£471
Presbytery Assessment	£464		£464	£412
printing, stationery, postage, photocopy	£367		£367	£432
pulpit duties	£122		£122	£143
repairs (Fabric Fund)				£2,504
restricted fund #1 youth work				
restricted fund #2 P&KC Creative Communities		£88	£88	£1,500
staff expenses	£1,165		£1,165	£1,113
staff wages	£7,698		£7,698	£9,868
toilets servicing	£558		£558	£838
training	£1,846		£1,846	
MMA reduction fund (mission)				
wages for cleaner	£4,306		£4,306	£217
window cleaning	£405		£405	£315
youth work (designated fund)				£56
	<b>£56,468</b>	<b>£88</b>	<b>£56,556</b>	<b>£62,265</b>
<b>Governance costs</b>				
<b>Other payments</b>				

## **5 *Minister's Stipend***

All Church of Scotland congregations contribute towards the National Stipend Fund, which bears the costs of all ministers' stipends and employer's contributions for National Insurance, pensions and the Housing and Loan Fund. Ministers' stipends are paid in accordance with the National Stipend Scale, which is related to the years of service. For 2016 the minimum stipend was £26,380 and the maximum stipend (in the 5<sup>th</sup> and subsequent years) £32,419. However, the Church of Scotland does not communicate changes to these figures to church treasurers for the annual reports, so they have not been updated.

## **6 *Collections for Third Parties***

None.