

Inshes Church of Scotland, Inverness

Year ended 31 December 2021

ACCRUED (SORP COMPLIANT) ACCOUNTS

Congregation No: 372150

Charity No: SC005553

Inshes Church of Scotland, Inverness

Trustees' Annual Report

Year ended 31 December 2021

The trustees present the annual report and accounts for the Inshes Church, Inverness for the year ended 31 December 2021.

Reference and Administrative Information

Charity Name: Inshes Church of Scotland, Inverness

Charity Registration Number: SC005553

Congregation Reference No: 372150

Contact Address: 1 Hill Park
Inverness
IV2 4AL

Trustees

Members of the Kirk Session and Congregational Board: David Scott, Ian Brough, Harry Chambers, Hendry Robertson, Gavin MacKenzie, John Macleod (died 17 March 2021), Norman MacKay, Peter Shaw, Alan Buist, Farquhar Forbes, Jonathan Appleby.

Member of the Congregational Board in addition to the above: Kate Nelson, Linda Sim, Aileen Fordyce, Marilyn Davidson, Doris MacKintosh, Jan Bell, Ian Rudd.

Principal Office-bearers

Minister: David Scott
Associate Minister: Farquhar Forbes
Session Clerk: Norman MacKay
Clerk to the Board: Doris MacKintosh
Church Treasurer: Gavin MacKenzie

Independent Examiner

Dugald MacPherson
34 Ballifeary Road, Inverness, IV3 5PF

Bankers

Royal Bank of Scotland,
29 Harbour Road, Inverness

Trustees' Annual Report - Inshes Church of Scotland, Inverness - SC005553

Year ended 31 December 2021

Structure, Governance and Management

Governing Document

The Church is administered in accordance with the terms of the Deed of Constitution.

Recruitment and Appointment of Trustees

Members of the Kirk Session and the Congregational Board 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 skills. The minister, who is a member of the Kirk Session, is elected by the congregation and inducted by Presbytery. The Congregational Board is appointed from within the congregation and members of the congregation are invited to nominate individuals who are believed to have the skills and commitment to contribute to the management affairs of the Church, to become members of the Board. Board Members are then appointed at the Stated Annual Meeting and serve for a period of three years after which they must seek re-election at the next Stated Annual Meeting.

Organisational Structure

The Congregational Board is chaired by the minister and meets six times in a year. The Kirk Session which meets six times a year is responsible for spiritual affairs within the church.

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.

Inshes Church is a congregation of the Church of Scotland with pastoral responsibility for the community of its parish. It aims to preach the message of the Christian gospel so that individuals may come to faith, be encouraged and nurtured in that faith and find purpose and direction through God's call upon their lives. The regular meetings for worship are on Sunday mornings and evenings with mid week meetings for Bible study and prayer.

The Church also works with primary and pre-primary school-age children through its Truth Trackers programme, and with S 1-6 through "IT" (Inshes Time) on Sundays. An open Mother-and Toddler group meets weekly. Special outreach, Christian Education and family support events and programmes are run when appropriate.

The Church offers the use of the buildings to all community groups involved in care and support work and this facility is much used. The ministers provide chaplaincy services to the three local primary schools and the secondary school for the catchment area, and work continues to build relationships with those schools.

Trustees' Annual Report (cont)

Year ended 31 December 2021

Achievements and Performance

Disruption to our regular activities caused by the Covid-19 pandemic and restrictions continued through much of the year but we were able to move from online services to Sunday morning gatherings in the church building from the end of March. As restrictions have eased physical attendance has increased and we plan to resume Sunday evening gatherings in the new year as well as monthly gatherings at Milton of Leys Primary School with a view to continuing and developing our work and witness there.

In October we welcomed a pastor from Zimbabwe, a candidate for admission to the Church of Scotland ministry, on a year-long placement.

The review of the Action Plan agreed with Presbytery in 2016 was postponed as a result of the pandemic but is now scheduled to progress in the forthcoming year.

Financial Review

The principal income for the year was from weekly offerings which increased by 7.6% on the previous year. There was no significant change in the number of Gift Aid Donors.

Reserves Policy

It is the Trustees' policy to hold reserves of six months expenditure. At the year end the Church held unrestricted funds of £296,205. This balance represents about eighteen months' expenditure and while this is higher than would normally be expected the Trustees are aware of the need for developing the activities of the congregation and may use the additional reserves for this purpose.

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 judgments and estimates that 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 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 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,

N MacKay - Session Clerk

Date: 12 March 2022

Inshes Church of Scotland, Inverness

SC005553

Report of the Independent Examiner to the Trustees of Inshes Church, Inverness

I report on the accounts of the charity for the year ended 31 December 2021 which are set out on pages 6 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.

Basis of independent examiner's statement

An 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 Regulations (as amended), and
 - to prepare accounts which accord with the accounting records and comply with Regulation 8 of the 2006 Accounts Regulations (as amended) 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.

Dugald MacPherson
34 Ballifeary Road, Inverness, IV3 5PF

Professional Qualification/Professional Body: ICAS

Date: 12 March 2022

Inshes Church of Scotland, Inverness**Statement of Financial Activities****Year ended 31 December 2021**

		Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total 2021 £	Unrestricted Funds 2020.00 £	Restricted Funds 2020.00 £	Total 2020.00 £
<u>Income and endowments from:</u>	Note						
Donations and Legacies	1	248,971	17,379	266,350	219,460	18,858	238,318
Charitable activities	2	740	0	740	374	0	374
Investments	3	3,789	0	3,789	4,258	0	4,258
<u>Total Income</u>		253,500	17,379	270,879	224,092	18,858	242,950
<u>Expenditure on:</u>							
Charitable activities	4	184,072	17,379	201,451	200,062	18,858	218,920
<u>Total Expenditure</u>		184,072	17,379	201,451	200,062	18,858	218,920
Net income/(expenditure) before gains and losses on investments		69,428	0	69,428	24,030	0	24,030
Net gains/(losses) on investments		10,014	0	10,014	-2,602	0	-2,602
Net income/(expenditure)		79,442	0	79,442	21,428	0	21,428
Transfers between Funds		0	0	0	0	0	0
Net movement in funds		79,442	0	79,442	21,428	0	21,428
Reconciliation of funds:							
Total funds brought forward		216,763	0	216,763	195,335	0	195,335
<u>Total funds carried forward</u>		<u>296,205</u>	<u>0</u>	<u>296,205</u>	<u>216,763</u>	<u>0</u>	<u>216,763</u>

Inshes Church of Scotland, Inverness

Balance Sheet

At 31 December 2021

	Note	Total 2021 £	Total 2020 £
Fixed Assets:			
Tangible assets	6	1	1
Investments	7	146,921	136,907
Total Fixed Assets		<u>146,922</u>	<u>136,908</u>
Current Assets			
Debtors and Prepayments	8	64,314	38,286
Cash at Bank and in Hand		86,373	41,569
Total Current Assets		<u>150,687</u>	<u>79,855</u>
Liabilities			
Creditors falling due within one year (monies due to third parties)		<u>1,404</u>	<u>0</u>
Net Current Assets		<u>296,205</u>	<u>216,763</u>
Creditors falling due after more than one year		<u>0</u>	<u>0</u>
Net Assets		<u>296,205</u>	<u>216,763</u>
The funds of the charity:			
Restricted income funds	11	0	0
Unrestricted income funds	11	296,205	216,763
Total charity funds	11	<u>296,205</u>	<u>216,763</u>

Session Clerk

Treasurer

Inshes Church of Scotland, Inverness

Year ended 31 December 2021

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.

Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS102) effective from 1 January 2019 and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), the Charities and Trustee Investment (Scotland) Act 2005 and the Charities accounts (Scotland) Regulations 2006 (as amended).

Fund accounting

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.

Endowment funds are funds which have been given on the condition that the original capital sum is not reduced, but the income there from is used for the purpose defined in accordance with the objects of the charity.

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 trustees' discretion to apply the fund.

Going concern

The Trustees consider that there are no material uncertainties about the ability of the charitable company to continue for the foreseeable future, and therefore has adopted the going concern basis in preparing these financial statements.

Recognition of income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Donated services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS102) the general volunteer time of congregation members is not recognised.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised as expenditure in the period of receipt.

Inshes Church of Scotland, Inverness

Year ended 31 December 2021

Accounting Policies (continued)

Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

Recognition and allocation of expenditure

Expenditure is included in the Statement of Financial Activities on an accruals basis and is recognised when there is a legal or constructive obligation to pay for expenditure.

Fixed Assets

The charity has the right to occupy and use for its charitable objects certain tangible fixed assets, including the Church, halls and manse, 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 costing in excess of £3,000 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:

Fixtures, fittings and office equipment - 5 Years

Motor vehicles - 7 Years

Investments

Fixed asset investments are stated at market value at the balance sheet date. Unrealised gains and losses represent the difference between the market value at the beginning and end of the financial year or, if purchased in the year, the difference between cost and market value at the end of the year. Realised gains and losses represent the difference between the proceeds on disposal and the market value at the start of the year or cost if purchased in the year.

Taxation

Inshes Church of Scotland, Inverness 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.

Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held at with the Investors Trust.

Debtors

Trade and other debtors are recognised at the settlement amount due after any discount offered. Prepayments are valued at the amount prepaid net of any discounts due.

Creditors

Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

Inshes Church of Scotland, Inverness**Notes forming part of the financial statements**

	Unrestricted Funds 2021 £	Restricted Funds (MOL) 2021 £	Total 2021 £	Unrestricted Funds 2020 £	Restricted Funds (MOL) 2020 £	Total 2020 £
1. Donations and Legacies						
Offerings	168,632	14,205	182,837	154,492	15,505	169,997
Tax recoverable on Gift Aid	33,490	3,174	36,664	33,267	3,353	36,620
Legacies	41,480	0	41,480	7,500	0	7,500
Value of donated goods	0	0	0	0	0	0
Other	5,369	0	5,369	24,201	0	24,201
err	<u>248,971</u>	<u>17,379</u>	<u>266,350</u>	<u>219,460</u>	<u>18,858</u>	<u>238,318</u>
2. Income from charitable activities						
Weddings and Funerals	740	0	740	374	0	374
	<u>740</u>	<u>0</u>	<u>740</u>	<u>374</u>	<u>0</u>	<u>374</u>
3. Investment Income						
Dividends received	3,757	0	3,757	4,006	0	4,006
Deposit interest	32	0	32	252		252
	<u>3,789</u>	<u>0</u>	<u>3,789</u>	<u>4,258</u>	<u>0</u>	<u>4,258</u>

Inshes Church of Scotland, Inverness
Notes forming part of the financial statements

	Unrestricted Funds 2021 £	Restricted Funds (MOL) 2021 £	Total 2021 £	Unrestricted Funds 2020 £	Restricted Funds (MOL) 2020 £	Total 2020 £
4. Analysis of Expenditure						
<u>Charitable activities</u>						
Ministries & Mission allocation	92,695	0	92,695	104,776	0	104,776
less: Endowment Income	(676)	0	(676)	(1,154)	0	(1,154)
Presbytery dues	(841)	0	(841)	2,498	0	2,498
Minister's expenses	1,622	0	1,622	1,296	0	1,296
Pulpit supply	0	0	0	180	0	180
Other salary costs	40,325	17,379	57,704	45,482	16,138	61,620
Contract Cleaning	2,109	0	2,109	1,209	0	1,209
Fabric repairs & maintenance	10,212	0	10,212	6,274	0	6,274
Council Tax	3,371	0	3,371	3,876	0	3,876
Other Building Costs - Heat and light	7,637	0	7,637	7,083	0	7,083
Insurance	2,233	0	2,233	2,186	0	2,186
Water Charges	396	0	396	1,881	0	1,881
Telephone	1,165	0	1,165	1,213	0	1,213
Printing, stationery, adverts & postage	786	0	786	555	200	755
Youth & Senior Citizens' events	1,193	0	1,193	1,484	0	1,484
Architect Fees	0	0	0	0	2,520	2,520
Audio Visual Equipment	2,042	0	2,042	2,359	0	2,359
Donations to Christian Organisations	13,100	0	13,100	13,100	0	13,100
Other expenses	6,703	0	6,703	5,764	0	5,764
	184,072	17,379	201,451	200,062	18,858	218,920
	184,072	17,379	201,451	200,062	18,858	218,920

Support costs have not been separately identified as the trustees consider there is only one charitable activity. Therefore support costs relate wholly to that activity and have not been separately identified.

Inshes Church of Scotland, Inverness

Notes forming part of the financial statements

	2021	2020
	£	£
5. Staff costs and numbers		
Salaries and wages	56,989	60,081
Social security costs	715	1,539
	<u>57,704</u>	<u>61,620</u>

The average number of employees during the year was as follows:

	2021	2020
	Number	Number
Ministerial support	1	1
Administration	2	2
	<u>3</u>	<u>3</u>

No employee had employee benefits in excess of £50,000 (2020 nil)

All Church of Scotland congregations contribute to the National Stipend Fund which bears the costs of all ministers' stipends and employer's contributions for national insurance, pension and housing and loan fund. Ministers' 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 £28,700 and the maximum stipend (in the fifth and subsequent years) £35,269.

5. Trustee Remuneration and Related Party Transactions

During the year, two trustees received reimbursement of expenses incurred totalling £1,622. The manse council tax of £3,371 and telephone bills were paid on behalf of the Minister. Farquhar Forbes, Doris MacKintosh and Kathleen Nelson who were members of the Congregational Board received £28,431, £19,024 and £882 respectively for providing services during their periods of office.

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.

During the year a total of £38,590 was donated to the congregation by trustees

Inshes Church of Scotland, Inverness

Notes forming part of the financial statements

6. Tangible Fixed Assets

	Office Equipment	Total
Cost £		
At 31 January 2021 and 31 Dec 2021	1	1
Accumulated Depreciation £		
At 31 January 2021 and 31 Dec 2021	0	0
Net Book Value £		
At 31 January 2021 and 31 Dec 2021	<u>1</u>	<u>1</u>

7. Investments

	2021 £
Market value at 31 December 2020	136,907
Unrealised gain / (loss) on investments	<u>10,014</u>
Market value at 31 December 2021	<u>146,921</u>
Investments at cost	<u>78,066</u>

The following investments are held:

Church of Scotland Investors Trust Income Fund	16,283 units
Church of Scotland Investors Trust Growth Fund	3,892 units

8. Debtors and Prepayments

	2021 £	2020 £
Gift Aid Tax Refund Due	64,314	29,651
Prepaid National Stipend Fund for 2021	0	8,635
	<u>64,314</u>	<u>38,286</u>

Inshes Church of Scotland, Inverness

Notes forming part of the financial statements

9. Analysis of Net Assets Among Funds

	General	Restricted	Total
Fixed Assets	1	0	1
Investments	146,921	0	146,921
Current Assets	150,687	0	150,687
Current Liabilities	(1,404)	0	(1,404)
Net assets at 31 Dec 2021	296,205	0	296,205

	General	Restricted	Total
Fixed Assets	1	0	1
Investments	136,907	0	136,907
Current Assets	79,855	0	79,855
Current Liabilities	0	0	0
Net assets at 31 Dec 2020	216,763	0	216,763

10. Volunteers

In common with all congregations of the Church of Scotland the congregation benefits from the contribution made by volunteers who give their time and talents willingly for the benefit of the Church. The areas of congregational life which rely on the contribution of volunteers are many and varied and much of the activity would be unable to continue were it not for the commitment shown.

Inshes Church of Scotland, Inverness

Notes forming part of the financial statements

11. Movements in Funds

	At 1 January 2021	Income	Expenditure	Net gains/(losses) on investments	At 31 December 2021
Restricted funds					
MOL Fund	0	17,379	17,379	0	0
Unrestricted funds					
General Fund	216,763	253,500	184,072	10,014	296,205
	<u>216,763</u>	<u>270,879</u>	<u>201,451</u>	<u>10,014</u>	<u>296,205</u>

	At 1 January 2020	Income	Expenditure	Net gains/(losses) on investments	At 31 December 2020
Restricted funds					
MOL Fund	0	18,858	18,858	0	0
Unrestricted funds					
General Fund	195,335	224,092	200,062	(2,602)	216,763
	<u>195,335</u>	<u>242,950</u>	<u>218,920</u>	<u>(2,602)</u>	<u>216,763</u>

Purposes of Restricted Funds

The Milton of Leys Project (MOL) fund, and is for outreach and work in the Milton of Leys area of our parish.

12. Collections for Third Parties

There were no collections for Third Parties during the year (2020 - nil)