

Charity Number - SC 043105

Scotland's Churches Trust
Report and Financial Statements
For the year ended 31 March 2020

Scotland's Churches Trust

Charity Information

Patron

HRH The Princess Royal

Hon President

Robin Blair CVO

Vice Presidents

Lord Wilson of Tillyorn

The Rt Rev John Armes

Sir William Reid KCB, FRSE

Lady Gill

Sir Boyd Tunnock CBE

Trustees

Col Jamie Erskine (Chairman)

Prof Andrew Calder

Mr Liam Devlin

Dr Brian Fraser

Mr Jim Gibson

The Very Rev Sheilagh Kesting

Dr Joseph Morrow KStJ, QC

Very Rev Prof Iain Torrance Kt, TD, FRSE

Bishop Stephen Robson

From

May 2014

May 2016

May 2014

May 2014

May 2016

May 2015

Sep 2016

May 2017

May 2020

To

May 2022

May 2020

May 2022

May 2022

May 2020

May 2020

May 2021

May 2021

May 2024

Staff

Mr Stuart Beattie (Director)

Mr Graeme Green (Admin Assistant)

Address

15 North Bank Street

Edinburgh EH1 2LP

Charity Number

SC043105

Bankers

Bank of Scotland

PO Box 1000

BX2 1LB

Investment Managers

Rathbones Investment Management

George House

50 George Square

Glasgow G2 1EH

Independent Examiner

Alexander J Fyfe MAAT, CA, DChA

Morris and Young

Chartered Accountants and Independent Examiners

6 Atholl Crescent

Perth PH1 5JN

Scotland's Churches Trust

Report of the Trustees for the year ended 31 March 2020

Charitable Objectives

SCT's aims are to advance the preservation, promotion and understanding of Scotland's rich architectural heritage represented in its churches and places of worship of all denominations. Its purposes are:

- to advance heritage and religion by the preservation and upkeep of churches and other places of worship including churchyards,
- to encourage churches and other places of worship to open to welcome visitors, tourists and pilgrims,
- to advance education and promote understanding of the public about the history, art, architecture and traditions of churches and other places of worship and their position as a focal point in the community,
- to provide grants or donations to other charitable or religious individuals, bodies or organisations with aims or objects analogous to the aforementioned purposes, or, more generally, with the common purpose of maintaining churches and other places of worship.

Principal Activities

SCT's principal activities are:

- Promoting heritage and tourism,
- Giving of grants.

Achievements and Performance

We are delighted and honoured that HRH The Princess Royal is SCT's patron. We are grateful for her continuing support and encouragement.

Pilgrim Journeys

SCT is a leader in the field of religious tourism, raising awareness of churches throughout Scotland and in particular along recognised Pilgrim Journey routes. There are now 14 routes providing cover throughout Scotland. Key to the success of Pilgrim Journeys is the maintenance of church buildings, which in turn can lead to increasing visitor numbers and so improve the sustainability of these culturally and historically important buildings.

Promotion of ecclesiastical heritage

SCT's core work is that of assisting and advising member churches in the opening up and promotion of their church buildings and publicising the knowledge of Scotland's fine ecclesiastical heritage. Being Scotland's major source of advice for church maintenance is an essential part of the story of church building sustainability. SCT provides a wide range of advice material as well as a series of 'how to' booklets on different aspects of looking after church fabric. We also have a wide and important network of Local Representatives, who can be approached for advice and assistance.

Fabric Repair Grants

The Grants Committee approved grants totalling £83,000, details of which are shown in Note 20 of the accounts. Grants amounting to £19,500 were withdrawn or repaid in the year. Grants are awarded to churches across the denominational spectrum and cover the entire country. The majority of the grants were for external repairs, but grants for internal works are approved if suitable. The grants committee encourages applications, and information on how to apply is found on the SCT website. Applications are approved following discussion by a panel of volunteer experts in the field of conservation, building surveying and architecture.

In the case of those seeking grants for kitchens, toilets and work to improve access to buildings, SCT recommends that applicants approach other grant giving bodies should their projects fit the necessary criteria of the alternative funders.

Scotland's Churches Trust

Report of the Trustees for the year ended 31 March 2020

The largest elements of expenditure are those of grants payable to churches for repairs, and administrative costs. In the short term, the Trustees intend to maintain the level of grants paid at a level similar to that maintained by SCAHT, but recognise that this is dependent on overall funding. Net grants awarded to churches were £63,500.

No transfer is required from unrestricted funds to restricted funds. The overall deficit for the year is £54,881 (2019: deficit £17,511).

Reserves Policy

The charity's reserves largely represent funds inherited from predecessor organisations, and it is the policy of the charity to maintain unrestricted reserves at a level which equates to no less than one year's income. It is considered prudent to keep this level in order to provide an acceptable level of investment income, to allow for possible difficulties with funding or to provide finance for special projects. SCT's unrestricted reserves amount to £514,155 as at 31 March 2020 (2019: £601,805), which the Trustees regard as adequate. Restricted reserves amount to £59,595 (2019: £26,826).

Investment Policy

In accordance with the Constitution the Trustees have the power to invest in such stocks and shares, investments and property as they see fit, upon the advice of a reputable stockbroker. The policy is to ensure a balanced level of income and capital growth consistent with security of capital and accessibility of funds. Money which is surplus to immediate requirements is invested in bank deposits or the stock market as required. Ethical considerations are applied to the recommendations made by the stockbroker.

Ethical Investment Statement

The Trustees recognise that an appropriate balance has to be struck between the competing objectives of achieving an acceptable financial return, implementing sound ethical investment principles and the cost of applying an appropriate ethical investment policy.

Having considered these issues and bearing in mind the size of the Trust's investment portfolio, the Trustees believe that it is appropriate for the Trust to operate on the following basis:

1. No direct investment may be undertaken into companies whose primary activity (by which is meant over 25% of turnover) is gambling or includes the manufacture of arms, alcohol or tobacco.
2. The Trustees consider that it is not practical for them to avoid indirect investment within collective funds into these areas without compromising too far on both the costs of professional investment management and the requirement to achieve a satisfactory financial return.

Grant Making Policy

SCT makes grants to churches from its general funds. The beneficiaries are involved in activities consistent with the objectives of the Trust.

Funds in deficit

There were no funds in deficit at the year end.

Plans for Future Periods

The effect of the COVID-19 pandemic is bound to be significant for all businesses and charities, reducing income and causing major changes in their ways of working. The immediate priority of the Trustees will be to keep in close touch with our supporters and funders to ensure that the "mission critical" aspects of our operations are maintained.

Beyond that, the key objective for the coming year is to continue to pursue additional fundraising opportunities and to keep control of costs in order to achieve a breakeven position. The future holds many challenges at a time of economic uncertainty, but the Trustees believe that there are opportunities to be taken to develop the work of SCT and will seek to use the membership of over 1,200 churches to widen

Scotland's Churches Trust

Independent Examiner's Report to the Trustees of Scotland's Churches Trust

I report on the financial statements of Scotland's Churches Trust for the year ended 31 March 2020 which are set out on pages 8 to 17.

This report is made to the trustees as a body, in accordance with the terms of my engagement. My work has been undertaken to enable me to report my opinion as set out below and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Charity and the trustees, as a body, for my work or for this report.

Respective Responsibilities of Trustees and Independent 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 (the Act) and the Charities Accounts (Scotland) Regulations 2006 (as amended) (the Regulations). The charity trustees consider that the audit requirement of Regulation 10 (1) (a) to (c) of the Accounts Regulations does not apply. It is my responsibility to examine the accounts as required under section 44 (1) (c) of the Act and to state whether particular matters have come to my attention.

Basis of Independent Examiner's Statement

My examination is carried out in accordance with Regulation 11 of the Regulations. An examination includes a review of the accounting records kept by the charity and a comparison of the financial statements presented with these records. It also includes consideration of any unusual items or disclosures in the financial statements 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 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 Act and Regulation 4 of the Regulations, and
 - to prepare financial statements which accord with the accounting records and comply with Regulation 8 of the 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 financial statements to be reached.



Alexander J Fyfe MAAT, CA, DChA
Morris and Young
Chartered Accountants and Independent Examiners
6 Atholl Crescent
Perth
PH1 5JN

30 September 2020

Scotland's Churches Trust

Balance Sheet

As at 31 March 2020

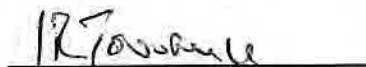
| | Note | 2020 £ | 2019 £ |
|---|------|----------------|-----------------|
| Fixed assets | | | |
| Investments | 13 | 508,170 | 674,595 |
| | | <u>508,170</u> | <u>674,595</u> |
| Current assets | | | |
| Debtors | 14 | - | 4,238 |
| Cash at bank and in hand | 15 | 134,529 | 21,880 |
| | | <u>134,529</u> | <u>26,118</u> |
| Creditors | | | |
| Amounts falling due within one year | 16 | 68,949 | 72,082 |
| Net current assets / (liabilities) | | <u>65,580</u> | <u>(45,964)</u> |
| Total net assets | | <u>573,750</u> | <u>628,631</u> |
| Represented by: | | | |
| Unrestricted funds | 19 | 514,155 | 601,805 |
| Restricted funds | 19 | 59,595 | 26,826 |
| Total charity funds | | <u>573,750</u> | <u>628,631</u> |

These financial statements were approved by the Trustees on 24 September 2020.

Signed on behalf of the Trustees



Jamie Erskine, Chairman



Very Rev Prof Iain Torrance,
Finance Committee member

Fixed Asset Investments

Investments are initially recognised at their transaction value and subsequently measured at their market value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

The Trust does not acquire or use put options, derivatives or other complex financial instruments.

Realised gains and losses

All gains and losses are taken to the statement of financial activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities and allocated between restricted and unrestricted funds in proportion to the capital held.

Tangible Fixed Assets and Depreciation

In the case of material expenditure (over £5,000) on office equipment, depreciation is provided at 20% on the straight line basis in order to write off each asset over its estimated useful life. Otherwise equipment is written off in the year of purchase.

Computer equipment is written off in the year of purchase.

Irrecoverable VAT

The Trust is not registered for VAT and accordingly expenditure includes VAT where appropriate.

Financial instruments

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

Funds structure

For the purpose of the Statement of Financial Activities as shown on page 8, funds are defined as follows:-

- Unrestricted funds comprise gifts and other income received for the objects of the Trust without further specified purpose, and are available as general funds.
- Restricted funds comprise gifts and other income received for spending on specified purposes as laid down by the donors.

2. Explanation of funds

The various funds are held for the following purposes:-

Unrestricted funds

To support the work of the Trust.

Designated funds

To be used at Trustees' discretion to support particular projects or activities.

Restricted funds

To retain those assets which are restricted in nature.

Scotland's Churches Trust

Notes to the Financial Statements (continued) for the year ended 31 March 2020

7. INVESTMENTS

| | £ 2020 | £ 2019 |
|---|------------------|---------------|
| Dividends - equities | 22,466 | 21,327 |
| Interest - fixed interest securities | 1,378 | 2,262 |
| 2020 Unrestricted £23,379; Restricted £465 | <u>23,844</u> | <u>23,589</u> |
| 2019 Unrestricted £23,131; Restricted £458 | | <u>23,589</u> |
| | £ 2020 | £ 2019 |
| Realised (losses) / gains | (6,390) | 9,450 |
| Unrealised (losses) / gains | (98,716) | 9,780 |
| 2020 Unrestricted (£103,178); Restricted (£1,928) | <u>(105,106)</u> | <u>19,230</u> |
| 2019 Unrestricted £18,877; Restricted £353 | | <u>19,230</u> |

8. DIRECT COSTS

| | £ Unrest'd | £ Restricted | £ Total 2020 | £ Total 2019 |
|--|---------------|-----------------|--------------------|--------------------|
| Staff costs (Consultancy and salaries, excl fundraising) | 41,931 | 4,051 | 45,982 | 54,869 |
| Allocated to | | | | |
| Charitable Activities - Heritage and tourism | 22,991 | | | |
| Charitable Activities - Grant giving | 22,991 | | | |
| Project costs - Planned maintenance / Church Recording | - | 2,199 | 2,199 | - |
| Grants for church repairs (see Note 9) | - | 63,500 | 63,500 | 64,983 |
| Organ grants | 920 | 6,268 | 7,188 | 1,650 |
| Advertising and PR | 3,587 | - | 3,587 | 3,987 |
| Website costs | 2,165 | - | 2,165 | 4,583 |
| Office Rent | 8,468 | - | 8,468 | 8,096 |
| Premises insurance | 941 | - | 941 | 939 |
| Printing, postage, stationery and publications | 6,783 | - | 6,783 | 4,575 |
| Telephone and internet | 1,829 | - | 1,829 | 1,054 |
| Computer costs and office equipment | 752 | - | 752 | 1,963 |
| Office sundry expenses | 1,605 | - | 1,605 | 1,858 |
| Professional fees | 2,481 | - | 2,481 | 2,400 |
| Membership fees | 785 | - | 785 | 425 |
| Bank charges | 140 | - | 140 | 131 |
| Independent examiner's fee | 700 | - | 700 | 750 |
| Trustee expenses | 712 | - | 712 | 756 |
| | <u>73,799</u> | <u>76,018</u> | <u>149,817</u> | <u>153,019</u> |
| 2019 | <u>83,238</u> | <u>69,781</u> | <u>153,019</u> | |

Included in the above figures are salary costs (including Employer's National Insurance and pension) of £3,255 (2019 - £17,493).

9. GRANTS FOR CHURCH REPAIRS

| | £ 2020 | £ 2019 |
|--|-----------------|-----------------|
| Grants payable at 1 April 2019 | 70,000 | 67,000 |
| Awarded in year (Note 20) | 83,000 | 65,983 |
| Withdrawn / repaid in year | (19,500) | (1,000) |
| Paid in year, less recovered | <u>(66,000)</u> | <u>(61,983)</u> |
| Grants payable as at 31 March 2020 (Note 16) | <u>67,500</u> | <u>70,000</u> |

Scotland's Churches Trust

Notes to the Financial Statements (continued) for the year ended 31 March 2020

| 14. DEBTORS | 2020 £ | 2019 £ |
|--|-----------|--------------|
| Recoverable from Historic Environment Scotland | - | 4,238 |
| | <u>-</u> | <u>4,238</u> |

All amounts are due within one year.

| 15. CASH AT BANK AND IN HAND | 2020 £ | 2019 £ |
|------------------------------|----------------|---------------|
| Bank current account | 123,147 | 20,550 |
| Stockbroker capital account | 6,962 | 818 |
| Stockbroker income account | 4,420 | 512 |
| | <u>134,529</u> | <u>21,880</u> |

| 16. CREDITORS | 2020 £ | 2019 £ |
|--|---------------|---------------|
| Amounts falling due within one year | | |
| Grants due for payment (Note 9) | 67,500 | 70,000 |
| Sundry creditors and accruals | 1,449 | 2,082 |
| | <u>68,949</u> | <u>72,082</u> |

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

| | Unrestricted funds £ | Restricted funds £ | Total £ |
|---|----------------------------|--------------------------|----------------|
| Balance at 31 March 2020 per Statement of Financial Activities | <u>514,155</u> | <u>59,595</u> | <u>573,750</u> |
| Represented by: | | | |
| Investments | 508,170 | - | 508,170 |
| Net current assets / (liabilities) | 5,985 | 59,595 | 65,580 |
| | <u>514,155</u> | <u>59,595</u> | <u>573,750</u> |

18. LEASE COMMITMENTS

The trust rents its property at North Bank Street, Edinburgh. The amount is £7,582 per annum and the lease is held on a year to year basis. The total future minimum lease payment is £7,582.

Scotland's Churches Trust

Notes to the Financial Statements (continued) for the year ended 31 March 2020

20. GRANTS FOR CHURCH REPAIRS

Grants were awarded to the following churches:

| | £ |
|---------------------------------|---------------|
| Forres, Dyke Church | 6,500 |
| Edinburgh, Granton | 3,000 |
| Fife, Largoward | 2,000 |
| Lochinver | 3,000 |
| Muckhart | 3,000 |
| Renfrew, Oakshaw Trinity | 2,000 |
| Eskadale, St Mary's | 4,000 |
| Tarbolton | 3,000 |
| Stirling, Viewfield Erskine | 3,500 |
| Carnoustie | 5,000 |
| Inverness, Crown Church | 2,000 |
| Kirkwall Baptist | 3,000 |
| Bannockburn | 3,000 |
| Kirriemuir | 5,000 |
| Kirkintilloch, St David's | 1,000 |
| Callendar, St Andrew's | 3,000 |
| Gretna, All Saints | 3,000 |
| Glasgow, Carntyne | 3,000 |
| Edinburgh, Christ Church | 3,000 |
| Kelso, Ednam | 3,000 |
| Aberdeen, St Machar's | 6,000 |
| Motherwell, Dalziel St Andrew's | 2,000 |
| Glasgow, Newlands South | 3,000 |
| Pitlochry Baptist | 3,000 |
| Hamilton, St John's | 3,000 |
| Aberfoyle, St Mary's | 2,000 |
| | <u>83,000</u> |