

The Church of Scotland Helensburgh Parish Church

TRUSTEES' ANNUAL REPORT AND ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER 2016



Congregation No: 181225

Scottish Charity No: SC 012053

Helensburgh Parish Church Trustees' Annual Report Year ended 31 December 2016

The trustees present the annual report and accounts for Helensburgh Parish Church for the year ended 31 December 2016.

The congregation of Helensburgh Parish Church was formed on 26 February 2015 by the union of the former congregations of St. Andrew's Kirk, Helensburgh (SC012053) and Park Church of Scotland, Helensburgh (SC007801). The property and assets of both congregations were brought together at the point of union into a single entity.

The terms of the Basis of Union approved by the congregations of St Andrew's Kirk, Park Church and Rhu & Shandon Parish Church in November 2014 provided that the previous linkage between St Andrew's Kirk and Rhu & Shandon would be replaced by a new linkage between Helensburgh Parish Church and Rhu & Shandon Parish Church. The charges were in vacancy at the time of the union. On appointment in December 2015, Rev David T. Young became minister of the linked charge. The two congregations remain independent, controlling their own property and funds but certain ministry related costs are shared between the linked congregations on an agreed basis.

The financial statements have been prepared in accordance with the accounting policies set later in this document and comply with the General Assembly Regulations for Congregational Finance, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (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 published on 16 July 2014.

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.

The Vision for our congregation is for an active, vibrant and outwardly caring spirit that offers a variety of initiatives to respond to the needs of the community. We want to make Helensburgh Parish Church the place to be for as many local people as possible, to find support and friendship, an activity to enjoy or just a place to be and talk. By so doing, we can give needed help and broaden the comfort of Christianity to those who would otherwise be insulated from it.

Worship is offered at least once on every Sunday of the year, in a variety of styles, traditional and informal. Helensburgh Parish Church also provides opportunities for fellowship and service through worship and related activities throughout the week, for example through the Church Choir, the Guild, Link Group, Meeting Place (weekday coffee room), house groups and study groups.

Wednesday worship followed by soup lunch started in May 2016. This proved popular with 20-30 attending and is now part of the regular weekly programme.

Activities for young people are provided through Young Church, shared Youth Fellowship, Boys' Brigade and Girls' Brigade. Monthly musical recitals (Sunday at Seven) of high quality for a variety of tastes continue to be an important cultural expression of the congregation. Concerts for charitable organisations are held regularly.

Helensburgh Parish Church participates and offers support to a range of local Christian initiatives such as the Contraflow Youth Worker, Healing Rooms, Christian Aid and children's holiday clubs. A Starter Pack scheme works with Argyll & Bute Council's Housing and Social Work Departments to provide essential goods free of charge to housing tenants in particular need. A Child Contact Centre, based in the Halls, receives support.

The demands of the gospel are regularly kept before the congregation and opportunities provided for spiritual development and service.

Through the Kirk Session's Christian Action Team financial and practical support is offered to a range of social needs both locally and abroad.

The church and ancillary buildings of Helensburgh Parish Church have been in regular use on a non-profitmaking basis by many local groups and organisations.

Helensburgh Parish Church

Trustees' Annual Report (contd)

Year ended 31 December 2016

Achievements and Performance

The major challenges facing the congregation in 2016 were to:

- continue to build the ministry team, following the induction of Rev David T. Young,
- continue the process of integrating the two congregations who were united in February 2015
- resolve financial issues relating to the new halls complex and establish controls to ensure that this asset is managed to produce income for the charity and benefit for the local community
- work with Lottery bodies to ensure that major repairs to the Sanctuary could be undertaken without unacceptable financial risk

Progress was made on all these fronts.

Ministry

The Dumbarton Presbytery Plan provides an allocation for the linked charges of a Minister and an Associate Minister. Work to recruit a colleague for David Young commenced early in 2016 but Associate Ministers have to make their own provision for accommodation and, with many churches in vacancy, it proved difficult to attract applicants. The congregation was fortunate to secure the services of Rev Tina Kemp, who knew Helensburgh well after a previous spell as an Auxiliary Minister in the town, and she served as a Locum from April 2016 before being appointed to the Ministry Team in May 2017.

Dumbarton Presbytery also provided some financial support for the appointment of a locally paid Parish Assistant. In October, Ben Thorp commenced a two year contract during which he will help to identify and deliver opportunities for taking the Church into areas where it is needed and has not been before, as well as assisting the Ministry Team with pastoral duties and worship.

Integration / Congregational Life

The Kirk Session's teams have worked to help integrate the congregation, seeking to encourage those who have lost their previous place of worship to stay within the Church family through initiatives including:

- the appointment of a volunteer pastoral coordinator to focus on visiting the housebound and sick
- the recording of services so that CDs may distributed to the housebound
- a revamp of the church magazine and website
- a programme of social events, such as lunches and barbecues

Regrettably, as is normal after a union, some members have moved elsewhere. At the year end, the congregational roll numbered 1,013.

The congregation has offered financial and practical support to charitable organisations such as Glasgow City Mission, Women's Aid Groups and MacMillan Cancer Support. The sale of Christmas cards produced by the Young Church raised £711 for Dumbarton London Corner School at Serrekunda in The Gambia.

Church extension / Hall Development project

The church extension was opened by the Very Rev John Chalmers on 6 February 2016 and this "Halls Open Day" attracted a lot of community interest. The new facilities are managed by a newly appointed Halls Coordinator, supported by a team of volunteers (Halls & Gardens Committee). An online halls booking system and a sales ledger were introduced to ensure that bookings, invoicing & cash collection are appropriately managed and controlled. The facilities are used by many local groups as well as by the congregation, with bookings going up each quarter.

The extreme delay in completing the project led to a dispute with the contractor who lodged claims which the congregation's Design Team (Architect & QS) considered largely unwarranted. After negotiation, a settlement was reached at a figure of £1,730,000 compared to the Tender price of £1,565,000. Whilst this cost overrun was extremely disappointing, the trustees took legal advice and weighed up the risks and costs of the adjudication process provided under contract before reaching their decision to pay some of the contractor's excessive demands. The shortfall was funded using part of the proceeds of recent property sales.

The new halls are not included as an asset in these accounts as their legal status reflects that of the church building to which they are attached. The entire Colquhoun Square facility is vested in the Church of Scotland General Trustees.

Sanctuary Repairs project

With the church extension completed, attention turned to the sanctuary where the need for significant repair had been highlighted by professional inspections (undertaken as a result of the recent unions). After discovering that Lottery funding might be available for repairs to Grade B Listed buildings, the congregation consulted the Heritage Lottery Fund ("HLF") about the scope of work that might attract grants.

Helensburgh Parish Church

Trustees' Annual Report (contd)

Year ended 31 December 2016

In the second half of 2016, a project was successfully carried out to repair/ conserve stonework & stained glass in the Sanctuary, and to rewire it. The opportunity was taken to install an Audio Visual system integrated with the halls. By contrast with the extension, this project was completed on time and under budget.

The cost of the works carried out was £319,000 (after eligible VAT recoveries). Lottery bodies and their partners (HLF, HS/HES) provided grants of £196,000, leaving the congregation to fund the remaining £123,000 from property sales. Interpretative materials about the history of the building have been provided using the A/V system, as a condition for grant funding, and these should enhance the experience for visitors.

Financial Review

Incoming Resources

	2016	2015
	£	£
Offerings (excluding Hall Development Project appeal)	172,063	169,754
Income Tax Recovered	36,947	37,018
Investment Income (including rent)	18,214	21,981
Other Incoming Resources (excluding HD Project)	13,198	9,963
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	240,422	238,716
Legacies	24,805	300,750
Hire of Premises	25,640	8,152
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	290,867	547,618
Hall Development Project - donations and grants	14,301	36,439
Fundraising for Hall Development Project	1,573	3,170
Sanctuary Repairs Project - Grants from HLF/HES	195,880	9,850
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Total Incoming Resources from charitable activities	502,621	597,077
Funds transferred from Consolidated Fabric Fund	216,957	-
Union of congregations - transfer of funds from Park Church	-	473,167
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Total Incoming Resources	<u>719,578</u>	<u>1,070,244</u>

When carrying out the financial review the usual practice is to compare the figures for the year under review with those for the previous year and comment on significant variances. An avalanche of exceptional items over the past two years complicates this exercise.

In the above table, the first subtotal figures for 2015 and 2016, excluding legacies, hall rentals, HD fundraising, Lottery grants, property sales and the union in February 2015 are nearly but not quite comparable, as the income of the former Park Church for the first 8 weeks of 2015 (£11,000) is not included for 2015.

It can be seen that 2016's ordinary income is lower than might have been expected if all those who were members of the former congregations at the time of the union had remained within the new congregation. Any loss of members is unfortunate but experience across the Church of Scotland (indeed previously in Helensburgh) indicates that it is also probably inevitable.

Offerings to unrestricted funds rose by 1%, entirely as a result of the union but the number of members using the Gift Aid scheme decreased from 287 to 270.

For five years, the fundraising efforts of St Andrew's Kirk, and subsequently Helensburgh Parish Church, have been directed towards the Hall Development project. The Financial Administration Committee took the view that it would not be practical to conduct a stewardship exercise, inviting members to increase their normal giving, at the same time as members were already being asked to help with the Halls appeal. They also believed that it was important to allow time for the new congregation to knit together and take stock of its financial position before looking to increase giving, especially at a time when the congregation had very significant reserves, owing to the sale of surplus buildings and the unexpected receipt of a huge legacy. With the Halls in use, the Halls appeal was closed in October 2016 and the issue of Stewardship will be revisited later in 2017.

Helensburgh Parish Church Trustees' Annual Report (contd) Year ended 31 December 2016

A final payment of £24,480 from the estate of the late Mr Samuel Murray, a former member of Park Church, was received in June 2016, taking the total bequest to £324,480. This money has been placed, temporarily, in a Legacy Fund. The legacy is unrestricted and, now that the church's major building projects are complete, the trustees will consider how the fund should be used.

The threefold increase in hall rental income reflects the increasing demand for the new halls, by comparison with 2015 when the Colquhoun Square site had no significant hall accommodation. As in 2015, only one of the two properties adjacent to Colquhoun Square site which are owned by the congregation was let during the year. The other property, a bungalow, continues to be used for storage but it is hoped that this will be made available for let during 2017.

As explained above, fundraising activity for the Hall Development project has now ceased. In 2015 income included grants of £20,000 from external trusts.

Grants of £94,000 were received from each of Heritage Lottery Fund and Historic Environment Scotland "HES" (formerly Historic Scotland) in relation to the delivery phase of a project to repair the Sanctuary, which is a Grade B Listed Building. The project included repairs to stonework (steeple) and leaded windows as well as rewiring. The balance of the 2016 grant receipts was the final installment of the development phase of this project.

The transfer from the Consolidated Fabric Fund ("CFF") represents the sale proceeds of the former Park Church, sold in January 2016 for £215,989, together with interest earned whilst this sum was on deposit. The proceeds were paid to the CFF managed by General Trustees, because the Park Church complex, whilst locally vested, was subject to an Assembly Control clause. Balances held within the CFF are available for use on approved property projects. Details of how the funds withdrawn from the CFF were used are provided in an Appendix to these accounts.

in 2015 the assets received at the time of the union with Park Church included the manse at 35 East Argyle St, vested in local trustees, which was chosen as the manse for the new congregation.

Resources Expended

	2016	2015
	£	£
Ministries & Mission Allocation	149,422	145,995
Ministers' Expenses	4,036	958
Cost of Locum & Vacancy Expenses	345	9,496
Other Salary Costs	33,983	26,575
Fabric Repairs & Maintenance	9,506	8,261
Extraordinary Fabric Repairs	5,404	13,873
Heating & Lighting	10,708	19,826
Water Charges & Insurance	9,008	12,751
Donations to Other Organisations	11,536	8,763
Other Buildings Costs	4,858	734
Other Expense categories < £5K (excluding Hall Development)	31,929	28,649
Subtotal, excluding project costs	270,735	275,881
Church Extension (Hall Development) - Construction Costs & Prof. Fees	289,302	1,096,718
Sanctuary Repairs Project	319,043	9,220
Total Expenditure	<u>879,080</u>	<u>1,381,819</u>

As with income, the expenditure figures for 2016 (excluding project costs) are not quite comparable to those presented for 2015. Park Church expenditure of £16,000 for the first 8 weeks of 2015, before the union, is not included in the prior year figures. It is also important to note that the former Park Church premises were managed by the new congregation for the remainder of 2015 (before being sold in January 2016) and some expenses for that site continued, such as insurance. The vacancy during 2015 is another complicating factor.

Helensburgh Parish Church

Trustees' Annual Report (contd)

Year ended 31 December 2016

Bearing these facts in mind, it is clear that the consolidation of the congregation's activities on a single site has produced significant savings, especially in relation to the costs of running large Victorian buildings.

Expenditure, excluding costs for the two major building projects, fell by 2%. Ministry related costs (the first three categories in the above table) accounted for about half of this (£2,600 out of £5,100). Vacancy charges reduced, whilst contributions to the Ministries & Mission Fund ("M&M") increased. M&M contributions are based on historic income and 2016 represents a peak, based on the income of the two predecessor congregations for 2012-14. Future contributions are expected to reduce as older (pre union) years are replaced in the calculation by more recent years reflecting the impact of the union.

Two other categories of expenditure showed significant reductions, as a result of the sale of the former Park Church premises:

- Heating & Lighting fell by 46%
- Water charges & Insurance fell by 29%. In this case a 38% reduction in insurance costs was offset by water charges from which the congregation was previously exempt.

The level of Extraordinary Fabric Repairs (being those with a cost greater than £1,000, borne by the Fabric Fund) was greatly reduced - the 2015 figure included £5,900 of repairs at the Argyle St manse prior to its occupation and exceptional fuel bills at the bungalow (£5,000) attributable to the adjacent Hall building project.

These cost reductions were offset by increases in other categories:

The costs of locally employed staff (ie excluding ministers/locums) increased by 28%. A Church Officer was employed for 8 months in 2016, compared to only 2 months in 2015 and the Parish Assistant's two year contract started in October 2016. The Halls Coordinator's role replaced that of a previous part-time Secretary at slightly higher cost.

The £4,000 increase in Other Buildings Costs relates to the new halls. Some of 2016's expenditure was of a one-off nature but it is clear that a significant ongoing level of investment in cleaning and routine maintenance will be required to attract and maintain tenants and the valuable revenue they will bring.

As in 2015, the linked congregation of Rhu & Shandon bore 20% of costs which are covered by the linkage agreement (manse council tax & repairs, ministers' travel and advertising being the main categories).

Hall Development construction costs included progress payments to the contractor (£236,000), provision for a retention (£41,000), project costs paid directly by the congregation and professional fees, net of £42,000 of VAT recovered (since the year end) under the Listed Places of Worship Scheme ("LPOW").

The Sanctuary Repairs project comprised:

	<i>£000</i>
Repairs to external Stonework (chiefly the steeple)	164
Re-wiring and lighting	97
Conservation of leaded and stained glass windows	46
Installation of Audio/Visual system in the Sanctuary	40
Professional fees (architect) and Sundry	26
	<hr/>
	373
Less: VAT recovered under Listed Places of Worship Scheme	(54)
	<hr/> <hr/>
	319

Summary

During 2016, in spite of receiving £217,000 from the sale of the former Park Church, the funds controlled by the congregation reduced by £138,000. Total funds at 31 December 2016 stood at £1,551,000. By contrast to recent years, however, the congregation now enjoys a degree of certainty with regard to the extent of its exposure to major Fabric expenditure, at least in the short to medium term.

One way of assessing the strength of the congregation's underlying financial position is to exclude revenues and costs associated with the two major Fabric Projects (such as Lottery grants and asset sales) and also the Murray legacy. On this basis, the total underlying deficit for the year was less than £5,000. The General Fund deficit of £12,000 represented 5% of General Fund income for 2016 - the equivalent numbers for 2015 were £36,000 and 17%. The General Fund budget for 2017 projects a deficit of £9,000.

Helensburgh Parish Church Trustees' Annual Report (contd) Year ended 31 December 2016

The congregation is in a strong financial position as a result of the sales of surplus properties. The new halls are expected to bring in significant recurring rental income. The only threat to long term viability is the trend away from church involvement and the current membership's age profile. The challenge facing the congregation is to live out the Vision published at the time of the most recent union and make its activities relevant to a new generation of Christians in Helensburgh.

Investment Policy and Performance

At the inception of the Hall Development Project, the vast majority of the congregation's investments were earmarked for that purpose. With both this and the more recent Sanctuary Repairs project complete, we find ourselves in the unexpected position, owing to the union with Park Church and the £324K legacy, of having very significant surplus resources.

An Investment Committee has been established to consider and advise the trustees about the management of the congregation's resources. The work of this committee is about to commence.

Risk Management

The trustees recognise the risks inherent in resourcing and delivering a challenging programme of worship and mission in an era of increasing financial constraints. The trustees have assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the charity and the use of the new building and are satisfied that systems are in place to mitigate its exposure to the major risks. Risk and control activities include child protection policy, health and safety assessments, financial control procedures and quarterly financial reporting. The charity has insurance cover through the Church of Scotland Insurance Company and the level of cover required is reviewed annually to ensure that it is adequate. With a growing number of external organisations using its buildings, the trustees have deployed additional staff time and purchased IT systems to focus greater attention on the management of credit control.

Reserves Policy

Over 90% of unrestricted income (excluding legacies) arises in the General Fund. This fund bears the full cost of our allocation to the Ministries and Mission fund, helping to support the costs incurred by the national church in providing ministers in less affluent areas. The trustees endeavour to ensure that the annual income of the General Fund (87% of which, in 2016, arose from the congregation's voluntary offerings) is sufficient to balance annual expenditure.

It is also the trustees' policy to hold reserves for future expenditure, including designated funds. At the year end the congregation held unrestricted funds totalling £769,849 of which £737,213 is in designated funds including £324,480 in the Legacy Fund, £260,000 in the Property Fund (being the valuation of two "non worship" properties vested in local trustees), £110,286 in the Fabric Fund and £33,377 in the Organ Rebuilding Fund.

The use of the Legacy Fund has not yet been decided - discussion was deferred until the two major building projects were complete.

A significant Fabric Fund is required to provide for the unpredictable cost of repairing and maintaining our suite of relatively old listed buildings.

The Organ Rebuilding Fund is a sinking fund, intended to provide for the periodic overhaul which such instruments require.

The congregation also held £96,755 in Endowment Funds and £684,009 in Restricted Funds. These funds have been provided for the purposes specified in Note 16. 86% of the Restricted Funds are represented by the valuation of the manse at 35 East Argyle St, vested in local trustees, and funds arising from the sale of the property at 46 Suffolk St, which became surplus as a result of the union.

Helensburgh Parish Church Trustees' Annual Report (contd) Year ended 31 December 2016

Future plans

In May 2017, as these accounts were being finalised, the congregations of Helensburgh and Rhu & Shandon were delighted to welcome Rev Tina Kemp to the Ministry Team. David, Tina and Ben will work to meet the charity's objectives across what is one of the largest parishes in Scotland.

Close attention will be paid to the management of the new halls. A Business Plan has been prepared and income and occupation rates will be regularly reviewed, to enable appropriate decisions to be taken about the necessary level of staffing. It is recognised that the heavy reliance placed on volunteers during the initial phase of operation is not sustainable in the longer term.

As the retention period for the new halls has expired, pressure will be applied to the contractor to complete the snagging.

The bungalow adjacent to the Colquhoun Square site should be made available for letting during 2017. The stocks of Starter Packs and Well Being Packs, housed there whilst the new halls were under construction, have now been moved to a new home and it only remains to clear historical church records which have been stored there since the union in 2015.

Consideration will be given to the use of the Murray Legacy, with particular reference to the congregation's Youth Strategy, and to the investment of the congregation's reserves.

Plans for a stewardship campaign, to bring the General Fund income into line with expenditure but also looking at non financial aspects of church life (time and talents) will be discussed in the autumn of 2017, with a view to the campaign being conducted in 2018.

Plans to create a Gospel Garden in the church grounds, containing plants with allusions to the Bible, have been temporarily deferred owing to other priorities but will be taken forward in 2018.

Structure, Governance and Management

The congregation is a registered charity, number SC012053 and is administered in accordance with the terms of the Model Deed of Constitution and is subject to the Acts and Regulations of the General Assembly of the Church of Scotland.

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 Kirk Session meets at least six times in a year and is responsible for the spiritual affairs of the congregation. Plans and activities are delegated to three teams covering, respectively, Worship & Discipleship, Christian Action and Congregational Life.

The Congregational Board comprises elders nominated by the Kirk Session together with other elected members of the congregation believed to have the skills and commitment to contribute to the management affairs of the congregation. Elected members are nominated and appointed at the Stated Annual Meeting of the congregation and serve for a period of three years after which they may be re-elected at a Stated Annual Meeting.

The Congregational Board meets at least four times in a year. Certain responsibilities are delegated to the Financial Administration Committee, Property Maintenance Committee and Halls & Gardens Committee as appropriate. Other committees are appointed as and when required - a Buildings Development Committee was set up to monitor the progress of the Hall Development project and the Sanctuary repairs project.

Helensburgh Parish Church

Trustees' Annual Report (contd)

Year ended 31 December 2016

Reference and Administrative Information

Trustees

The trustees who served at any time during the year up to the date of signing the accounts are the Ministers and the Kirk Session along with those members of the Congregational Board who are not also members of the Kirk Session.

Ministers and Kirk Session

Rev. David T. Young (Moderator of the Kirk Session), Rev Tina Kemp

Susan Adams, Annis Anderson, Douglas Bailey, Joy Bell, Andrew Black, Jean Burns, Jean Butler, Bobby Caldwell, Helen Caldwell, Colin Campbell, Arnold Carson (resigned Aug 2016), Lilian Carson, John Christie, Margaret Christie, Elaine Craddock, Kevin Craddock, Elspeth Davis (retired Aug 2016), Ronnie Dunachie, Joanne Fagan, Evelyn Fishwick, Pauline Forrest, Eileen Gorie, Kathleen Gorrie, Roy Greer, Kirsty Hassall, Allan Heath, Ewan Howieson, Joanne Hulley, Tony Kent, Jinty Kerr, Sandy Kerr, Jane Lindsay, Mary Louden, Mike Louden, Michael Low, Patricia Low, Karen Lyall, Hugh McColl, Rosemary McGinley, Diana Macintosh, Neil Macleod, Alistair McMath, John McPherson, David Mitchell, Anne Mitchelson, Karen Mullen, George Murray (resigned Jan 2016), Shanny Newall (resigned Aug 2016), David Nicoll, June O'Neill, Alistair Paton, Molly Paton, John Penny, Graham Philips, Norman Plenderleith (resigned Aug 2016), Jean Ramsay, David Reid, Elizabeth Reid, Colin Rettie (resigned Aug 2016), Sara Rettie (resigned Aug 2016), Beatrice Robertson, Robin Ross (retired Feb 2017), Douglas Sammon, Elisabeth Sammon, Colin Shannon, David Sinclair, Elizabeth Smith, Kenneth Speirs, Lyndsay Spence, John Stephen (retired Feb 2017), Douglas Stewart, John Stirling (retired Sept 2016), Iain Talman, Anne Thomson, Helen Turnbull, Neil Turnbull, Jean Walker, Eric Wallace, Jim Weldon, Gordon Whitelaw, Jane Worsfold (resigned Aug 2016), Douglas Wylie

Congregational Board

Kati Byrne, Eileen Drummond, David Forrest, John Green, Graham Hardie (elected Mar 2017), Crawford Howat (retired Mar 2016), Robin Irvine, Moira McColl, Drew Macleod (resigned Aug 2016), Vivien Macpherson, Jean Miller (elected Mar 2017), Rosemary Noon (elected Mar 2017), Patricia Porteous (retired Mar 2016, elected Mar 2017), Dick Robertson, Ritchie Robertson (retired Mar 2016), Angela Shannon (elected April 2016), Martin Speller, Peter Steven

Principal Office-bearers

Ministry Team:	Rev. David T. Young (Moderator) Rev. Tina Kemp (appointed May 2017)
Locum Minister:	Rev. Tina Kemp (from April 2016 - April 2017)
Parish Assistant:	Ben Thorp (appointed October 2016)
Session Clerk:	Karen Lyall
Chair of the Congregational Board:	David Mitchell
Clerk to the Congregational Board:	Douglas Sammon (retired March 2016) Bobby Caldwell (appointed March 2016)
Finance Convener:	Peter Steven MA, CA
Congregational Treasurer:	Crawford Howat CPFA (retired March 2016) Kati Byrne (appointed March 2016)

Principal Office The Church Office, Colquhoun Street, Helensburgh G84 8UP
Charity Number SC012053

Auditor Shona Brown CA, Clements, Chartered Accountants,
17 Colquhoun Square, Helensburgh G84 8AD

Banker Bank of Scotland
26 Colquhoun Square, Helensburgh G84 8AP

Helensburgh Parish Church Trustees' Annual Report (contd) Year ended 31 December 2016

Trustees' Responsibilities in Relation to the Financial Statements

The charity trustees are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in Scotland requires the charity trustees to prepare financial statements for each year which show a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing the financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the method and principles in the applicable Charities SORP;
- 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 (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.

The trustees are responsible for the maintenance and integrity of the charity and financial information on the congregation's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the Trustees and signed on their behalf,

K Lyall
Session Clerk
17 May 2017

Report of the Independent Auditors to the Trustees of Helensburgh Parish Church

We have audited the financial statements of Helensburgh Parish Church ("the Church") for the year ended 31 December 2016 on pages 11 to 22. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Church's trustees, as a body, in accordance with Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the Church's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Church and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement set out on page 9, the trustees are responsible for the preparation of financial statements which give a true and fair view.

We have been appointed as auditors under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with the regulations made under that Act.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Church's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non financial information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Church's affairs as at 31 December 2016 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charity Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit

Clements

Statutory Auditor

Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006

17 Colquhoun Square

Helensburgh G84 8AD

17 May 2017

**Helensburgh Parish Church
Statement of Financial Activities
Year ended 31 December 2016**

	Note	Unrestricted Funds 2016 £	Restricted Funds 2016 £	Endowment Funds 2016 £	Total 2016 £	Total 2015 £
<u>Income and endowments from</u>						
Donations and legacies	1	232,923	211,925	-	444,848	557,509
Charitable activities	2	8,828	5,091	-	13,919	9,435
Other trading activities	3	25,640	-	-	25,640	8,152
Investments	4	14,434	3,780	-	18,214	21,981
Other income						
Funds transferred from Consolidated Fabric Fund	5	-	216,957	-	216,957	-
Union of congregations - funds transferred from Park Church		-	-	-	-	473,167
<u>Total Income and endowments</u>		281,825	437,753	-	719,578	1,070,244
<u>Expenditure on</u>						
Raising funds	6	131	123	-	254	278
Charitable activities		381,893	496,933	-	878,826	1,381,541
<u>Total Expenditure</u>		382,024	497,056	-	879,080	1,381,819
Net income/(expenditure) before gains and losses on investments		(100,199)	(59,303)	-	(159,502)	(311,575)
Net realised capital gains / (losses) on investments		-	-	-	-	44,368
Increase / (Decrease) in Unrealised Gains on revaluation of investments and properties		2,558	7,898	10,830	21,286	(47,238)
Net income/(expenditure)		(97,641)	(51,405)	10,830	(138,216)	(314,445)
Transfers between Funds		-	11,603	(11,603)	-	-
Net Movement in Funds		(97,641)	(39,802)	(773)	(138,216)	(314,445)
Reconciliation of Funds						
Funds brought forward at 1 January		867,490	723,811	97,528	1,688,829	2,003,274
Funds carried forward at 31st December		769,849	684,009	96,755	1,550,613	1,688,829

Helensburgh Parish Church
Balance Sheet
At 31 December 2016

		2016	2015
		£	£
	<u>Note</u>		
Fixed Assets			
Tangible assets	10	690,000	690,000
Investments	11	<u>313,811</u>	<u>292,525</u>
		1,003,811	982,525
Current Assets			
Debtors	12	129,255	236,696
Bank Term deposits & Notice accounts		95,435	194,489
Church of Scotland Investors Trust deposit fund		206,364	205,162
Other bank accounts		<u>184,372</u>	<u>95,220</u>
		615,426	731,567
Creditors			
Falling due within one year	13	<u>(68,624)</u>	<u>(25,263)</u>
Net Current Assets		546,802	706,304
Net Assets		<u><u>1,550,613</u></u>	<u><u>1,688,829</u></u>
The funds of the charity			
Endowment funds	16	96,755	97,528
Restricted funds	16	684,009	723,811
Unrestricted funds	16		
General funds		32,636	43,999
Designated funds		<u>737,213</u>	<u>823,491</u>
		769,849	867,490
Total Funds		<u><u>1,550,613</u></u>	<u><u>1,688,829</u></u>

The accounts were approved by the Kirk Session and Congregational Board on 17 May 2017
For and on behalf of the Kirk Session and Congregational Board

K. Lyall
Session Clerk

P.C.D. Steven
Finance Convener

Helensburgh Parish Church
Statement of Cash Flows
Year ended 31 December 2016

	<u>Note</u>	Total Funds 2016 £	Total Funds 2015 £
Net cash used in operating activities	17	<u>(26,914)</u>	<u>(866,712)</u>
Cash flows from investing activities:			
Interest, dividends and rent		18,214	21,981
Proceeds from sale of fixed assets		-	248,547
Proceeds from sale of investments		-	99,420
Purchase of fixed assets		<u>-</u>	<u>(32,999)</u>
Net cash provided by investing activities		<u>18,214</u>	<u>336,949</u>
Change in cash and cash equivalents in the year		(8,700)	(529,763)
Cash and cash equivalents brought forward		494,871	1,024,634
Cash and cash equivalents carried forward	18	<u><u>486,171</u></u>	<u><u>494,871</u></u>

Helensburgh Parish Church

Year ended 31 December 2016

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 and assessment of going concern

The accounts (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 Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014
- the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102)
- the Charities and Trustee Investment (Scotland) Act 2005, and
- the Charities Accounts (Scotland) Regulations 2006 (as amended).

The accounts have been prepared under the historical cost convention, modified to reflect the inclusion of investments and heritable property at market value.

The trust constitutes a public benefit entity as defined by FRS 102.

In the context of the significant level of unrestricted funds, the trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

Reconciliation with previous Generally Accepted Accounting Practice

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 a restatement of comparative items was needed. No restatements were required.

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.

Income recognition

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 (FRS 102) 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.

Legacy gifts are recognised on a case by case basis when the administrator/ executor for the estate has obtained confirmation and communicated in writing both the amount and settlement date or, in the case of interim payments, on receipt.

Helensburgh Parish Church

Year ended 31 December 2016

Accounting Policies (contd)

Interest and dividends 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. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis.

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.

Tangible fixed assets and depreciation

The charity has the right to occupy and use for its charitable objects certain tangible fixed assets, including the former West Kirk church and halls, vested in the Church of Scotland General Trustees. No consideration is payable for the use of these assets.

Title to the former St. Columba manse (sold in November 2015), to the dwelling house and commercial property adjacent to the West Kirk site and to the former Park Church manse (now the manse for Helensburgh Parish Church) is vested in local Trustees. Properties vested in local Trustees are included in the accounts at their estimated market value.

Title to the former Park Church sanctuary and halls was vested in local Trustees but subject to an "Assembly Control" clause, under which Church of Scotland General Trustees retained ultimate control over the property. Accordingly, this property was never included in the Church's accounts. When the property was sold in January 2016 the proceeds were received by General Trustees and credited to the Consolidated Fabric Fund to be held on behalf of the congregation. Subsequent movements on the Church's holding in the Consolidated Fabric Fund are reported in an Appendix to these accounts.

Expenditure incurred on the repair and maintenance of fixed assets is charged as Expenditure in the Statement of Financial Activities in the period in which the liability arises.

Tangible fixed assets costing in excess of £5,000 having a value to the charity greater than one year, other than those acquired for specific purposes, are capitalised. Depreciation is charged on a straight-line basis to write off the cost or initial value, less residual value, of such assets over their estimated useful lives:

- Sound and Projection Equipment : 5 Years (now fully depreciated)

Fixed asset investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair 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 charity does not acquire put options, derivatives or other complex financial instruments.

Realised and unrealised gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses are calculated as the difference between net sales proceeds and original cost. Unrealised gains and losses are calculated as the difference between the valuation of investments at the balance sheet date and their original purchase price, or if they have been previously valued, their valuation at the last balance sheet date. The movement in unrealised gains and losses recognised in the year also includes the reversal of unrealised gains and losses recognised in earlier years in respect of investment disposals in the current period.

Taxation

Helensburgh Parish Church 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 but may, in certain circumstances, recover VAT on works of repair and maintenance through the Listed Places of Worship Grant Scheme. Otherwise resources expended include irrecoverable input VAT.

Helensburgh Parish Church
Notes forming part of the financial statements
for the year ended 31 December 2016

	Unrestricted Funds 2016 £	Restricted Funds 2016 £	Endowment Funds 2016 £	Total 2016 £	2015 £
1 Donations and Legacies					
<i>Normal income</i>					
Offerings	170,809	1,254	-	172,063	169,754
Tax recovered on Gift Aid	36,732	215	-	36,947	37,018
Legacies	24,530	275	-	24,805	300,750
Donation from Park Church Guild (pre union)	-	-	-	-	2,000
Other	852	-	-	852	1,698
	<u>232,923</u>	<u>1,744</u>	-	<u>234,667</u>	<u>511,220</u>
<i>Hall Development Appeal</i>					
Donations	-	11,605	-	11,605	13,414
Tax recovered on Gift Aid	-	2,696	-	2,696	3,025
Grant - Other charitable trusts	-	-	-	-	20,000
	-	<u>14,301</u>	-	<u>14,301</u>	<u>36,439</u>
<i>Sanctuary Repairs Project</i>					
Grants - Heritage Lottery Fund / Historic Scotland / Historic Environment Scotland	-	195,880	-	195,880	9,850
	<u>232,923</u>	<u>211,925</u>	<u>-</u>	<u>444,848</u>	<u>557,509</u>

Of 2016's Income from Donations and Legacies, £211,925 (2015: £36,977) was attributable to Restricted funds with the balance of £232,923 (2015: £520,532) adding to Unrestricted funds.

2 Income from charitable activities

Weddings and Funerals	1,130	-	-	1,130	2,530
Guild - February Fair	323	530	-	853	-
Tenner Talents project	-	-	-	-	312
Wednesday lunches	1,488	-	-	1,488	-
Other Hall Development Fundraising events	-	-	-	-	1,338
Coffee Time	-	1,582	-	1,582	982
Coffee mornings	3,420	-	-	3,420	-
Meeting Place	-	1,012	-	1,012	538
Sunday at Seven	-	1,697	-	1,697	1,850
Other Musical events	994	-	-	994	-
Other	1,473	270	-	1,743	1,885
	<u>8,828</u>	<u>5,091</u>	<u>-</u>	<u>13,919</u>	<u>9,435</u>

Of 2016's Income from Charitable Activities, £5,091 (2015: £6,905) was attributable to Restricted funds with the balance of £8,828 (2015: £2,530) adding to Unrestricted funds.

3 Income from other trading activities

Use of Church Premises	25,640	-	-	25,640	8,152
Other	-	-	-	-	-
	<u>25,640</u>	<u>-</u>	<u>-</u>	<u>25,640</u>	<u>8,152</u>

In both 2015 and 2016 all income from Other Trading Activities was attributable to Unrestricted funds.

4 Income from Investments

Dividends received	6,105	3,010	-	9,115	9,080
Deposit interest	1,104	430	-	1,534	5,385
Bank interest	1,225	340	-	1,565	1,516
Bungalow / workshop rent	6,000	-	-	6,000	6,000
	<u>14,434</u>	<u>3,780</u>	<u>-</u>	<u>18,214</u>	<u>21,981</u>

Of 2016's Income from Investments, £3,780 (2015: £3,458) was attributable to Restricted funds and £14,434 (2015: £16,915) to Unrestricted funds with £nil (2015: £1,608) added to Endowment funds.

Helensburgh Parish Church
Notes forming part of the financial statements
for the year ended 31 December 2016

	Unrestricted Funds 2016 £	Restricted Funds 2016 £	Endowment Funds 2016 £	Total 2016 £	2015 £
5 Other Income					
Transfer from Church of Scotland General Trustees Consolidated Fabric Fund	-	216,957	-	216,957	-
Union of congregations					
- funds transferred from Park Church	-	-	-	-	473,167
	<u>-</u>	<u>216,957</u>	<u>-</u>	<u>216,957</u>	<u>473,167</u>

Title to the former Park Church sanctuary and halls was vested in local Trustees but subject to an "Assembly Control" clause, under which Church of Scotland General Trustees retained ultimate control over the property. Accordingly, this property was never included in the Church's accounts. When the property was sold in January 2016 the proceeds were received by General Trustees and credited to the Consolidated Fabric Fund to be held on behalf of the congregation. Between September and December 2016, the whole of the Church's holding in the Consolidated Fabric Fund was withdrawn and used to meet part of the construction cost of the extension to the church building, which is also vested with General Trustees, and the local element of the Sanctuary Repairs project. Further details are provided in an Appendix to these accounts.

6 Analysis of Expenditure

Raising Funds

Property & Investment Management costs	131	123	-	254	278
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Charitable Activities

Ministries and Mission Allocation	149,422	-	-	149,422	145,995
Presbytery Dues	1,803	-	-	1,803	1,456
Locum	345	-	-	345	6,468
Ministers' Expenses	4,036	-	-	4,036	958
Vacancy Expenses	-	-	-	-	3,028
Other salary costs	33,983	-	-	33,983	26,575
Ordinary Fabric Repairs & Maintenance	9,506	-	-	9,506	8,261
Extraordinary Fabric Repairs	5,404	-	-	5,404	13,873
Church extension - construction costs & prof. fees	111,861	177,441	-	289,302	1,096,718
Sanctuary repairs project	7,910	311,133	-	319,043	9,220
Heating & Lighting	10,708	-	-	10,708	19,826
Water charges & Insurance	9,008	-	-	9,008	12,751
Manse Council Tax	1,934	-	-	1,934	1,472
Other Buildings costs	4,858	-	-	4,858	734
Donations to Other Organisations	5,901	5,635	-	11,536	8,763
Organ, Music etc	1,464	-	-	1,464	1,183
Auditor's fee	3,000	-	-	3,000	2,700
Sunday at Seven	-	160	-	160	100
Other expenses	20,750	2,564	-	23,314	21,460
	<u>381,893</u>	<u>496,933</u>	<u>-</u>	<u>878,826</u>	<u>1,381,541</u>
Total	<u>382,024</u>	<u>497,056</u>	<u>-</u>	<u>879,080</u>	<u>1,381,819</u>

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.

Of 2016's Expenditure, £497,056 (2015:£382,506) was attributable to Restricted funds and £382,024 (2015:£998,992) to Unrestricted funds with £nil (2015 : £321) being expended from Endowment funds.

7 Staff costs and numbers

	2016 £	2015 £
Salaries and wages	33,983	25,075
Redundancy payment	-	1,500
Social security costs	-	-
	<u>33,983</u>	<u>26,575</u>

The average number of employees during the year, calculated on the basis of a head count, was as follows:

	2016 Number	2015 Number
Administration	1	1
Organist	1	1
Premises maintenance	3	2
	<u>5</u>	<u>4</u>

No employee had employee benefits of over £60,000 (2015 - 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 £26,380 and the maximum stipend (in the fifth and subsequent years) £32,419.

Helensburgh Parish Church
Notes forming part of the financial statements
for the year ended 31 December 2016

8 Trustee Remuneration and Related Party Transactions

During the year the Minister received reimbursement of travelling expenses incurred totalling £2,739. The charity also paid Council Tax and telephone rental charges in respect of the Manse - these expenses totalled £2,442.

These sums were 80% of the amounts payable, the remainder being borne by the linked congregation of Rhu & Shandon, with whom ministry costs and manse facilities are shared.

Mr John Stephen, a member of the Kirk Session, served as Church Officer between October 2015 and August 2016. He received £3,340 for providing his services during 2016.

Dr Sara Rettie, a member of the Kirk Session, received £110 for providing pulpit supply services during the year.

Your Friday Girl, a company controlled by Mrs Jane Worsfield, a member of the Kirk Session, received £88 for providing secretarial services during the year.

Mr David Reid, a member of the Kirk Session, received £65 for acting as Church Officer at a wedding during the year.

John Green Joiners and Builders, a business owned by Mr John Green, a member of the Congregational Board, received payments totalling £3,232 for carrying out refurbishment work on Church property.

Mr Jeremy Bailey, a close family member of Mr Douglas Bailey, a member of the Kirk Session, received £1,460 for installing wi-fi in the new halls and for providing a halls booking system.

One trustee received payments totalling £115 in reimbursement of training costs.

Other than as disclosed above, no trustee or person related to a trustee received any remuneration or had any personal interest in any contract or transaction entered into by the charity during the year.

During the year a total of £53,943 was donated to the congregation by trustees.

9 Auditor's Remuneration

The auditor's remuneration of £3,000 (2015:£2,700) related entirely to audit work.

10 Tangible Fixed Assets

	Properties used as a manse	Other Property	Equipment	Total
	£	£	£	£
Cost or Valuation				
At 1 January 2016	430,000	260,000	6,034	696,034
Transfer on union with Park Church	-	-	-	-
Additions	-	-	-	-
Disposals	-	-	(6,034)	(6,034)
Revaluation adjustment	-	-	-	-
At 31 December 2016	<u>430,000</u>	<u>260,000</u>	<u>-</u>	<u>690,000</u>
Accumulated Depreciation				
At 1 January 2016	-	-	6,034	6,034
Charge for the period	-	-	-	-
Eliminated on Disposals	-	-	(6,034)	(6,034)
At 31 December 2016	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Book Value				
At 31 December 2016	<u>430,000</u>	<u>260,000</u>	<u>-</u>	<u>690,000</u>
At 1 January 2016	<u>430,000</u>	<u>260,000</u>	<u>-</u>	<u>690,000</u>

The manse in East Argyle Street was revalued by the trustees as at 31 December 2015 on an open market basis value using advice obtained from a local estate agent. It was purchased in May 1957 for £5,650 but the historical cost was not originally included in the church accounts. The Trustees consider that the fair value of the property at 31 December 2016 would not be significantly different to its value at 31 December 2015.

The dwelling house and commercial property in West King St, adjacent to the Church site, were revalued by the trustees as at 31 December 2014 on an open market basis value using advice obtained from a local estate agent. The historical cost of these properties is not known as they were not originally included in the church accounts. The Trustees consider that the fair value of these properties at 31 December 2016 would not be significantly different to their value at 31 December 2014.

Helensburgh Parish Church
Notes forming part of the financial statements
for the year ended 31 December 2016

11 Investments

	2016	2015
	£	£
Market value at 31 December 2015	292,525	364,306
Add: Additions to investments at cost	-	-
Add: Investments transferred from Park Church	-	26,057
Less: Disposals at cost	-	(50,600)
Increase / (Decrease) in Unrealised gains	21,286	(47,238)
Market value at 31 December 2016	<u>313,811</u>	<u>292,525</u>
Investments at cost	<u>205,532</u>	<u>205,532</u>

Investments at fair value comprised:

Equity shares	40,002	34,729
Government bonds	54,093	47,722
Other bonds	88,206	88,846
Church of Scotland Growth Fund	107,023	97,784
Church of Scotland Income Fund	23,090	22,139
M&G Charifund	1,397	1,305
	<u>313,811</u>	<u>292,525</u>

All investments are carried at their fair value. Investment in equities and fixed interest securities are all traded in quoted public markets, primarily the London Stock Exchange. The basis of fair value for quoted investments is equivalent to the market value.

The charity considers that it has invested in lower risk investments and that the performance of these investments poses no significant risk to its financial position.

12 Debtors

	2016	2015
	£	£
VAT recoverable under Listed Places of Worship scheme	102,036	198,360
Grants receivable from Heritage Lottery Fund / Historic Environment Scotland	18,800	-
Grants receivable from charitable trusts	-	20,000
Gift Aid Tax Refund Due	2,558	10,174
Investment income receivable	702	693
Rental income receivable	608	-
Other	4,551	7,469
	<u>129,255</u>	<u>236,696</u>

13 Creditors

	2016	2015
	£	£
Retentions on Hall Development and Sanctuary Repairs projects	46,695	-
Accruals	7,868	13,751
MacMillan Cancer Support ('Come and Sing' collection)	1,670	2,829
Funds held for Well Being Packs project	962	1,087
Other	11,429	7,596
	<u>68,624</u>	<u>25,263</u>

14 Analysis of Net Assets Among Funds

	General	Designated	Restricted	Endowment	Total
	£	£	£	£	£
Tangible Fixed Assets	-	260,000	430,000	-	690,000
Investments	22,417	134,825	66,507	90,062	313,811
Building Society Notice Accounts	-	88,435	7,000	-	95,435
Church of Scotland Investors Trust - Deposit Fund	-	203,602	2,762	-	206,364
Bank Accounts	16,717	50,314	110,648	6,693	184,372
Current Assets	8,271	427	120,557	-	129,255
Current Liabilities	(14,769)	(390)	(53,465)	-	(68,624)
Net assets at 31 December 2016	<u>32,636</u>	<u>737,213</u>	<u>684,009</u>	<u>96,755</u>	<u>1,550,613</u>

15 Volunteers

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

Helensburgh Parish Church
Notes forming part of the financial statements
for the year ended 31 December 2016

16 Movements in Funds

	At 1 Jan. 2016 £	Incoming Resources £	Transfer ex Consolidated Fabric Fund £	Outgoing Resources £	Investment Gains & Losses £	Transfers In / (Out) £	At 31 Dec 2016 £
Endowment funds							
Arnold Fleming - capital	28,281	-	-	-	6,016	-	34,297
Anderson Trust	5,499	-	-	-	-	(5,499)	-
Macnaughton Trust	6,104	-	-	-	-	(6,104)	-
Smellie Fund	40,935	-	-	-	3,235	-	44,170
Galbax Fund	9,418	-	-	-	890	-	10,308
Miss FS Wilson Legacies	7,291	-	-	-	689	-	7,980
	<u>97,528</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,830</u>	<u>(11,603)</u>	<u>96,755</u>
Restricted funds							
Music Fund	11,604	2,412	-	(731)	-	-	13,285
Sanctuary Repairs Project Fund	-	196,130	115,003	(311,133)	-	-	-
Hall Development Appeal Fund	-	15,650	101,954	(177,441)	653	59,184	-
Fabric Fund	212,549	-	-	-	-	(57,611)	154,938
Manse Fund (East Argyle St)	430,000	-	-	-	-	-	430,000
Coffee Time & Meeting Place	-	2,594	-	(1,021)	-	(1,573)	-
Kirk Session Reserve	8,743	-	-	(57)	-	-	8,686
Special Collections (Guild Projects)	-	800	-	(800)	-	-	-
Flower Fund	4,688	188	-	(441)	363	-	4,798
Kirk Session Benevolent Fund	30,209	1,455	-	(1,505)	5,051	11,603	46,813
Christian Action Fund (Starter Packs)	11,450	1,158	-	(1,829)	-	-	10,779
McLaren Bequest	14,568	409	-	(2,098)	1,831	-	14,710
	<u>723,811</u>	<u>220,796</u>	<u>216,957</u>	<u>(497,056)</u>	<u>7,898</u>	<u>11,603</u>	<u>684,009</u>
Unrestricted funds							
<i>Designated</i>							
Fabric Fund	102,463	11,622	-	(5,404)	1,605	-	110,286
Hall Development Fund	111,861	-	-	(111,861)	-	-	-
Organ Rebuild Fund	31,798	1,064	-	-	515	-	33,377
Property Fund (non Worship)	260,000	-	-	-	-	-	260,000
2009 Bazaar Fund	7,910	-	-	(7,910)	-	-	-
Legacy Fund	300,000	24,480	-	-	-	-	324,480
Link Group	342	2,255	-	(799)	-	(1,200)	598
Christian Action Fund (general)	1,137	3,063	-	(3,150)	-	-	1,050
The Guild	1,061	711	-	(290)	-	(1,000)	482
Sunday School Fund	6,919	1,159	-	(1,271)	133	-	6,940
	<u>823,491</u>	<u>44,354</u>	<u>-</u>	<u>(130,685)</u>	<u>2,253</u>	<u>(2,200)</u>	<u>737,213</u>
General Fund	24,419	236,209	-	(251,128)	305	2,200	12,005
Arnold Fleming - revenue	19,580	1,262	-	(211)	-	-	20,631
	<u>867,490</u>	<u>281,825</u>	<u>-</u>	<u>(382,024)</u>	<u>2,558</u>	<u>-</u>	<u>769,849</u>
Total funds	<u>1,688,829</u>	<u>502,621</u>	<u>216,957</u>	<u>(879,080)</u>	<u>21,286</u>	<u>-</u>	<u>1,550,613</u>

Purposes of Endowment Funds

* **J. Arnold Fleming Fund**

Gifts of money and investments received between 1949 and 1963 from Mr J A Fleming were credited to a Special Endowment Fund.

In 1954 the J. Arnold Fleming Fund was established through a gift of stocks. Mr Fleming stipulated that income from this fund was to be made available to the Kirk Session for social work within the parish and for any other charitable or benevolent purpose. The Kirk Session were given ultimate discretion to apply the income to any purpose which they deemed proper. Following Mr Fleming's death in 1966, in accordance with his wishes, the capital of the Special Endowment Fund was amalgamated with the J. Arnold Fleming Fund. Income is used to pay for Sunday School outings and for other local purposes.

* **John Smellie Fund**

A legacy invested in the The Church of Scotland Investors Trust - Growth Fund. The income arising is split with 2/3rds going to the Young Church and 1/3rd to the Choir.

* **Miss A.T. Anderson Trust**

* **Joseph Macnaughton Trust**

Two separate legacies invested in The Church of Scotland Investors Trust - Growth Fund. The income arising is for the poor in the parish and is at the behest of the Minister. In 2016 the trustees decided that these funds should be merged with the Kirk Session's Benevolent Fund which is a restricted fund. Although these funds had previously been held as endowments, the documentation relating to the original gifts (to the former St Columba Church) in 1961 and 1965 specifically permits the trustees to expend the capital and the trustees therefore consider that it would be acceptable to transfer them into the "Restricted Fund" category.

* **Galbax Fund**

Anonymous donations received in 1980 and 1984 invested in 2,170 units of the Church of Scotland Investors Trust Growth Fund, the income from which is shown in the General Fund as required by the donor.

* **Miss F.S. Wilson Legacies to the Trustees and the Guild for Mission work**

Two legacies of £500 received in 1966 each invested in 840 units of the Church of Scotland Investors Trust Growth Fund, the income from which is received directly by the Church of Scotland World Mission and National Mission Funds.

Helensburgh Parish Church

Notes forming part of the financial statements for the year ended 31 December 2016

Purposes of Restricted Funds

* **Music Fund**

The fund was created in 1996 when an appeal to raise funds for the refurbishment of a grand piano which had been donated to the Church produced a surplus. 'Sunday at Seven' comprises a series of concerts arranged by the Church Organist, funded by retiring collections - net surpluses arising are credited to the Music Fund. By agreement of the donor, the residual balance remaining in the Hymn Book Replacement Fund was added to this fund in 2008. The Music Fund is used to defray the cost of musical events held in the church.

* **Sanctuary Repairs Project Fund**

During 2016, the congregation undertook a major repairs project which included the electrical rewiring of the church, repairs to external stonework and the conservation of leaded and stained glass windows.

Back in 2014, after discussion with the Church of Scotland General Trustees, application was made to the Heritage Lottery Fund ("HLF") for financial assistance with this project. HLF approved grants towards the Development Phase of the project, the cost being shared equally between HLF and Historic Scotland (now Historic Environment Scotland or "HES"). After detailed consideration of options and further negotiations with the Lottery bodies, HLF and HES offered grants for the Delivery Phase totalling £188,000.

The work was carried out during the second half of 2016. The congregation's share of the project cost was funded by the withdrawal of part of its holding in the Consolidated Fabric Fund.

* **Hall Development Appeal Fund**

An appeal was launched in August 2012 to raise funds for the replacement of the Church Halls. Donations from the congregation, grants from the Church of Scotland General Trustees & from external charitable trusts who responded to applications for financial support, proceeds from the sale of a manse (vested in General Trustees) which became surplus and the proceeds of numerous events held in support of the appeal were credited to this fund.

The project to replace the Halls commenced in April 2014 and all sum credited to this Fund have been applied in meeting construction costs.

* **Fabric Fund**

This fund was created in 2014 when the former St Columba manse at 46 Suffolk St, vested in Local Trustees, was included in the accounts for the first time. This property became surplus as a result of the union with Park Church and was sold in December 2015 for net proceeds of £246,539. The fund is available to use for Fabric purposes.

* **Manse Fund (East Argyle St)**

This fund was created to record the initial carrying amount of the manse at 35 East Argyle St, vested in Local Trustees, which was transferred to Helensburgh Parish Church in 2015 as a result of the union with Park Church. Park Church had included this property in their accounts at a value of £400,000. Following refurbishment in the fourth quarter of 2015 (prior to the induction of the new minister), it was revalued as at 31 December 2015 at £430,000.

* **Coffee Time & Meeting Place**

Donations received during 2015 for coffee provided after church services and at the weekday "Meeting Place" event were directed to the Hall Development Appeal Fund.

* **Kirk Session Reserve**

This fund is at the behest of the Kirk Session.

* **Special Collections (Guild)**

The proceeds of events arranged by the Guild for the benefit of named third party charities are credited to and dispensed from a special fund.

* **Flower Fund**

Moneys are gifted to provide flowers for display during services of worship, these flowers being subsequently delivered to members who are in hospital, ill or housebound. The fund is also used for other floral requisites eg. Christmas Decorations. This fund includes three separate flower funds formerly operated by Park Church.

* **Kirk Session Benevolent Fund**

Bequests received in 1931 and 1961 established a fund whose income is used for charitable distributions at the discretion of the Minister and Kirk Session.

In 2015, when the congregation of Park Church united with St Andrew's Kirk to form Helensburgh Parish Church, three Benevolent Funds previously operated by Park Church were added to this Fund.

In 2016 the trustees decided to add the Anderson and Macnaughton Trusts, benevolent funds inherited from the former St Columba Church, into this Fund.

* **Christian Action (formerly "Outreach") Fund for Starter Packs**

Within the Christian Action Fund, administered by the Kirk Session (see below), moneys are gifted to provide for young people looking to set up their first home.

* **Miss C.D. McLaren's Bequest Fund**

A legacy received by St Bride's Church, a predecessor congregation, after the death of Miss Charlotte D. McLaren in 1980 was used to establish the McLaren Bequest Fund.

Miss McLaren expressed the wish that the bequest be used to assist young people connected with the church and also elderly members of the Congregation who are in need. In recent years, the income has been used to meet the cost of training materials for the Sunday School and to contribute to the cost of a leader for the youth choir.

Purposes of Designated Funds

* **Fabric Fund** : The Trustees have set aside funds for the general maintenance of the property which is owned and managed by the congregation.

* **Hall Development Fund** : After receiving two significant legacies in 2000, the Trustees of the West Kirk set aside funds for the replacement of the Church Halls.

An architect drew up a scheme for the replacement of the existing 19th century building (originally a school) by a modern facility, linked to the church, which would provide for improved disabled access (including toilets) and cater for the needs of the wider local community but the projected cost exceeded available funds and so the project was put on hold, pending the resolution of Presbytery Planning issues.

In August 2011, the congregations of West Kirk and St. Columba Church united to form St Andrew's Kirk on the West Kirk site and a revised building project was approved, as envisaged by the basis of union. The project to replace the Halls commenced in April 2014 and all sum credited to this fund have been applied in meeting construction costs.

* **Legacy Fund** : Unrestricted legacies are initially credited to a legacy fund, until the Trustees decide how the funds should be used. Currently the whole balance represents a legacy from the estate of Mr Samuel Murray.

* **Organ Rebuild Fund** : The Trustees have set aside funds for the periodic major overhaul which the church organ requires.

* **Property Fund (Non Worship)**: This fund was created in 2014 when two investment properties, vested in Local Trustees, were included in the accounts for the first time. The two properties are:

- a bungalow at 39 West King St - formerly used as a dwelling house by the church caretaker, then let commercially. Used temporarily for meetings and storage (whilst the church extension was being constructed)
- commercial premises at 41 West King St - currently let to a stationery business

* **2009 Bazaar Fund** : During 2016, this fund was used to meet part of the cost of installing an audio visual system in the Sanctuary, the purpose for which it had been reserved.

* **Link Group** : This group was formed to provide a link between the former Young Wives Group and the Guild. The group manages its own funds in accordance with its rules.

* **Christian Action (formerly "Outreach") Fund (general)** : The Kirk Session's Outreach Group was established in 1983 to provide support to people in suffering and need. Funds (now administered by the Christian Action Committee) are applied to deserving causes, locally, nationally and overseas.

* **The Guild** : The Guild manage their own funds in accordance with the rules of the Guild - all surplus funds are donated to charity.

* **Sunday School Fund**: The Trustees have set aside funds for use by the Sunday School.

Helensburgh Parish Church
Notes forming part of the financial statements
for the year ended 31 December 2016

17 Reconciliation of net movement in funds to net cash flow from operating activities

	2016	2015
	£	£
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(138,216)	(314,445)
Adjustments for:		
Fixed Assets and investments received at union with Park Church	-	(426,057)
(Gains)/losses on investments	(21,286)	2,870
Dividends, interest and rent from investments	(18,214)	(21,981)
(Increase) / decrease in debtors	107,441	(115,193)
Increase / (decrease) in creditors	43,361	8,094
Net cash used in operating activities	<u>(26,914)</u>	<u>(866,712)</u>

18 Analysis of cash and cash equivalents

	2016	2015
	£	£
Bank Term deposits & Notice accounts	95,435	194,489
Church of Scotland Investors Trust deposit fund	206,364	205,162
Other bank accounts	184,372	95,220
	<u>486,171</u>	<u>494,871</u>

19 Collections for Third Parties

	2016	2015
	£	£
Macmillan Cancer Support ("Come and Sing")	2,745	2,829
Unicef	1,315	1,026
Christian Aid (mainly Hymnfest)	714	-
Glasgow City Mission	556	615
Helensburgh & Lomond Foodbank	20	500
Wellbeing Packs project	-	315
DEC Appeal - Nepal Earthquake	-	133
	<u>5,350</u>	<u>5,418</u>

Helensburgh Parish Church

Year ended 31 December 2016

Appendix

Funds held on behalf of the congregation by the Church of Scotland General Trustees

<u>CAPITAL ACCOUNT</u>	2016 £	2015 £
Credit Balance held at 1 January	-	-
Receipts		
Net proceeds of former Park Church, Helensburgh	<u>215,989</u>	-
Withdrawals - Transfers to congregation		
- Sanctuary Repairs Project	115,003	
- Hall Development Project	<u>100,986</u>	
	<u>215,989</u>	-
Credit Balance held at 31 December	<u><u>-</u></u>	<u><u>-</u></u>
<u>REVENUE ACCOUNT</u>		
Credit Balance held at 1 January	-	-
Receipts		
Interest received on funds held on deposit	<u>968</u>	-
Withdrawals - Transfers to congregation		
- Hall Development Project	<u>968</u>	-
Credit Balance at 31 December	<u><u>-</u></u>	<u><u>-</u></u>