

ST MICHAEL AND ALL ANGELS' CHURCH, HELENSBURGH

A charity registered in Scotland SC006468

TRUSTEES' ANNUAL REPORT FOR THE PERIOD FROM 1ST SEPTEMBER 2016 TO 31ST AUGUST 2017

Reference and Administration Details

Charity Name	St. Michael and all Angels' Church, Helensburgh
Scottish Charity Registration Number	SC006468
Charity's Principal Address	William Street, Helensburgh, Argyll and Bute, G84 8BD.

Names of the Charity Trustees who manage the charity:

Trustee Name	Role	Dates acted if not for whole year	Person or body entitled to
Rev'd. David Cook	Rector		Bishop
Mr Nicholas Davies	Honorary Secretary		Vestry
Mrs Janina Duncan	Honorary Treasurer	From 6th March 2017	Vestry
Mr Derek Spall	Property Manager		Vestry
Mr John Busby	Children & Vulnerable Persons Protection.		Vestry & approval of the Bishop
Mrs Maggie Sheen	Lay Representative		Congregation
Mrs Jane Davies	Elected Vestry member		Congregation
Dr Helen Gibson	Elected Vestry member	From 11th Dec 2016	Congregation
Mr Richard Horrell	Elected Vestry member	From 11th Dec 2016	Congregation
Mr John Lewis	Elected Vestry member	Until 11th Dec 2016	Congregation
Mr Geoff Mason	Elected Vestry member		Congregation
Mr David Menzies	Elected Vestry member		Congregation
Mr Vernon Perrin	Elected Vestry member	Until 1st Oct 2016	Congregation
Mr Trevor Quickfall	Honorary Treasurer	Until 6th March 2017	Vestry
Mr John Sadden	Elected Vestry member		Congregation
Mr Richard Smith	Elected Vestry member		Congregation
Mr Chris Sanders	Elected Vestry member	Until 11th Dec 2016	Congregation
Mrs Linda Sanders	Elected Vestry member	Until 11th Dec 2016	Congregation

Trustees for the charity in whom the Heritable Property of the charity is vested:

Trustee:	Dates acted if not for the whole year:
The Bishop of the Diocese of Glasgow and Galloway	
The Dean of the Diocese of Glasgow and Galloway	
The Chancellor of the Diocese of Glasgow and Galloway	
The Registrar of the Diocese of Glasgow and Galloway	

Names and addresses of Advisers:

Bankers	Royal Bank of Scotland	2, Colquhoun Square, Helensburgh, G84 8SJ
Investment Managers	Scottish Episcopal Church Unit Trust Pool	General Synod Office, 21 Grosvenor Crescent, Edinburgh, E12 5EE
Independent Examiner	Mrs S Brown CA	Clements Chartered Accountants, 17, Colquhoun Square, Helensburgh, G84 8AD
Architects	Simpson and Brown	St. Ninian's Manse, Quayside Street, Edinburgh, EH6 6EJ

Structure, governance and management

St. Michael & All Angels' Church is constituted as an unincorporated association and is governed by a constitution that was last amended in June 2010, adopted by the congregation on the 4th July and the 12th September 2010, approved by the Bishop of the United Diocese of Glasgow and Galloway of the Scottish Episcopal Church on 15th September 2010, with the consent of Office of the Scottish Charity Regulator being confirmed on 12th October 2010.

The temporal affairs of the Church are under the management of the charity trustees meeting as the Vestry (see Page 1 for the current membership).

The Vestry is made up of:

- six to nine elected members. Elections for at least three places are held every year. Elected members standing down after three or more years are not immediately eligible for re-election;
- the Lay Representative who is elected annually and is eligible for re-election;
- the Rector who is ex-officio and is appointed by the Bishop;
- the Secretary, Treasurer and Property Manager who are appointed by the elected members of the Vestry for three years and are eligible for re-appointment; and the Vulnerable Persons Protection Co-ordinator who is appointed by the Vestry with the approval of the Bishop.

Vestry members are inducted each year in front of the congregation.

As part of the Scottish Episcopal Church the clergy, all officials, the Vestry and the congregation are subject to the canons of the church and the rules of the General Synod. The Rector and Lay Reader are also members of the North West Regional Council of the Diocese of Glasgow and Galloway.

The Vestry generally meets on nine occasions each year and reviews the financial position of St. Michael and All Angels' Church and the needs of the property in accordance with an agreed schedule.

Liturgical matters are the responsibility of the Rector as prescribed by the canons.

Rector's and People's Wardens

At the suggestion of the Bishop, a Rector's Warden has been appointed by the Rector and a People's Warden elected by the congregation. They are entitled to attend Vestry meetings but are not members of the Vestry or Charity Trustees. Therefore they do not carry any responsibility for the management of the temporal affairs of the Church. Instead their role is jointly to provide a means of conciliation and communication and, as far as they can, prevent small problems becoming large problems.

For 2016/7 the Rector's Warden was Ms Jo Scott and the People's Warden was Mrs Morag Carlaw.

Objects and Activities

The objects of the Church were agreed at the AGM in December 2006 and incorporated into the constitution in 2010.

The primary object of the Church and its congregation is to share our experience of God's love with all whom we come into contact through our worship, our fellowship, our welcoming and non-judgemental attitude and our involvement with the local community as individuals and as a church congregation.

The second object of the congregation is to grow spiritually.

Summary of the Main Activities in Relation to these Objects:

It is not easy to categorise Church activities but for the purpose of this report five main areas of charitable activity have been identified, the first four of which directly support the agreed objects. They are:

1. The provision of public worship. This is the most obvious activity of the Church.
2. Pastoral care. This is a low profile but important activity by the Rector and members of the Congregation.
3. Local outreach and education. This includes work with young people and support to local institutions and voluntary organisations.
4. Wider outreach and concern. This means the world beyond Loch Long and Loch Lomond.

The fifth area of charitable activity supports the agreed objects indirectly. The church and main hall buildings are Grade 1 listed. The church is reckoned to be a fine example of design by the reputed Scottish architect Robert Rowand Anderson and is a notable contribution to the Helensburgh town centre built environment. The fifth activity has therefore been the maintenance of the church, halls and rectory.

Grants to Others

The Vestry operates a policy of allocating a proportion of our Unrestricted Income to other charities. Priority is given to local charities, those with particular connections with the Scottish Episcopal Church, and those that have a small fund-raising base.

Volunteers

Volunteers make an enormous contribution in many different ways to Activities 1 to 3 and in the management of the conservation and upkeep of the buildings. These contributions are often unseen but are vital to Church life. A few aspects of this voluntary work are mentioned in the next section but there are too many others to mention them all.

Achievements and Performance

Summary of the Main Achievements of the charity during the year:

Provision of Public Worship

There have been regular services in St. Michael's Church throughout the week every week. These are advertised on church notice-boards, and on the church web-site which has now been completely revamped and expanded. As well as the services in accordance with the liturgy of the Scottish Episcopal Church (Eucharist four times a week, and Evensong), an informal 'Open Spirit' worship, aimed at children and young families, is held on Sunday mornings before the main service.

There have also been monthly celebrations of the Eucharist in members' homes, to serve the communities in Cardross and on the Rosneath Peninsula.

There are 195 people on the current Congregational (Members and Adherents) Roll, from Helensburgh and its surrounding area, which ranges from Cardross to Cove, from Duck Bay to as far north as Arrochar. Most of those listed take Holy Communion at least once per year. The main Sunday service (Sung Eucharist) has an average attendance of about 70 adults and children, and the average total weekly attendance at all services (including House Communion in Cardross and on the Rosneath Peninsula) is approximately 120.

In addition to the church services there have been 2 home-based Bible-study groups, which include up to 25 members of the congregation. There is also a prayer meeting each week. Two worship services are held in local nursing home each month. Weddings, baptisms, and funerals have been conducted as requested.

St Michael's Sunday Club:

St Michael's Sunday Club meets in the lower hall every Sunday morning during the Sung Eucharist. A small and variable number of children attend, and the children of church members and visitors are welcomed whenever they appear. There is a small team of leaders who provide activities for the children every week, including school holidays. We aim to provide a welcoming atmosphere to any children, regular or visitors, who come on Sunday mornings. We use the material to help the children to engage with the Bible, using stories, drama, active games and worksheets.

Pastoral care:

Regular pastoral work of the church involved the Rector and several members of the congregation visiting a large number of church people, including the elderly, the house-bound, the bereaved, and those in hospital. This work extends beyond the immediate church family to people on the fringes of the church community. Some of this support is formally organised, and some is ad-hoc as members recognise the need.

Local outreach:

The Rector has acted as chaplain at Parklands School (the local school for Special Education Needs children) and at two nursing homes, where monthly services are held for the residents.

The church magazine 'The Messenger' is delivered free to a wider readership than the congregation.

The monthly coffee mornings and the rambling group provide outreach opportunities as well as the chances of building friendships and well-being. The Mothers' Union branch also provides for some community needs.

Many activities on behalf of the local community have been supported. In some cases this is done as a church, for example the voluntary staffing of the Vale of Leven Hospital Tea Bar. In other cases the support is provided by individual members of the congregation applying their Christian principles, such as in helping to staff the week-day Helensburgh Senior Citizens' Lunch Club. It has been estimated that something like 20 community groups are being supported in this way.

Support has also been provided to the local community in the form of grants, both for Christian mission and for the relief of those in need. Note 18 of the Annual Accounts provides details.

The Glasgow Diocesan Growth Strategy is all about 'outreach' and our own 'Mission Action Planning' Team supports this by helping the church to reach out more effectively into the local community. The scheme is subject to annual review by the Bishop of the Diocese.

Wider Outreach and Concern:

This has been expressed by means of the quota (currently approximately 15% of our income) paid to the Diocese & Province and collections and fund raising made for appropriate charities at home and abroad. Note 12 of the Annual Accounts discloses the quota and Note 18 provides a list of the special collections and fund raising activities.

The quota is used at Diocesan and Provincial level to fund various mission and outreach activities and to provide financial assistance to smaller congregations throughout Scotland.

As usual the congregation contributed significantly to the local ecumenical efforts during Christian Aid Week.

Care for Listed Buildings:

This has been another year of major expense with large projects carried out and completed as noted below.

The church was closed in January 2017 for 8 weeks for a complete and much needed interior redecoration, followed by a full clean through by volunteer members of the congregation, together with a complete 'relamp' of the lighting with LED lamps, allowing for a full reopening for services on the 18th March. We are however still waiting for the exterior painting work to the church to be carried out which, due to the poor weather this year, is still outstanding.

Early in the year our new interior notice board was delivered and installed at the West door and in July our exterior notice board was finally supplied and fitted on the site of the old pump room, on the Princes Street side of the church, (both projects being carried out following anonymous donations).

Following a further generous anonymous donation, during April, the Lighting and Heating throughout the Upper and Lower halls was replaced with new press button timer electric heaters and new LED lights.

During mid-May we received a formal visit and inspection by the Dean on behalf of the Diocese, during which he was very complimentary re the state and condition of our church buildings and it was pleasing to find that we were able to answer all his questions satisfactorily regarding regular checks and inspections of equipment and services.

During the year we have needed ongoing work to the drainage and roof areas including lead reroofing of an area above the flower vestry. In addition orders have been placed to carry out further repairs to the gutters and down pipes, plus work on repointing of certain walls as we are still experiencing excessive water ingress in a number of areas, over and above the general problem of water penetration through the sand stone which is an historic problem we are unable to fix. In addition we are getting water through a number of the stained glass windows, these have been inspected by a specialist and we are awaiting their report.

Looking forward, with the retirement of the Rector we now need to consider the likelihood of a need for extensive upgrading works to the rectory, before a new rector can move in. This may potentially cost between £40,000 and £45,000, but detailed surveys will need to be commissioned and proposals considered for approval.

Protection of Vulnerable Groups (PVG):

There have been no reports of any child or vulnerable adult at risk. All those carrying out communicant visitor and Sunday School duties are members of the PVG scheme. For more information please contact John Busby our PVG Co-ordinator.

Financial Review

Statement of the charity's policy on Reserves:

The Vestry has determined that the reserves in the General Fund should be at least £40,000 in cash plus the value of the expendable investments. This figure is intended to provide some protection against the risk of major repairs to the buildings becoming necessary despite the completion of the Conservation Project. It also provides a margin to cover fluctuations in income as members come and go.

More than one third of our regular gift income comes from only a dozen families. Thus our main source of income is vulnerable to the departure of certain key individuals.

Details of any Funds materially in Deficit:

No funds were in deficit on 31st August 2017.

Further financial information:

Income and Expenditure During the Year Ended 31 August 2017

The total income this year was £116,535 compared to £101,259 last year. £7,988 of this increase was in the Restricted Funds and was the result of specific gifts for special purposes. The income in the Unrestricted Funds, which must meet almost all of our routine expenditure, increased by £7,333 (7.7%) to £102,732.

The total unrestricted congregational giving increased by £5,408: pledged giving (plus associated gift aid) increased by £7,739 to £82,833 but unpledged unrestricted giving (plus gift aid) decreased by £2,331 to £8,740. Two legacies were received: one without any associated restrictions and the other specifically for flowers in the church.

Unrestricted income was boosted by three events: a talk on China by John Harbour; another Daffodil Tea at High Auchensail Farm; and one of the Stalls-in-the-Hall (most are held for other charities). Hall lets increased very slightly.

The interest received has fallen by almost £400 from the level last year (which was boosted £200 to £300 by bank interest earned during the lengthy transfer of investments from Barclays Wealth to the SEC Unit Trust Pool). Another contributor to the fall was the need to move our savings into more accessible accounts in preparation for the repainting of the church. The reduction in our Net Current Assets over the last few years has also had an adverse effect on the interest earned. However the endowment income that can be used for core church business has increased by £145.

Wedding and funeral fees were £100 less than last year.

The total expenditure increased by £6,741 to £120,820 and yet again exceeded our total income. However £17,500 of this was for the redecoration of the interior of the church and was drawn from the Conservation Fund. Another £10,129 was spent on the new notice boards and hall lighting and heating: this was almost fully covered by generous contributions by a few members of the congregation.

The expenditure from the Unrestricted Funds, which must meet almost all of our routine expenditure, fell by £8,126 to £91,606. The biggest saving resulted from the decision to scale back our donations to other charities: by concentrating on local charities we saved £5,696. Next there was a reduction in the level of emergency/unplanned building repairs in 2016/17 and almost all the main works were funded out of the Restricted Funds. Compared with 2015/16 the demands on the Unrestricted Funds were £2,283 lower. The uprating of the Employment Allowance reduced our costs by £976 and the cost of the energy used by the church reduced by £485. There were other areas of saving but also some areas where costs grew. Our unrestricted expenditure was less than our unrestricted income for the first time since 2008.

Stewardship

It is vestry policy to ask church members to review their commitment, both financial and time every four years. We had a stewardship campaign during the last financial year, the results of which are evident in this year's accounts. As shown in Note 4 of the accounts the unrestricted pledged giving increased by £5,862 (9.6%) and the associated gift aid by £1,877 (13.3%). Thus a larger proportion of the pledged giving has been gift-aided. It seems that some of the increase in pledged giving was the result of members switching from unpledged (or occasional) giving because the unrestricted unpledged giving fell by £2,245. Nevertheless the overall increase in unrestricted congregational giving of £5,408 has played a very significant part in turning the financial situation around, as have the donations to pay for the new notice boards and the hall lights and heaters.

Future Plans

We still anticipate having to spend more than £75,000 on the buildings in the next four to five years and we need to allow for this in our planning. The Vestry has decided to continue supporting other charities but focussing local ones with restricted income bases and has added another £3,500 to make a total of just over £4,000 designated for allocation in 2017/18. The Vestry has also set aside an initial £7,000 towards upgrading the Rectory. These provisions have been shown as transfers from the General Fund in Note 29 of the Annual Accounts.

Financial Position on 31 August 2017

Our share portfolio was held within the Scottish Episcopal Church (SEC) Unit Trust Pool (UTP) for the whole of the 2016/17 financial year. Over the year there was a gain on paper of £20,907 in the value of our holdings. This was a gain of 15.7% which compares favourably with a rise of 9.6% in the FTSE 100.

Our bank balances and cash in hand totalled £37,422. Allowing for the money designated for other charities, set aside for the Rectory upgrading, and due to creditors, cash reserves in the General Fund amounted to £15,216. This is well below the minimum level set by the Vestry but the Unrestricted Funds' share of the accrued Gift Aid, which is expected from HM Revenue & Customs before the end of 2017, far exceeds our short-term liabilities. The Net Current Assets in the General Fund were £32,928 ~ equivalent to 18 week's routine expenditure. This is a slightly better position than we were in on 31st August 2016 but would have been much better if we had not made an up-front provision for charitable giving and work on the Rectory.

Declaration

The charity trustees declare that they have approved the trustee's report above.

Signature: Original signed by Nick Davies

Full Name: Paul Nicholas Michael Davies

Position: Honorary Secretary

Date: 9th October 2017

ST. MICHAEL AND ALL ANGELS CHURCH HELENSBURGH

Independent Examiner's Report to the Trustees

I report on the accounts for the year ended 31st August 2017 set out on pages eight to nineteen.

Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. The charity's 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 the independent examiner's report

My examination was carried out in accordance with Regulation 11 of the Charities Accounts (Scotland) Regulations 2006. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- (1) which gives me reasonable cause to believe that, in any material respect, the requirements
 - to keep accounting records in accordance with Section 44(1)(a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations; and
 - to prepare accounts which accord with the accounting records and to comply with Regulation 8 of the 2006 Accounts Regulations

have not been met; or

- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Original signed by Shona Brown

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

Dated: 28th November 2017

ST MICHAEL AND ALL ANGELS' CHURCH, HELENSBURGH

A charity registered in Scotland SC006468

ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2017

Section A ~ Statement of Financial Activities

	Note	Unrestricted funds 3	Restricted funds 3	Endowment funds 3	Total this year	Total last year
Income & Endowments from:						
Donations and legacies	4	£92,673	£11,160	-	£103,833	<i>£89,337</i>
Charitable Activities	5	£230	-	-	£230	<i>£330</i>
Other trading activities	6	£7,994	-	-	£7,994	<i>£6,689</i>
Investments	7	£1,835	-	£2,643	£4,478	<i>£4,803</i>
Other income	8	-	-	-	-	<i>£100</i>
Total Income this year		£102,732	£11,160	£2,643	£116,535	
<i>Total Income last year</i>		<i>£95,399</i>	<i>£3,172</i>	<i>£2,688</i>		<i>£101,259</i>
Expenditure on:						
Raising funds	9	£2,542	-	-	£2,542	<i>£2,998</i>
Charitable Activities	12	£89,064	£28,087	£1,127	£118,278	<i>£111,081</i>
Total Expenditure this year		£91,606	£28,087	£1,127	£120,820	
<i>Total Expenditure last year</i>		<i>£99,732</i>	<i>£13,297</i>	<i>£1,050</i>		<i>£114,079</i>
Net income/(expenditure) & net movement in funds before investment gains/(losses)						
This year		£11,126	(£16,927)	£1,516	(£4,285)	
<i>Last year</i>		<i>(£4,333)</i>	<i>(£10,125)</i>	<i>£1,638</i>		<i>(£12,820)</i>
Net gains/(losses) on investments						
This year	25	£8,319	-	£12,588	£20,907	
<i>Last year</i>		<i>(£177)</i>	-	<i>£3,298</i>		<i>£3,121</i>
Net income/expenditure						
This year		£19,445	(£16,927)	£14,104	£16,622	
<i>Last year</i>		<i>(£4,510)</i>	<i>(£10,125)</i>	<i>£4,936</i>		<i>(£9,699)</i>
Net transfers between funds						
This year	29	(£5,686)	£7,000	(£1,314)	-	
<i>Last year</i>		<i>(£1,531)</i>	<i>£3,000</i>	<i>(£1,469)</i>		-
Net movement in funds						
This year		£13,759	(£9,927)	£12,790	£16,622	
<i>Last year</i>		<i>(£6,041)</i>	<i>(£7,125)</i>	<i>£3,467</i>		<i>(£9,699)</i>
Reconciliation of funds						
Total funds brought forward		£84,612	£26,374	£83,779	£194,765	<i>£204,464</i>
Total funds carried forward		£98,371	£16,447	£96,569	£211,387	<i>£194,765</i>

Section B ~ Balance Sheet

Balances on 31 August 2017						
	Note	Unrestricted funds	Restricted funds	Endowment funds	Total this year	Total last year
Fixed Assets:						
Investments						
Permanent Endowment Funds	26	-	-	£92,903	£92,903	£80,315
Expendable Endowment Funds	26	£61,397	-	-	£61,397	£53,078
Total Fixed Assets		£61,397	-	£92,903	£154,300	£133,393
Current Assets:						
Debtors	23	£17,712	£2,125	-	£19,837	£16,257
Short term investments		-	-	-	-	-
Cash at bank and in hand		£19,434	£14,322	£3,666	£37,422	£45,835
Total Current Assets		£37,146	£16,447	£3,666	£57,259	£62,092
Liabilities:						
Creditors: amounts falling due within one year	24	£172	-	-	£172	£720
Net Current Assets/(Liabilities)		£36,974	£16,447	£3,666	£57,087	£61,372
Creditors: amounts falling due after one year	24	-	-	-	-	-
Provisions for liabilities		-	-	-	-	-
Total Net Assets or Liabilities		£98,371	£16,447	£96,569	£211,387	£194,765
Funds of the Church 3, 26, 28						
Unrestricted funds						
General Fund		£94,325			£94,325	£83,532
Designated for other charities		£4,046			£4,046	£345
Lay Reader's Discretionary Fund		-			-	£735
Restricted funds						
Flower Fund			£371		£371	£51
Conservation Fund			£5,368		£5,368	£22,868
Special Purpose Funds			£10,708		£10,708	£3,455
Endowment funds						
Stipend enhancement funds				£28,547	£28,547	£24,679
Dean Beard Memorial Fund				£10,785	£10,785	£9,618
Other permanent endowments				£57,237	£57,237	£49,482
Total Funds		£98,371	£16,447	£96,569	£211,387	£194,765

The accounts on Pages 8 to 19 were approved by the Vestry on 9th October 2017 and signed on its behalf by:

Original signed by Janina Duncan

Janina Elizabeth Duncan (Honorary Treasurer)

Section C ~ Notes to the accounts

Note 1: Basis of preparation

These accounts have been prepared in accordance with the Charities Accounts (Scotland) Regulations 2006 and Accounting and Reporting by Charities – Statement of Recommended Practice {the Charities SORP (FRS 102)} and accounting standards.

Note 3 explains the structure of St Michael & All Angels' Church's funds.

Note 2: Accounting policies

INCOMING RESOURCES

Recognition of incoming resources	These are included in the Statement of Financial Activities (SoFA) when: <ul style="list-style-type: none"> ▶ the charity becomes entitled to the resources; ▶ the trustees are virtually certain they will receive the resources; and ▶ the monetary value can be measured with sufficient reliability.
Incoming resources with related expenditure	Where incoming resources have related expenditure (as with fundraising income) the incoming resources and related expenditure are reported gross in the SoFA.
Grants and donations	Grants and donations are only included in the SoFA when the charity has unconditional entitlement to the resources.
Tax reclaims on donations and gifts	Incoming resources from tax reclaims are included in the SoFA at the same time as the gift to which they relate.
Gifts in kind	Gifts in kind for sale are recognised in the accounts only when sold, and then under the analysis of activities for generating funds. Consumable gifts in kind for the use of the Church (flowers, home baking, etc) are not brought to account unless material.
Donated services	These are only included in incoming resources (with an equivalent amount in resources expended) when the benefit to the charity is reasonably quantifiable, measurable and material. The value placed on these services is the estimated value to the charity.
Volunteer help	The Church relies on a great deal of voluntary help but this defies quantification and is not included in the accounts.
Investment income	This is included in accounts when receivable from nominees.
Investment gains and losses	These include any gains or losses on the sale of investments and any gains or losses resulting from revaluing investments to market values at the end of the year.

EXPENDITURE AND LIABILITIES

Liability recognition	Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to pay out resources.
Governance costs	These include costs of preparing & examining statutory accounts and other monitoring reports and the costs of trustee meetings & the AGM.
Grants payable	These are recognised in the accounts when a commitment has been made to the charity or individual and there are no conditions to be met relating to the grant which remain in the control of the charity.
Church energy	Energy costs are calculated from our own meter readings at the beginning and end of the financial year.
Building upkeep	Provision for major unfunded work on the fabric of the Church, Halls and Rectory is made by transfers into the Special Purpose Funds.

Section C ~ Notes to the accounts (continued)

Note 2: Accounting policies (continued)

ASSETS

Tangible fixed assets for use by charity	The Church, Halls and the Rectory are vested in the Bishop, Dean, Diocesan Chancellor and Diocesan Registrar and are excluded from these accounts. The other fixed assets (church silver, office equipment, etc) are not considered material to these accounts. Expenditure on tangible fixed assets is charged to revenue as incurred.
Investments	Investments are valued at market prices at the year end.

Note 3: Funds and their purposes

UNRESTRICTED FUNDS	Funds that can be used entirely at the discretion of the Vestry.
General Fund	This fund is used for the normal core business of the Church. Expendable endowments (Miss Sandison's & Mrs Hepper's legacies and the General Endowment Fund) are included in the General Fund because there are, in effect, no restrictions on the use of the capital or the income.
Designated for Other Charities	This represents the money designated by the Vestry for giving for the wider work of the Church.
Lay Reader's Discretionary Fund	This holds money designated by the Vestry that may be used to assist local families with special needs that will not be met by the benefits system.
RESTRICTED FUNDS	Funds that have been given and must be used for specific purposes.
Flower Fund	Income in this fund is from dedicated gifts by members of the congregation. It is used to defray the costs of Church floral decorations.
Conservation Fund	This fund was set up to track the income for and expenditure on the 2001 to 2011 Conservation Project on the church building. The balance left in the fund has been set aside to provide a reserve against the risks of major work being needed on the church during the following decade.
Special Purpose Funds	These comprise a number of small funds temporarily created to keep track of (1) gifts from individuals or grant-awarding bodies for specific improvements or (2) money designated by the Vestry for major improvements to the fabric.
ENDOWMENT FUNDS	Endowments & memorial funds for which the capital must be retained.
Stipend Enhancement Funds	These consist of Sir William Raeburn's Endowment and the Elderton Memorial Fund. Their purpose is to provide the Rector with a supplementary income over and above the Standard stipend.
Dean Beard Memorial Fund	This fund was given to provide an income to assist choirboys start their careers. In recent years it has been used to help other young persons with Church connections.
Other Permanent Endowments	The other permanent funds are: <ul style="list-style-type: none"> ▶ the Kenneth McKenzie Memorial Fund; ▶ the Dean Beard Trust Fund; ▶ the Thank Offering Endowment Fund. <p>Restrictions on the uses of the income from the funds are described in Note 27. In effect all the income can be applied to core charitable activities of the Church.</p>

Section C ~ Notes to the accounts (continued)

Note 4: Donations and legacies

Note	Unrestricted funds	Restricted funds	Endowment funds	Total this year	Total last year
Congregational giving					
Pledged giving					
~ Amount given	£66,892	-	-	£66,892	£61,030
~ Gift Aid due from HMRC	£15,941	-	-	£15,941	£14,064
Other giving					
~ Amount given	£7,309	£8,535	-	£15,844	£12,116
~ Gift Aid due from HMRC	£1,431	£2,125	-	£3,556	£2,127
Total congregational giving	£91,573	£10,660	-	£102,233	£89,337
Legacies	£1,000	£500	-	£1,500	-
Grants from outside bodies	£100	-	-	£100	-
Total this year	£92,673	£11,160	-	£103,833	
<i>Total last year</i>	<i>£86,165</i>	<i>£3,172</i>	<i>-</i>		<i>£89,337</i>

Grants received:

The grant was from the Diocese as a contribution towards the cost quinquennial survey carried out last year.

Note 5: Income from charitable activities

	Unrestricted funds	Restricted funds	Endowment funds	Total this year	Total last year
Fees	£230	-	-	£230	£330
Income from other charitable activities	-	-	-	-	-
Total this year	£230	-	-	£230	
<i>Total last year</i>	<i>£330</i>	<i>-</i>	<i>-</i>		<i>£330</i>

Note 6: Income from other trading activities

	Unrestricted funds	Restricted funds	Endowment funds	Total this year	Total last year
Fund raising events	£1,072	-	-	£1,072	-
Sales	£169	-	-	£169	£5
Hall lets	£6,753	-	-	£6,753	£6,684
Total this year	£7,994	-	-	£7,994	
<i>Total last year</i>	<i>£6,689</i>	<i>-</i>	<i>-</i>		<i>£6,689</i>

Note 7: Investment income

Note	Unrestricted funds	Restricted funds	Endowment funds	Total this year	Total last year
Bank accounts and HMR&C	£89	-	-	£89	£482
Endowments for extra-mural purposes					
~ To enhance Rector's stipend	26	-	£812	£812	£875
~ Dean Beard Memorial Fund	26	-	£202	£202	£216
Other endowments	26	-	£1,629	£3,375	£3,230
Total this year	£1,835	-	£2,643	£4,478	
<i>Total last year</i>	<i>£2,115</i>	<i>-</i>	<i>£2,688</i>		<i>£4,803</i>

Section C ~ Notes to the accounts (continued)

Note 8: Other income

	Unrestricted funds	Restricted funds	Endowment funds	Total this year	Total last year
RBS ex-gratia payments	-	-	-	-	£100
Total this year	-	-	-	-	
<i>Total last year</i>	£100	-	-		£100

Note 9: Costs of raising funds

	Note	Unrestricted funds	Restricted funds	Endowment funds	Total this year	Total last year
Stewardship envelopes.		-	-	-	-	£52
Costs of fundraising events		-	-	-	-	-
Costs of sales		-	-	-	-	-
Share of Hall running costs	10	£2,542	-	-	£2,542	£2,589
Investment management fees	11	-	-	-	-	£357
Total this year		£2,542	-	-	£2,542	
<i>Total last year</i>		£2,884	-	£114		£2,998

Note 10: Share of hall running costs

Based on an analysis of a typical month, 70% of the use of the halls is by outside organisations. A power consumption monitor has shown that over the course of the year 41% of the electricity was used during the use of the halls by outside organisations and private use of the facilities. The balance, covering the Church's own use, is included in Note 16.

Note 11: Investment management fees

In FY 2015/16 the investment manager's charges were based on the market value of the holdings and were shared between endowments on the same basis. This year our investments are held in the SEC Unit Trust Pool. Management fees are charged to the Pool and are not separately identifiable.

Note 12: Costs of charitable activities

	Note	Unrestricted funds	Restricted funds	Endowment funds	Total this year	Total last year
Clergy pay & associated costs	13	£37,741	-	£812	£38,553	£40,022
Rector's travel expenses	14	£711	-	-	£711	£563
Worship, mission & education	15	£7,716	£499	£24	£8,239	£5,793
Church, halls & rectory	16	£21,352	£27,491	£40	£48,883	£36,642
Administration & governance	17	£2,950	-	-	£2,950	£3,667
Quota		£13,805	£97	£251	£14,153	£14,129
Voluntary grants to others	18	£4,789	-	-	£4,789	£10,265
Total this year		£89,064	£28,087	£1,127	£118,278	
<i>Total last year</i>		£96,848	£13,297	£936		£111,081

Section C ~ Notes to the accounts (continued)

Note 13: Clergy employment costs

Note	Unrestricted funds	Restricted funds	Endowment funds	Total this year	Total last year
Gross stipend and allowances	£29,408	-	£812	£30,220	£30,361
Employers NICs	£70	-	-	£70	£1,046
Pension contributions	£8,151	-	-	£8,151	£8,252
Locum tenens fees and travel	£112	-	-	£112	£363
Total this year	£37,741	-	£812	£38,553	
<i>Total last year</i>	<i>£39,147</i>	<i>-</i>	<i>£875</i>		<i>£40,022</i>

Note 14: Rector's travel costs

These include mileage at HMRC approved rates, bus, train and ferry fares.

Note 15: Worship, mission & education

	Unrestricted funds	Restricted funds	Endowment funds	Total this year	Total last year
Organist, choir and music	£5,180	£312	£24	£5,516	£4,727
Sanctuary expenses	£1,425	-	-	£1,425	£705
Flowers and related expenses	-	£187	-	£187	£101
Publicity	£243	-	-	£243	£163
Communications	£688	-	-	£688	£48
Sunday school & youth work	£46	-	-	£46	£34
Adult education	£4	-	-	£4	-
Other outreach	£130	-	-	£130	£15
Total this year	£7,716	£499	£24	£8,239	
<i>Total last year</i>	<i>£5,669</i>	<i>£101</i>	<i>£23</i>		<i>£5,793</i>

Note 16: Church, halls & rectory

	Unrestricted funds	Restricted funds	Endowment funds	Total this year	Total last year
Cleaning, routine repairs and renewals	£7,039	-	-	£7,039	£13,460
Major works	£99	£27,491	£40	£27,630	£9,195
Gas and electricity (church use)	£3,070	-	-	£3,070	£3,555
Church & halls insurances	£6,463	-	-	£6,463	£6,225
Rectory council tax and insurance	£4,658	-	-	£4,658	£3,954
Rectory maintenance	£23	-	-	£23	£253
Total this year	£21,352	£27,491	£40	£48,883	
<i>Total last year</i>	<i>£23,408</i>	<i>£13,196</i>	<i>£38</i>		<i>£36,642</i>

Note 17: Administration and governance

	Unrestricted funds	Restricted funds	Endowment funds	Total this year	Total last year
General administration	£1,986	-	-	£1,986	£2,512
Trustee indemnity insurance	-	-	-	-	£315
Independent examiner's fees **	£900	-	-	£900	£840
AGM & other governance costs	£64	-	-	£64	-
Total this year	£2,950	-	-	£2,950	
<i>Total last year</i>	<i>£3,667</i>	<i>-</i>	<i>-</i>		<i>£3,667</i>

** Fees were for reporting on the accounts. No consultancy or accountancy services were provided.

Section C ~ Notes to the accounts (continued)

Note 18: Grants made

Grants to institutions

Purpose	Recipient	Grant
Mission & relief of suffering ~ local	Helensburgh Area Christian Youth Project	£3,000
	Rector's Discretionary Fund	£54
	The Beacon Trust	£1,000
Total of grants for mission & relief of suffering ~ Local		£4,054
Total granted to institutions		£4,054

Grants to individuals/families

Grants made from Lay Reader's Discretionary Fund		£735
Total granted to individuals		£735

Special Collections for Other Charities

In addition to the grant-making from Unrestricted Funds £3,896 was raised by special collections, sales of goods and tea & coffee, and participation in ecumenical activities.

Various Stalls in the Hall raised: £275 for WCC's Ecumenical Accompaniment Programme in Palestine & Israel; £301 for Mothers' Union good causes; £50 for Eco Church Scotland; £166 for the Glasgow Street Pastors; and £115 for the East Africa Famine Appeal (Christian Aid).

Special collections raised £311 for the Bishop's Lent Appeal.

Similarly a special collection raised £228 for the Mission to Seafarers.

St Michael's contributions to Christian Aid Week totalled £997.

Sunday morning Tea & Coffee raised £1,453 for Franciscan Aid. The object of Franciscan Aid is to relieve poverty and advance the education of deprived people from third world countries whose needs may not be covered by other agencies.

In addition to these cash gifts a selection of children's Christmas presents were passed on to the Preshall Trust and the Glasgow City Mission received regular supplies of food given by members of the congregation.

These special collections for other charities are not included in the Statement of Financial Activities in Activities, nor are they all subject to Independent Examination.

Section C ~ Notes to the accounts (continued)

Note 19: Paid office-holders and employees

Staff costs	This year	Last year
Gross stipends and salaries	£38,211	£37,672
Employer's national insurance costs	£70	£1,046
Pension costs	£8,151	£8,252
Total staff costs	£46,432	£46,970

The Rector also enjoyed rent-free accommodation.

Paid staff numbers	This year		Last year	
	Full time	Part time	Full time	Part time
Maximum number of employees during the year	1	5	1	5
Average number of full time equivalent employees	<2		<2	

More than 95% of staff remuneration was associated with the Charitable Activities of the Church.

Note 20: Pension arrangements

Clergy are entitled to join the Scottish Episcopal Church Pension Fund which is a non-contributory defined benefit scheme with benefits based on final pensionable salary. The Rector is a member of the Fund.

St Michael and All Angels' Church is unable to identify its share of the underlying assets and liabilities of the Fund on a consistent and reasonable basis and therefore accounts for its contributions as if the scheme were a defined contribution scheme.

The cost of future benefit accrual has increased to 32.2%.

Accordingly the June 2014 General Synod approved the continuation of the contribution rate of 34.9%. This should result in the deficit being paid off within 9 years. A proposal to carry out a review of the scheme benefits was also approved.

There were no contributions outstanding on 31 August 2017 in respect of the Rector.

Note 21: Trustee remuneration and expenses

The Rector received remuneration, allowances and travel expenses in respect of services as a stipendiary cleric in line with scales determined by the General Synod of the Scottish Episcopal Church plus the income from two restricted endowments (Note 26).

The sums paid during the financial year are as follows:

Office Holder/Employee	Remuneration	Expenses	Total this year	Total last year
Rector	£30,220	£711	£30,931	£30,924
Other Vestry members	-	-	-	£0
Totals paid	£30,220	£711	£30,931	£30,924

This year no other Charity Trustee received remuneration, fees or expenses other than the reimbursement of purchases made on behalf of the Church.

Note 22: Loans and transactions with Trustees and related parties

Nothing was owed to or from the trustees or other related parties at the financial year end.

No transactions were undertaken in which a trustee or other related party had a material interest.

No donations were made by trustees or related parties with conditions that must be disclosed. In the course of the year the aggregate total of donations from trustees and related parties received without conditions that must be disclosed was approximately £15,000.

Section C ~ Notes to the accounts (continued)

Note 23: Analysis of debtors

	Amounts falling due within one year		Amounts falling due after more than one year	
	This year	Last year	This year	Last year
Trade debtors	-	-	-	-
Amounts due from associated undertakings	-	-	-	-
Other debtors	-	-	-	-
Prepayments and accrued income	£19,837	£16,257	-	-
Total due from debtors	£19,837	£16,257	£0	£0

Note 24: Analysis of creditors

	Amounts falling due within one year		Amounts falling due after more than one year	
	This year	Last year	This year	Last year
Loans and overdrafts	-	-	-	-
Trade creditors	-	-	-	-
Amounts due to associated undertakings	-	-	-	-
Other creditors	£163	£107	-	-
Accruals and deferred income	£9	£613	-	-
Total due to creditors	£172	£720	-	-

Note 25: Changes in investment assets

Changes to holdings:

No changes to our portfolio were made during the financial year.

Carrying values: effect of additions, disposals & revaluations

All funds

Note: Carrying value is also known as book value.

Carrying value at start of year = market value at start of year	£133,393
Additions to investments at cost	-
Disposals at carrying value	-
Net gain/(loss) on revaluation {these are unrealised gains/(losses)}	£20,907
New carrying value = market value at end of year	£154,300

Summary of net gains or (losses)

All funds

Disposal proceeds	-
less Carrying value of disposals [as above]	-
Disposal net gains/(losses) {these are realised gains/(losses)}	-
Unrealised gains/(losses) [as above]	£20,907
Total realised & unrealised gains/(losses)	£20,907

Section C ~ Notes to the accounts (continued)

Note 26: Allocation of investments

All our investments are held in the SEC Unit Trust Pool. We have 8,605 units allocated as shown below.

PERMANENT ENDOWMENTS	Market value on 31 Aug 2017	Annual income
SIR WILLIAM RAEBURN'S ENDOWMENT 55 SEC Unit Trust Pool units Income to enhance Rector's stipend.	£986	£28
ELDERTON MEMORIAL FUND 1,537 SEC Unit Trust Pool units Income to enhance Rector's stipend.	£27,561	£784
DEAN BEARD MEMORIAL FUND 397 SEC Unit Trust Pool units Income to provide assistance to a choirboy starting a career.	£7,119	£202
DEAN BEARD TRUST FUND 48 SEC Unit Trust Pool units Income to be used for maintenance & advancement of Church music.	£861	£24
KENNETH McKENZIE MEMORIAL FUND 78 SEC Unit Trust Pool units The income contributed to the purchase of our new notice boards.	£1,399	£40
THANK OFFERING ENDOWMENT FUND 3,066 SEC Unit Trust Pool units To provide a regular income - capital must be retained.	£54,977	£1,565
Total Value of Permanent Endowments used in Balance Sheet	£92,903	£2,643
EXPENDABLE ENDOWMENTS		
MISS SANDISON'S LEGACY (Part of the General Fund) 955 SEC Unit Trust Pool units To be used at the discretion of the Rector and Vestry.	£17,124	£487
MRS HEPPEL'S LEGACY (Part of the General Fund) 1,696 SEC Unit Trust Pool units To be used for local church activities.	£30,412	£865
GENERAL ENDOWMENT FUND (Part of the General Fund) 773 SEC Unit Trust Pool units To be used at the discretion of the Rector and Vestry.	£13,861	£394
Total Value of Expendable Endowments used in Balance Sheet	£61,397	£1,746
Total Value of all Investments (Fixed Assets)	£154,300	£4,389

Note 27: Transactions in the Special Purpose Funds

The income this year were gifts for the Internal Notice Board (£3,000 + gift aid), for the External Notice Board (£1,500 + gift aid), and for the Halls' much improved heating and lighting (£4,000 + gift aid).

The expenditure was on the Internal Notice Board (£2,985), the External Notice Board (£2,006), Hall heating and lighting (£5,000) and the relocation of two pianos given us by the Parish Church (£312).

At the end of the year £7,000 was transferred into the Special Purpose Funds as a provision towards the upgrading of the Rectory (see Note 29).

After the transfer the balance in the Special Purpose Funds is £10,708. £142 of this is the remnant of Myra Taylor's legacy for church music. After quota obligations have been met the rest is available for the refurbishment of the rectory.

Section C ~ Notes to the accounts (continued)

Note 28: Movement of major funds this year and last year

Fund		Balances brought fwd	Income	Expenditure	Transfers (Note 29)	Gains and losses	Balances carried fwd	
General Fund	U	This year	£83,532	£102,732	£86,817	(£13,441)	£8,319	£94,325
		Last year	£79,308	£95,399	£89,467	(£1,531)	(£177)	£83,532
Designated for other charities	D	This year	£345	-	£4,054	£7,755	-	£4,046
		Last year	£10,095	-	£9,750	-	-	£345
Lay Reader's Discretion'y Fund	D	This year	£735	-	£735	-	-	-
		Last year	£1,250	-	£515	-	-	£735
Flower Fund	R	This year	£51	£535	£215	-	-	£371
		Last year	£28	£124	£101	-	-	£51
Conservation Fund	R	This year	£22,868	-	£17,500	-	-	£5,368
		Last year	£22,868	-	-	-	-	£22,868
Special Purpose Funds	R	This year	£3,455	£10,625	£10,372	£7,000	-	£10,708
		Last year	£10,603	£3,048	£13,196	£3,000	-	£3,455
Stipend Enhancement Funds	E	This year	£24,679	£812	£812	-	£3,868	£28,547
		Last year	£24,883	£875	£912	-	(£167)	£24,679
Dean Beard Memorial Fund	E	This year	£9,618	£202	-	-	£965	£10,785
		Last year	£9,169	£216	£10	-	£243	£9,618
Other Permanent Endowments	E	This year	£49,482	£1,629	£315	(£1,314)	£7,755	£57,237
		Last year	£46,260	£1,597	£128	(£1,469)	£3,222	£49,482
Total funds		This year	£194,765	£116,535	£120,820	-	£20,907	£211,387
		Last year	£204,464	£101,259	£114,079	-	£3,121	£194,765

Key: U = Unrestricted Fund; D = Designated Fund; R = Restricted Fund; E = Permanent Endowment Fund

Note 29: Transfers between funds

From:	To:	Reason	Amount
General Fund	Special Purpose Funds	Vestry decision to make some provision for upgrading of the Rectory.	£7,000
General Fund	Designated for other charities	Vestry decisions (£4,255 in March & £3,500 at end of FY 2016/17).	£7,755
Other Perman't End'ts	General Fund	From Thank Offering Endowment Fund in accordance with its purpose.	£1,314