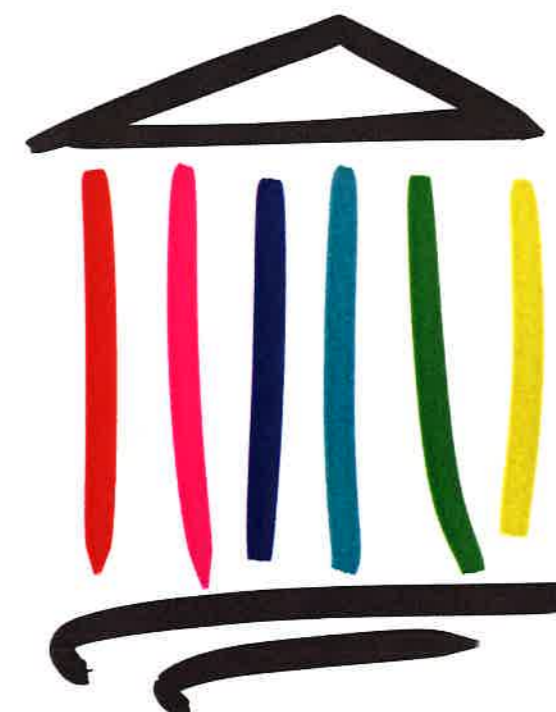


23. 2019 OPERATIONAL BUDGET

Unrestricted Funds budgeted Income & Expenditure 1 January 2019 to 31 December 2019

| | Budget to 31-Dec-19 | Actual to 31-Dec-18 |
|------------------------------|------------------------|------------------------|
| | £ | £ |
| Income | | |
| Ordinary Collections | 8,500 | 8,118 |
| WFO | 7,185 | 7,115 |
| Gift Aid | 41,554 | 41,554 |
| Donations | | 2,937 |
| Tax Reclaimed | 13,413 | 13,204 |
| Dividends | 6,282 | 4,594 |
| Bank Interest | | 253 |
| Legacies | | |
| Halls | 60,000 | 56,139 |
| Charitable Income | 200 | 700 |
| Manse Rental | 16,488 | 10,841 |
| Total Income | 153,622 | 145,455 |
| | | |
| National Stipend Fund | 60,086 | 61,549 |
| Presbytery Dues | 3,723 | 3,926 |
| Minister-CoS | 500 | 14 |
| Pulpit Supply & locum | 9,960 | 5,876 |
| Sub total | 74,269 | 71,365 |
| | | |
| Salary Secretary | 9,732 | 9,448 |
| Salary Organist | 5,098 | 4,949 |
| Salary Church Officer | 12,353 | 11,993 |
| HMRC tax | 2,573 | 4,528 |
| Sub total | 29,756 | 30,918 |
| | | |
| Water | 1,100 | 988 |
| Electricity | 7,425 | 5,923 |
| Maint/Equip/Repairs | 9,000 | 8,281 |
| Gas | 10,000 | 6,387 |
| H&S Training & Defibrillator | 2,000 | |
| Church Cleaning | 12,000 | 11,461 |
| Manse Costs | 2,000 | 4,169 |
| Sub total | 43,525 | 37,209 |
| | | |
| Legal Fees | 4,500 | 300 |
| Organ Tuning/Repairs | 1,800 | 2,035 |
| Office & Telephones | 2,000 | 1,111 |
| Photocopying | 1,000 | 5,892 |
| Youth & Sunday School | 200 | - |
| Sundry Expenses | 2,500 | 1,689 |
| Insurances | 7,000 | 6,768 |
| Sub total | 19,000 | 17,795 |
| | | |
| Total Expenditure | 166,550 | 157,287 |
| | | |
| Net Surplus/(deficit) | (12,928) | (11,832) |

Report of the Trustees and
Financial Statements for the Year Ended 31 December 2018
for
Wellington Church of Scotland, Glasgow



Brett Nicholls Associates
63 Ruthven Lane
Glasgow
G12 9BG

Wellington Church of Scotland

**Contents of the Financial Statements
for the Year Ended 31 December 2018**

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Wellington Church of Scotland

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2018**

22. CONTRIBUTION OF VOLUNTEERS

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

Wellington Church of Scotland

Notes to the Financial Statements - continued
for the Year Ended 31 December 2018

21. SPECIAL COLLECTIONS

| | 2018 | 2017 |
|--|--------------|---------------|
| | £ | £ |
| Lenten Lunch Projects | | |
| Gk Experience | | 1,803 |
| The Iona Community Capital Appeal | | 1,803 |
| St Andrew's Refugee Services in Cairo | | 1,803 |
| The Olive Tree | 1,200 | |
| Trefoil | 1,200 | |
| St Rollox Church | 1,200 | |
| Lodging House Mission | | 668 |
| Saidiana Women's Project (Kenya) | | 508 |
| Toy Box | 345 | 436 |
| Lodging House Mission (Ladies' Coffee Mornings) | | 996 |
| Glasgow Night Shelter | | 514 |
| Medical Aid to Palestinian's | | 811 |
| Scottish Love in Action | | 517 |
| Christian Aid Disaster Relief in Sierra Leone | | 554 |
| Student Christian Movement (SCM) | | 377 |
| Poppy Scotland | 539 | 609 |
| Dumfries House Trust | | 508 |
| Wheel Trust | | 145 |
| Glasgow Presytery- Youth 2018- Visit to South Africa | 412 | |
| Church of Scotland HIV Appeal | 84 | |
| Scottish Bible Society | 441 | |
| Mission Aviation Fellowship | 305 | |
| Church of Scotland HIV Programme | 1,126 | |
| The Disasters Emergency Committee | 573 | |
| The Well Multicultural Centre | 419 | |
| Cyrenians Scotland | 463 | |
| | <u>8,306</u> | <u>12,052</u> |

Community of Mission

| | 2018 | 2017 |
|-----------------------------|------------|--------------|
| | £ | £ |
| Mission Worker Expenses | | 160 |
| Breathing Space | | 1,210 |
| Hope College Hospitality | | 361 |
| Eco-Congregation membership | | 100 |
| Christmas Cards | 487 | 474 |
| Projects <100 | | 251 |
| Traidcraft Support | | 135 |
| Student Lunches | 121 | |
| Garden Expenses | 58 | |
| Annual Membership | 75 | |
| | <u>741</u> | <u>2,691</u> |

Wellington Church of Scotland

Reference and Administrative Details
for the Year Ended 31 December 2018

TRUSTEES

Arthur Allison
John Fyfe Anderson
Sally Beaumont
Christine Blackhurst
David Blackhurst
John Bradley
Anthea Cameron
Grace Franklin
Kate Fyfe
Kenneth Fyfe
Rebecca Gebauer
Robin Green
Niall Hardie
Petra Hardie
Christine Johnston
Priscilla Lawrie
Duncan Logie
Claire McDiarmid
Lizanne McKerrell
James Michael
Donald Murray
Jackie Murray
Fumiko Nakabachi
Ruth Shanks
Maureen Small
Helen Sturrock
Yushin Toda
Ekpe Ukpe
Heather Walton
Anne Wilson
Jan Mathieson (Interim Moderator)

PRINCIPAL ADDRESS

77 Southpark Avenue
Glasgow
G12 8LE

REGISTERED CHARITY NUMBER

SC000289

INDEPENDENT EXAMINER

Brett Nicholls Associates
63 Ruthven Lane
Glasgow
G12 9BG

BANKERS

Bank of Scotland
PO Box 1000
BX2 1LB

PRINCIPAL OFFICE-BEARERS

Interim Moderator : Rev Jan Mathieson
Session Clerk : Claire McDiarmid
Treasurer : David Blackhurst

Wellington Church of Scotland

Report of the Trustees for the Year Ended 31 December 2018

The trustees present their report with the financial statements of the charity for the year ended 31 December 2018. The trustees have adopted the provisions of 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) (effective 1 January 2015).

OBJECTIVES AND ACTIVITIES

Objectives and aims

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.

As such, Wellington Church has endeavoured to define and interpret its call and mission through the following statement:

Wellington's Understanding and Practice of Mission

'Love one another, as I have loved you.' (John 15:12). We welcome into the life and worship of our congregation all people whatever their ethnic origin, gender, background, age, sexual orientation, mental or physical ability. We affirm our diversity and the dignity of each person. 'Welcome one another, therefore, just as Christ has welcomed you, for the glory of God.' (Romans 15:7)

Wellington Church's understanding of mission begins with its stated commitment to welcome and inclusion within the life and worship of the congregation, and to a communal journey of faith on which we come to know, to accept, and to live the love of God in Jesus. However, these words of welcome and love also represent our vision for a truly human community anywhere. Our mission is to embody that vision, and the values of the kingdom of God that underpin it, and to take it out into the world. In light of this, we understand the mission of the church to include a commitment to, and action (often in partnership with other individuals and organisations) towards, what the World Council of Churches has summarised as 'justice, peace, and the integrity of creation', and we therefore include the following particular areas in our understanding and practice of mission.

1. Care for Creation: Because we believe in a loving and caring Creator God, and because we believe that we live in a world and on an earth created to be integrated and interdependent, we aim to work toward an understanding and a way of living that respects the natural world, cares for the environment, and lives in harmony with the earth and the future of its people.

2. Justice and Human Rights: Because we believe that every human being is made in the image of God, we attempt to work towards a world where equality and human rights are understood and lived, and also towards a world and a society where (in the words of John Calvin) 'no one has too little and no one has too much'.

3. Peace: Because we follow Jesus, the Prince of Peace, we are committed to working towards, and advocating, solutions to the problems and difficulties of the world that avoid the use of violence and force whenever possible; and we support in whatever way we can the often repeated position of our General Assembly that the possession or threatened use of weapons of mass destruction, including nuclear weapons, is immoral and illegal.

Wellington Church of Scotland

Notes to the Financial Statements - continued for the Year Ended 31 December 2018

19. PURPOSES OF DESIGNATED FUNDS

The General Fund represents the reserves of the church which the Trustees are free to direct in the furtherance of the church's objectives without further restriction.

The Property Fund holds the value of the church manse.

The Fabric Fund has remit "to be used to maintain the fabric of the church's property"

The Session Funds are a group of bank accounts held by the Crypt Cafe and the congregational Life Group

20. PURPOSES OF RESTRICTED FUNDS

The Community of Mission Fund has remit "to be used for Mission and Projects of Wellington Church"

The Session Benevolent Fund has remit "to be used at the discretion of the Minister (or its Office Bearers) for charitable activities within the parish and congregation"

The Outreach Fund has remit "to be used for the benefit of young people"

The Flower Fund has remit "to be used for the Floral and Foliage enhancement of Wellington Church and its premises"

Notes to the Financial Statements - continued
for the Year Ended 31 December 2018

17. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined position is as follows:

| | At 1/1/17 £ | Net movement in funds £ | Transfers between funds £ | At 31/12/18 £ |
|---------------------------|------------------|----------------------------------|------------------------------------|------------------|
| Unrestricted funds | | | | |
| General fund | 203,464 | (37,139) | 3,872 | 170,197 |
| Designated Property Fund | 446,500 | (19,000) | - | 427,500 |
| Designated Fabric Fund | 482,058 | (389,515) | - | 92,543 |
| Designated Session Fund | 9,766 | (183) | (3,872) | 5,711 |
| Restricted funds | | | | |
| Community of Mission Fund | 35,867 | (13,959) | - | 21,908 |
| Session Benevolent Fund | 14,908 | (1,986) | - | 12,922 |
| Outreach Fund | 42,905 | (16,039) | - | 26,866 |
| Flower Fund | 6,255 | (414) | - | 5,841 |
| | 99,935 | (32,398) | - | 67,537 |
| TOTAL FUNDS | 1,241,723 | (478,235) | - | 763,488 |

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

| | Incoming resources £ | Resources expended £ | Gains and losses £ | Movement in funds £ |
|---------------------------|----------------------------|----------------------------|--------------------------|---------------------------|
| Unrestricted funds | | | | |
| General fund | 283,296 | (316,511) | (3,924) | (37,139) |
| Designated Fabric Fund | 79,268 | (481,386) | 12,603 | (389,515) |
| Designated Session Fund | 77,943 | (78,126) | - | (183) |
| Designated Property Fund | - | (19,000) | - | (19,000) |
| | 440,507 | (895,023) | 8,679 | (445,837) |
| Restricted funds | | | | |
| Community of Mission Fund | 28,094 | (42,036) | (17) | (13,959) |
| Session Benevolent Fund | 294 | (1,906) | (374) | (1,986) |
| Outreach Fund | 3,636 | (19,215) | (460) | (16,039) |
| Flower Fund | 212 | (426) | (200) | (414) |
| | 32,236 | (63,583) | (1,051) | (32,398) |
| TOTAL FUNDS | 472,743 | (958,606) | 7,628 | (478,235) |

18. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 December 2018.

Report of the Trustees
for the Year Ended 31 December 2018

OBJECTIVES AND ACTIVITIES

Significant activities

4. **Unity and Understanding:** Because we believe that the Spirit of Pentecost is one of understanding and unity, we work to promote the unity not only of the church but also of the world, and to promote understanding between people, faiths, and nationalities.

5. **Refugees and Asylum-Seekers:** Because we believe that the scriptures call on us to welcome the stranger and to care for the foreigner and the oppressed, we work in whatever ways seem possible to bring into the care of the church and the wider community those who come to us from other lands, particularly those who come in fear and in need.

6. **Young People:** Because we believe that we are called to look always to God's future, we work toward promoting this faith and work, life and love, among the young, seeking to equip them for what is yet to come, to inspire them in their lives and to be inspired by those lives, and to express our trust in them for the future of the world and of the church.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

Wellington Church continues to be a place of worship, of welcome, of hospitality, and of service. It has been a vacant charge for the whole of 2018. Under the leadership of the Interim Moderator, the Rev Jan Mathieson and that of the Assisting Minister, Rev Dr Roger Sturrock and the locum minister, Rev Liz Johnson Blythe, the various Committees of Session oversee the wide variety of activities it undertakes, which are summarised below. Their leadership is ably supported by the Church Administrator, Anthea Cameron, and by the Church Officer, Rebecca Gebauer, who act as key contacts for the many groups who use the premises.

Throughout 2018, Wellington has been looking towards future ministry arrangements and, under the direction of Glasgow Presbytery's Strategic Planning Committee, it is moving towards a Basis of Adjustment for future union with Kelvinside Hillhead church, in terms of the Presbytery Plan.

Sunday Morning Worship remains the focal point of gathering for the congregation week by week. Through it, the ministry of Rev Dr Roger Sturrock, Rev Liz Johnson Blythe, locum minister and of various visiting preachers, including our own members, Rev Dr Norman Shanks, Prof Heather Walton and Rev Dr Kathy Galloway has been greatly appreciated by the congregation. The ministry of music facilitated by the organist and the choir continues to bless and help lead worship. Partly through the continuing generosity of several church members, the appointment of three choral scholars continued through 2018. The children and young people continue to be welcomed into, and, on occasion, to participate in, elements of worship.

We have continued to share our evening services with Hillhead Baptist and with Kelvinside Hillhead churches. With the Baptist church continuing to worship in the Hilton Grosvenor Hotel during the redevelopment of its building in Creswell Street, the evening service venue is presently being shared with Kelvinside Hillhead church.

Wellington's building has continued to be shared as a place of regular worship: by the Mosaic Church, who meet on a Sunday afternoon. In addition, the small chapel created in the crypt has continued to be used a worship space during the week by the Orthodox Church. This continues our development and practice of practical ecumenism, allowing us to share one of our key resources with other Christian traditions.

Links with the University have been continued, with the Rev Dr Roger Sturrock acting as the Honorary Church of Scotland Chaplain. Until March, when her post came to an end, Lizy Newswanger continued to be employed as our Student Outreach Worker and she was recognised by the University as an honorary Chaplaincy Assistant, fostering links with the student community. Links with the University Chapel are sustained, with a shared service once a year and the University Chapel Choir joining us for a service of lessons and carols in December 2018.

Wellington Church of Scotland

Report of the Trustees
for the Year Ended 31 December 2018

ACHIEVEMENT AND PERFORMANCE

Charitable activities

The **Education and Worship Committee**, convened by Niall Hardie, carries out a wide range of Christian Education. Our young people's groups are led by committed and skilled volunteers, and work with a number of regular attendees. In the **Sunday School**, Kristeen Barnes and Rebecca Gebauer work creatively with a wide age range. This is run as Wellington Children's Church, meeting on the first Sunday of the month for up to two hours. The **Sunday Group** runs in parallel to Sunday School, with a small number attending, ably led by Alasdair Dunn. The two groups join together for activities such as leading the Nativity Service. The **Questions of Faith Group** maintain good numbers and provide a range of opportunities for stimulating discussion and exploration. **Lent and Advent studies** led by the Assisting Minister were well supported. The contribution of the director of music, Alan Kitchen, to this committee and to the whole work and worship of the church has been greatly appreciated. The continuing involvement of the three choral scholars has been a significant benefit to the range and quality of music, and consequently to worship, on Sunday mornings. The **Cosy Cafe** on a Friday lunchtime at Hillhead High School is now in its eleventh year and shows no sign of diminishing in its popularity. This work is done by volunteers including Catherine Shaw Dunn, supported by our locum minister, Rev Liz Johnson Blythe in co-operation with the Wheel Trust, a youth work venture of various West End churches, which the congregation has supported financially for eleven years.

The **Mission and Outreach Committee (M&O)**, was convened by Robin Green in 2018, although he retired at the end of the year and has been succeeded by Maureen Small. The Committee coordinates many fund-raising activities of the congregation. Special collections for outside charities are taken at Communion services and at other special times of year like Christmas and Remembrance Sunday and One World Week. In addition, they provide detailed information about three charitable projects to be supported in our Lenten Appeal. The committee oversees the operation of the Crypt Cafe and the International Welcome Club, whose work is described below. Justice and Peace is a prime concern of this committee. It keeps the congregation informed about important issues such as destitution among asylum seekers. It also supports our involvement with Eco-Congregation Scotland and Fair Trade. In connection with the latter, occasional coffee mornings are run and there is a Traidcraft Stall operating each Sunday after the morning service, which is organised by Kristeen Barnes.

The M&O Committee has continued our partnership with the Woodlands Community Garden. Their advice has been very helpful in planning work in the Breathing Place throughout the summer. Many vegetables have been grown by a group that meets regularly once a week during the growing season. Even in the winter months they still keep in contact through a regular working lunch in the Crypt Café.

The statement earlier in this report, on "Wellington's Understanding and Practice of Mission" forms the framework from which our decisions to support the many potential calls on our resources are based.

The **Crypt Cafe**, operating during the University teaching terms, has been busy, providing both welcome and hospitality. Its committee, convened by Jackie Murray, carries forward a great deal of work and is supported by many volunteers drawn from the congregation and beyond. The regular staff is managed by Dorothy Hooper and we are grateful for her commitment and that of Svetlana and Stuart, who are in daily. This year we have been able to accept payment by card which has been much appreciated by our customers, mainly students.

The **International Welcome Club** has continued its effective ministry of reaching out to the many overseas (and home) visitors that pass through and around Wellington. Its scriptural premise is taken from Romans 12:6, "Use our different gifts in accordance with the grace that God has given us." Its general motto is, "Have Fun with Friends," an aim that is widely met. The Club is led by Grace Franklin assisted by three young helpers and a number of volunteers including Liz Davidson.

The Conversation Corner attracted more than 250 different people this year - with students, migrant workers, asylum seekers, refugees and long-term residents all involved. Alongside the weekly meetings, the pool of almost 40 native English-speaking hosts have enjoyed several lunches to get to know each other better.

Most Fridays around 20 people come for the Club's social programme. The highlights of this are the regular monthly ceilidhs and the celebration of St Andrews day and the Burns Supper in late January. These two special events are shared with the Congregational Life Committee.

Anyone interested in supporting the work of the International Welcome Club is invited to speak to Grace Franklin or should simply come along at 7.30 to Wellington on a Friday evening.

Wellington Church of Scotland

Notes to the Financial Statements - continued
for the Year Ended 31 December 2018

17. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

| | At 1/1/17 £ | Net movement in funds £ | Transfers between funds £ | At 31/12/17 £ |
|---------------------------|------------------|----------------------------------|------------------------------------|------------------|
| Unrestricted Funds | | | | |
| General fund | 203,464 | (13,684) | 372 | 190,152 |
| Designated Property Fund | 446,500 | (9,500) | - | 437,000 |
| Designated Fabric Fund | 482,058 | (386,280) | - | 95,778 |
| Designated Session Fund | 9,766 | (3,621) | (372) | 5,773 |
| | <u>1,141,788</u> | <u>(413,085)</u> | <u>-</u> | <u>728,703</u> |
| Restricted Funds | | | | |
| Community of Mission Fund | 35,867 | (8,172) | - | 27,695 |
| Session Benevolent Fund | 14,908 | (169) | - | 14,739 |
| Outreach Fund | 42,905 | (8,363) | - | 34,542 |
| Flower Fund | 6,255 | (23) | - | 6,232 |
| | <u>99,935</u> | <u>(16,727)</u> | <u>-</u> | <u>83,208</u> |
| TOTAL FUNDS | <u>1,241,723</u> | <u>(429,812)</u> | <u>-</u> | <u>811,911</u> |

Comparative net movement in funds, included in the above are as follows:

| | Incoming resources £ | Resources expended £ | Gains and losses £ | Movement in funds £ |
|---------------------------|----------------------------|----------------------------|--------------------------|---------------------------|
| Unrestricted funds | | | | |
| General fund | 134,996 | (156,377) | 7,697 | (13,684) |
| Designated Fabric Fund | 76,649 | (481,386) | 18,457 | (386,280) |
| Designated Session Fund | 36,342 | (39,963) | - | (3,621) |
| Designated Property Fund | - | (9,500) | - | (9,500) |
| | <u>247,987</u> | <u>(687,226)</u> | <u>26,154</u> | <u>(413,085)</u> |
| Restricted funds | | | | |
| Community of Mission Fund | 19,333 | (29,181) | 1,676 | (8,172) |
| Session Benevolent Fund | 166 | (861) | 526 | (169) |
| Outreach Fund | 1,871 | (11,885) | 1,651 | (8,363) |
| Flower Fund | 58 | (262) | 181 | (23) |
| | <u>21,428</u> | <u>(42,189)</u> | <u>4,034</u> | <u>(16,727)</u> |
| TOTAL FUNDS | <u>269,415</u> | <u>(729,415)</u> | <u>30,188</u> | <u>(429,812)</u> |

17. MOVEMENT IN FUNDS

| | At 1/1/18 £ | Net movement in funds £ | Transfers between funds £ | At 31/12/18 £ |
|---------------------------|----------------|----------------------------------|------------------------------------|------------------|
| Unrestricted funds | | | | |
| General fund | 190,152 | (23,455) | 3,500 | 170,197 |
| Designated Property Fund | 437,000 | (9,500) | - | 427,500 |
| Designated Fabric Fund | 95,778 | (3,235) | - | 92,543 |
| Designated Session Fund | 5,773 | 3,438 | (3,500) | 5,711 |
| | <u>728,703</u> | <u>(32,752)</u> | <u>-</u> | <u>695,951</u> |
| Restricted funds | | | | |
| Community of Mission Fund | 27,695 | (5,787) | - | 21,908 |
| Session Benevolent Fund | 14,739 | (1,817) | - | 12,922 |
| Outreach Fund | 34,542 | (7,676) | - | 26,866 |
| Flower Fund | 6,232 | (391) | - | 5,841 |
| | <u>83,208</u> | <u>(15,671)</u> | <u>-</u> | <u>67,537</u> |
| TOTAL FUNDS | <u>811,911</u> | <u>(48,423)</u> | <u>-</u> | <u>763,488</u> |

Net movement in funds, included in the above are as follows:

| | Incoming resources £ | Resources expended £ | Gains and losses £ | Movement in funds £ |
|---------------------------|----------------------------|----------------------------|--------------------------|---------------------------|
| Unrestricted funds | | | | |
| General fund | 148,300 | (160,134) | (11,621) | (23,455) |
| Designated Fabric Fund | 2,619 | - | (5,854) | (3,235) |
| Designated Session Fund | 41,601 | (38,163) | - | 3,438 |
| Designated Property Fund | - | (9,500) | - | (9,500) |
| | <u>192,520</u> | <u>(207,797)</u> | <u>(17,475)</u> | <u>(32,752)</u> |
| Restricted funds | | | | |
| Community of Mission Fund | 8,761 | (12,855) | (1,693) | (5,787) |
| Session Benevolent Fund | 128 | (1,045) | (900) | (1,817) |
| Outreach Fund | 1,765 | (7,330) | (2,111) | (7,676) |
| Flower Fund | 154 | (164) | (381) | (391) |
| | <u>10,808</u> | <u>(21,394)</u> | <u>(5,085)</u> | <u>(15,671)</u> |
| TOTAL FUNDS | <u>203,328</u> | <u>(229,191)</u> | <u>(22,560)</u> | <u>(48,423)</u> |

ACHIEVEMENT AND PERFORMANCE

Charitable activities

The **Congregational Life Committee**, convened by Helen Sturrock with its sub-committee, the Hospitality Group led by Christine Blackhurst, oversees the care of the congregation by ensuring that we look after one another, for instance in maintaining the elders' district system, in organising social events, and in providing hospitality on a regular basis. As well as providing teas and coffees after the morning service and the monthly congregational lunch, the Group also provides the catering for annual congregational events such as the St Andrews Night Ceilidh, the Christmas Lunch and the Burns Supper.

One highlight this year was a performance by The Heart and Soul Swing Band, the brainchild of Rev. Dr. Robin Hill. We were treated to a fun evening of Hot Gospel Rhythm and Blues, with every member of the band contributing their individual talents and expertise. While the band obviously enjoy playing together, their aim is also to raise funds for the Church of Scotland HIV programme and everyone was delighted that £1,126 was able to be donated to this programme.

Throughout the year, we have had film afternoons with afternoon tea and the opportunity to hear from members of the congregation who have been on interesting holidays or who may have attended special events. These afternoon activities are open to anyone and lifts are available for anyone in need of transport.

Linda Brown, a member of the Committee, has continued as editor of the Wellington News. This is a key congregational publication, detailing, recording and disseminating information on the many activities of the congregation. We are very grateful for her enthusiastic, lively approach.

The **Finance and Fabric Committee**, convened by Donald Murray, carries out the many tasks involved in keeping the Church and Manse in good order. Following completion of the roof and stonework repairs carried out during 2017, Fabric and Finance recommended to the Kirk Session that, to facilitate planning, appropriate funds should be earmarked over a 3-5 year period to carry out ongoing maintenance to the interior and exterior of the building. This was agreed and a list of likely projects has been drawn up and is in the final stages of planning. Thanks go to Ken Fyfe for co-ordinating this activity.

During the year the Manse has been let out and the long term tenant of the church flat left and has been replaced. Particular thanks go to Joyce Allison for work on preparing these premises for rental and to John Murray for assistance with putting together suitable leases. 2018 saw the first Financial Statement produced by David Blackhurst as Treasurer and for this, as well as the 2018 financial statement which follows the report, along with all his diligent work and thoughtful stewardship throughout the year the Congregation has cause to be sincerely thankful.

FINANCIAL REVIEW

Financial Review

Per the Statement of Financial Activities on page 10, the church reported Net Deficit for the year of £48,423 (2017 - Deficit £429,812). At the Balance Sheet date, the church had total reserves of £763,488 (2017 - £811,911) of which £427,500 (56%) was 'tied up' in the church manse and £67,537 (9%) within Restricted Funds.

The total giving from the congregation (£69,991) fell by £2,823 compared to £72,814 in 2017 which was largely attributed to a reduction in Gift Aid giving and the associated tax recovery. This has been offset by a £4,750 increase in rental of halls from £55,934 in 2017 to £56,139 in 2018. As anticipated, investment income also continued to fall by £2,497 from £11,864 in 2017 to £9,367 in 2018.

Investment policy and performance

At the start of 2018, the church had investments of £263,648 held by local stockbrokers, Speirs & Jeffrey, operated on a discretionary basis informed by an ethical investment policy agreed by the Kirk Session. The operating benchmark is to hold the portfolio in an approximate split of 60% equities and 40% fixed interest. Over the year there were additions to the investments of £61,297, disposals of £61,225 and net revaluation loss of £22,592. At the year end, the market value of the church's investments was £241,128 and are retained by the Stockbrokers to be managed under the policy described above.

Wellington Church of Scotland

**Report of the Trustees
for the Year Ended 31 December 2018**

FINANCIAL REVIEW

Reserves policy

It is the Trustees normal policy to hold reserves of approximately one year's expenditure including Designated Funds. At the year end, the church held Unrestricted Funds (including Designated Funds) of £695,951 which included property with a net book value of £427,500 and funds within the Fabric Fund of £92,543. Along with the Fabric Fund, the remaining balance of £268,451 in the church's General Reserve Fund represents more than one year's expenditure. The church also held £67,537 of Restricted funds which have been provided for the purposes specified in Note 17.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The congregation is a registered Scottish Charity, Number SC000289, and is administered in accordance with the terms of the Unitary Constitution and is subject to the Acts and Regulations of the General Assembly of the Church of Scotland.

Organisational structure

Members of the Kirk Session 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. When in post, the Minister, who is a member of the Kirk Session, is elected by the congregation and inducted by Presbytery. During the present vacancy, the Kirk Session, moderated by the Interim Moderator, Rev Jan Mathieson, meets six times a year and is responsible for the spiritual and secular affairs of the church. Certain responsibilities are delegated to the various Session Committees who may co-opt people with the required relevant skills.

Key management remuneration

Given their roles as described above, The Trustees, along with the Interim Moderator consider themselves as the church's key management personnel, in charge of directing and controlling the church and overseeing its daily activities. Details of Trustee and Minister remuneration are outlined in Note 9 of the financial statements.

Risk management

The policies in place to manage the risks faced by the church are reviewed annually. Steps are taken to ensure the management of these risks is strengthened where necessary.

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees are responsible for preparing the Trustees' Annual Report and the 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 Trustees to prepare financial statements for each financial year which give 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 these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material 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 business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the Financial Statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the charity's constitution. 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 included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions.

Wellington Church of Scotland

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2018**

13. FIXED ASSET INVESTMENTS - continued

| | | |
|----------------------------------|------|------|
| Bankers Investment Trust GBP0.25 | 10.6 | 12.1 |
| City of London Inv. Trust | 8.8 | 9.2 |
| Henderson Far East Inc | 5.5 | 5.5 |
| European Assets Trust | | 6.7 |
| Impax | 5.9 | 9.1 |
| M&G Investment Corporate Bond | | 6.9 |
| Marlborough | 6.6 | 7.3 |
| Aberforth | | 7.4 |
| JH Strategic Bond Inc | 5.7 | |
| Threadneedle UK Corp Bond | 6.5 | |

Share Portfolio

Details of the share portfolio can be obtained from the Treasurer on request.

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2018 | 2017 |
|--------------------------------|---------------|---------------|
| | £ | £ |
| Other debtors | 13,614 | 70,822 |
| Gift Aid Receivable | 13,413 | 13,656 |
| Prepayments and accrued income | 2,835 | 2,799 |
| | <u>29,862</u> | <u>87,277</u> |

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2018 | 2017 |
|-------------------------|---------------|----------------|
| | £ | £ |
| Other creditors | 2,026 | 3,494 |
| Parish Grouping | 382 | 382 |
| Special Collections | 805 | 2,041 |
| Building Work Retention | 89,190 | 89,190 |
| Accrued expenses | 5,400 | 6,202 |
| | <u>97,803</u> | <u>101,309</u> |

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

| | Unrestricted funds | Restricted funds | 2018 Total funds | 2017 Total funds |
|---------------------|--------------------|------------------|------------------|------------------|
| | £ | £ | £ | £ |
| Fixed assets | 427,500 | - | 427,500 | 437,000 |
| Investments | 241,128 | - | 241,128 | 263,648 |
| Current assets | 125,126 | 67,537 | 192,663 | 212,572 |
| Current liabilities | (97,803) | - | (97,803) | (101,309) |
| | <u>695,951</u> | <u>67,537</u> | <u>763,488</u> | <u>811,911</u> |

| 11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued | Unrestricted funds £ | Restricted funds £ | Total funds £ |
|--|-------------------------|-----------------------|------------------|
| RECONCILIATION OF FUNDS | | | |
| Total funds brought forward | 1,141,788 | 99,935 | 1,241,723 |
| TOTAL FUNDS CARRIED FORWARD | <u>728,703</u> | <u>83,208</u> | <u>811,911</u> |

12. TANGIBLE FIXED ASSETS

| | Freehold property £ |
|--|------------------------|
| COST | |
| At 1 January 2018 and 31 December 2018 | <u>502,311</u> |
| DEPRECIATION | |
| At 1 January 2018 | 65,311 |
| Charge for year | <u>9,500</u> |
| At 31 December 2018 | <u>74,811</u> |
| NET BOOK VALUE | |
| At 31 December 2018 | <u>427,500</u> |
| At 31 December 2017 | <u>437,000</u> |

13. FIXED ASSET INVESTMENTS

| | 2018 £ | 2017 £ |
|-----------------------|-----------------|----------------|
| Market Value | | |
| At 1 January | | |
| Additions | 263,648 | 263,460 |
| Disposals | 61,297 | - |
| Revaluations | (61,225) | (27,946) |
| At 31 December | <u>(22,592)</u> | <u>28,134</u> |
| | <u>241,128</u> | <u>263,648</u> |
| Net Book Value | | |
| | <u>241,128</u> | <u>263,648</u> |

There were no investment assets outside the UK.

Included in the portfolio are the following securities which have a value of >5% of the total portfolio.

| | 2018 % | 2017 % |
|----------------------------|-----------|-----------|
| 4.125% Treasury Stock 2030 | 13.2 | 12.0 |
| Witan | 10.2 | 11.5 |

Approved by the Trustees on 16 JUNE 2019 and signed on their behalf by:

Claire R. McDiarmid
Claire McDiarmid - Trustee

**Independent Examiner's Report to the Trustees of
Wellington Church of Scotland**

I report on the accounts for the year ended 31 December 2018 set out on pages nine to twenty five.

Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). The charity'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 (as amended). An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and 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 the course of my examination, no matter has come to my attention:

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

Brett Nicholls

Brett Nicholls CA (NZ) FCIE
Association of Charity Independent Examiners
Brett Nicholls Associates
63 Ruthven Lane
Glasgow
G12 9BG

Date: 21 June 2019

Wellington Church of Scotland

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2018**

10. STAFF COSTS

| | 2018 £ | 2017 £ |
|-----------------------|---------------|---------------|
| Wages and salaries | 60,683 | 65,931 |
| Social security costs | 2,249 | 6,269 |
| Other pension costs | 217 | 225 |
| | <u>63,149</u> | <u>72,425</u> |

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

| | 2018 | 2017 |
|-------------------------|----------|----------|
| Student outreach worker | 1 | 1 |
| Administration | 2 | 2 |
| Music Staff | 1 | 1 |
| Student Lunches | 2 | 2 |
| | <u>6</u> | <u>6</u> |

No employees received emoluments in excess of £60,000.

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 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 £27,044 and the maximum stipend (in the fifth and subsequent years) £33,234.

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

| | Unrestricted funds £ | Restricted funds £ | Total funds £ |
|--|-------------------------|-----------------------|------------------|
| INCOME AND ENDOWMENTS FROM | | | |
| Donations and legacies | 148,060 | 10,000 | 158,060 |
| Charitable activities | | | |
| Church Activities | 43,557 | - | 43,557 |
| Other trading activities | 55,934 | - | 55,934 |
| Investment income | 436 | 11,428 | 11,864 |
| Total | <u>247,987</u> | <u>21,428</u> | <u>269,415</u> |
| EXPENDITURE ON | | | |
| Charitable activities | | | |
| Church Activities | 687,226 | 42,189 | 729,415 |
| Total | <u>687,226</u> | <u>42,189</u> | <u>729,415</u> |
| Net gains/(losses) on investments | 23,748 | 4,034 | 27,782 |
| NET INCOME/(EXPENDITURE) | <u>(415,491)</u> | <u>(16,727)</u> | <u>(432,218)</u> |
| Other recognised gains/(losses) | | | |
| Realised investment gains(losses) | 2,406 | - | 2,406 |
| Net movement in funds | <u>(413,085)</u> | <u>(16,727)</u> | <u>(429,812)</u> |

Wellington Church of Scotland

Notes to the Financial Statements - continued
for the Year Ended 31 December 2018

8. DIRECT COSTS OF CHARITABLE ACTIVITIES

| | 2018 | 2017 |
|---------------------------------|----------------|----------------|
| | £ | £ |
| Staff costs | 63,149 | 72,425 |
| Accountancy - IE Fee | 1,800 | 5,376 |
| Bank Charges | 165 | - |
| Church Office Expenses | 6,454 | 4,125 |
| Cleaning | 11,461 | 14,126 |
| Community of Mission | 741 | 2,691 |
| Consultancy Fees | - | 2,900 |
| Donations | 1,815 | 5,622 |
| Electricity | 5,923 | 4,083 |
| Gas | 6,387 | 7,377 |
| Insurance | 6,768 | 6,795 |
| Legal & Professional | 300 | 9,689 |
| Life & Work | 682 | 725 |
| Manse Maintenance & Council Tax | - | 8,846 |
| Minister Expenses | 14 | 2,527 |
| Ministries & Mission | 61,549 | 70,850 |
| Organ & music | 4,708 | 3,542 |
| Organisation Activities | 1,858 | 3,485 |
| Presbytery Dues | 3,926 | 3,880 |
| Pulpit Supplies | 5,875 | 450 |
| Purchase of Flowers | 164 | 258 |
| Repairs & Maintenance | 8,281 | 464,522 |
| Sundry Expenses | 1,689 | 3,114 |
| Support Workers | 3,193 | 5,322 |
| Telephone | 1,111 | - |
| Water | 988 | 1,055 |
| Wheel Trust | 3,600 | 3,500 |
| Youth & Sunday School | 705 | 711 |
| Crypt Food | 11,128 | 10,091 |
| Crypt Maintenance | 319 | 805 |
| Sundries | 70 | 367 |
| Investment Manager | 699 | 656 |
| Depreciation | 9,500 | 9,500 |
| | <u>225,022</u> | <u>729,415</u> |

A breakdown of Community of Mission expenditure is provided in note 21.

9. TRUSTEES' REMUNERATION AND BENEFITS

During the year, one (1) Trustee (Interim Moderator) received reimbursed expenses totalling £184. As the manse is presently being rented, no Council Tax is presently paid for it by the charity.

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

During the year, a total of £23,824 (2017 - £19,559) was donated to the congregation by the Trustees.

Anthea Cameron, Trustee, received remuneration of £9,448 (2017 - £8,848) for her services as Church Secretary.

Rebecca Gebauer, Trustee, received remuneration of £11,992 (2017 - £12,276) for her services as Church Officer.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 December 2018 nor for the year ended 31 December 2017.

Wellington Church of Scotland

Statement of Financial Activities
for the Year Ended 31 December 2018

| | Notes | Unrestricted funds £ | Restricted funds £ | 2018 Total funds £ | 2017 Total funds £ |
|--|-------|-------------------------|-----------------------|--------------------------|--------------------------|
| INCOME AND ENDOWMENTS FROM | | | | | |
| Donations and legacies | 2 | 73,094 | 6,585 | 79,679 | 158,060 |
| Charitable activities | 5 | | | | |
| Church Activities | | 42,851 | 2,202 | 45,053 | 43,557 |
| Other trading activities | 3 | 66,980 | - | 66,980 | 55,934 |
| Investment income | 4 | 7,346 | 2,021 | 9,367 | 11,864 |
| Other income | | 2,249 | - | 2,249 | - |
| Total | | <u>192,520</u> | <u>10,808</u> | <u>203,328</u> | <u>269,415</u> |
| EXPENDITURE ON | | | | | |
| Raising funds | 6 | 4,169 | - | 4,169 | - |
| Charitable activities | 7 | | | | |
| Church Activities | | 203,628 | 21,394 | 225,022 | 729,415 |
| Total | | <u>207,797</u> | <u>21,394</u> | <u>229,191</u> | <u>729,415</u> |
| Unrealised gains/(losses) on investments | | (15,043) | (4,377) | (19,420) | 27,782 |
| NET INCOME/(EXPENDITURE) | | <u>(30,320)</u> | <u>(14,963)</u> | <u>(45,283)</u> | <u>(432,218)</u> |
| Other recognised gains/(losses) | | | | | |
| Realised investment gains(losses) | | (2,432) | (708) | (3,140) | 2,406 |
| Net movement in funds | | <u>(32,752)</u> | <u>(15,671)</u> | <u>(48,423)</u> | <u>(429,812)</u> |
| RECONCILIATION OF FUNDS | | | | | |
| Total funds brought forward | | <u>728,703</u> | <u>83,208</u> | <u>811,911</u> | <u>1,241,723</u> |
| TOTAL FUNDS CARRIED FORWARD | | <u><u>695,951</u></u> | <u><u>67,537</u></u> | <u><u>763,488</u></u> | <u><u>811,911</u></u> |

Wellington Church of Scotland

Balance Sheet
At 31 December 2018

| | Notes | 2018 £ | 2017 £ |
|--|-------|-----------------|------------------|
| FIXED ASSETS | | | |
| Tangible assets | 12 | 427,500 | 437,000 |
| Investments | 13 | <u>241,128</u> | <u>263,648</u> |
| | | 668,628 | 700,648 |
| CURRENT ASSETS | | | |
| Debtors | 14 | 29,862 | 87,277 |
| Cash at bank and in hand | | <u>162,801</u> | <u>125,295</u> |
| | | 192,663 | 212,572 |
| CREDITORS | | | |
| Amounts falling due within one year | 15 | <u>(97,803)</u> | <u>(101,309)</u> |
| NET CURRENT ASSETS | | | |
| | | <u>94,860</u> | <u>111,263</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | |
| | | <u>763,488</u> | <u>811,911</u> |
| NET ASSETS | | | |
| | | <u>763,488</u> | <u>811,911</u> |
| FUNDS | | | |
| Unrestricted funds | 17 | 695,951 | 728,703 |
| Restricted funds | | <u>67,537</u> | <u>83,208</u> |
| TOTAL FUNDS | | | |
| | | <u>763,488</u> | <u>811,911</u> |

Wellington Church of Scotland

Notes to the Financial Statements - continued
for the Year Ended 31 December 2018

6. RAISING FUNDS

Other trading activities

| | Unrestricted funds £ | Restricted funds £ | 2018 Total funds £ | 2017 Total funds £ |
|-------------------|-------------------------|-----------------------|-----------------------|-----------------------|
| Manse Maintenance | <u>4,169</u> | <u>-</u> | <u>4,169</u> | <u>-</u> |

The Church Manse was not rented during 2017

7. CHARITABLE ACTIVITIES COSTS

| | Direct costs (See note 8) £ | Totals £ |
|-------------------|-----------------------------------|----------------|
| Church Activities | <u>225,022</u> | <u>225,022</u> |
| Provided overleaf | | |

The financial statements were approved by the Trustees on 16 June 2019 and were signed on their behalf by:


David Blackhurst - Trustee

Wellington Church of Scotland

Notes to the Financial Statements - continued
for the Year Ended 31 December 2018

2. DONATIONS AND LEGACIES

| | Unrestricted funds £ | Restricted funds £ | 2018 Total funds £ | 2017 Total funds £ |
|--------------------|-------------------------|-----------------------|--------------------------|--------------------------|
| Donations | 3,103 | 1,030 | 4,133 | 4,424 |
| Gift aid | 13,204 | - | 13,204 | 13,656 |
| Grants | - | 5,555 | 5,555 | 80,822 |
| Gift Aid Offerings | 41,554 | - | 41,554 | 42,464 |
| WFO | 7,115 | - | 7,115 | 7,527 |
| Ordinary Offerings | 8,118 | - | 8,118 | 9,167 |
| | <u>73,094</u> | <u>6,585</u> | <u>79,679</u> | <u>158,060</u> |

Grants received, included in the above, are as follows:

| | 2018 £ | 2017 £ |
|--------------------------|--------------|---------------|
| Glasgow Presbytery Grant | 5,555 | 10,000 |
| Building Grant | - | 70,822 |
| | <u>5,555</u> | <u>80,822</u> |

3. OTHER TRADING ACTIVITIES

| | Unrestricted funds £ | Restricted funds £ | 2018 Total funds £ | 2017 Total funds £ |
|-----------------|-------------------------|-----------------------|--------------------------|--------------------------|
| Rent | 10,841 | - | 10,841 | - |
| Use of Premises | 56,139 | - | 56,139 | 55,934 |
| | <u>66,980</u> | <u>-</u> | <u>66,980</u> | <u>55,934</u> |

4. INVESTMENT INCOME

| | Unrestricted funds £ | Restricted funds £ | 2018 Total funds £ | 2017 Total funds £ |
|-------------------------|-------------------------|-----------------------|--------------------------|--------------------------|
| Bank Interest | 253 | 74 | 327 | 2,334 |
| Dividends Received | 4,831 | 1,300 | 6,131 | 6,271 |
| Other Interest Received | 2,262 | 647 | 2,909 | 3,259 |
| | <u>7,346</u> | <u>2,021</u> | <u>9,367</u> | <u>11,864</u> |

5. INCOME FROM CHARITABLE ACTIVITIES

| | 2018 £ | 2017 £ |
|-----------------------|---------------|---------------|
| Fundraising Events | 2,502 | 2,336 |
| Crypt Cafe | 41,198 | 35,722 |
| Weddings and Funerals | 700 | - |
| Sundry Income | 653 | 5,499 |
| | <u>45,053</u> | <u>43,557</u> |

Wellington Church of Scotland

Notes to the Financial Statements
for the Year Ended 31 December 2018

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities and Trustee Investment (Scotland) Act 2005. The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Donations and legacies

Donations are recognised when the charity has evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably. Entitlement usually arises immediately upon receipt, however, in the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

Legacy gifts must be recognised when it is probable that it will be received. This is normally following the granting of probate, when the administrator/executor of the estate has communicated in writing both the amount and settlement date and any conditions attached to the legacy are either within the control of the charity or have been met. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title to the asset having been transferred to the charity.

Gift Aid

Income tax recoverable on Gift Aid donations is recognised when the respective donation has been recognised and the recoverable amount of income tax can be measured reliably; this is normally when the donor has completed the relevant Gift Aid declaration form. Income tax recoverable on Gift Aid donations is allocated to the same fund as the respective donation unless specified by the donor.

Income from Charitable Activities

Income from charitable activities include income earned both from the supply of goods or services. Such income is recognised as earned, as the related goods or services are provided.

Trading Income

Trading income represents income generated from assets the Church does not utilise for solely charitable purposes. These assets include the Church building itself, via short term lets and hires, and income from rental of the Manse, at such times as it is not occupied by the minister.

Investment Income

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 when the shareholder's right to receive payment is established, measured at the fair value receivable. Generally this is upon notification by the investment advisor once the dividend has been declared.

1. ACCOUNTING POLICIES - continued

Expenditure

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 a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Expenditure on charitable activities

Expenditure on charitable activities includes all costs incurred by the charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities. The costs of charitable activities presented in the Statement of Financial Activities includes the costs of both direct service provision and the payments of grant awards if applicable.

Trading Expenditure

Trading expenditure represents expenditure necessary to generate income which is not of a charitable or voluntary nature. This includes expenditure on the Church's Manse during such times as the Manse is not occupied by the Minister and is therefore being rented to generate income. It is not possible for the Church to identify a share of the Church building's overheads and attribute these to the income generated through hire of its halls and rooms. The Church therefore reports all such expenditure as Charitable Activities Costs.

Grants payable

Grants payable are made to third parties in the furtherance of the charitable objects. The award of a grant is recognised as a liability only when the criteria for a constructive obligation are met, payment is probable, it can be measured reliably and there are no conditions attaching to its payment that limit recognition.

Governance Costs

Governance costs (which are included as a component of support costs in accordance with SORP) comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include those related to constitutional and statutory requirements, external scrutiny (audit or independent examination), strategic management, and other legal and professional fees.

Tangible fixed assets

The charity has the right to occupy and use for its charitable objects certain tangible fixed assets, including the church building and halls, vested in the Kirk Session. No value is attributable to the church which was opened in 1884. Expenditure incurred on the repair and maintenance of these assets is charged as resources expended in the Statement of Financial Activities in the period in which the liability arises.

Following an impairment charge on the church manse during the year ended 31 December 2013, depreciation at the annual rate of 2% (straight line) was provided for the first time within the financial statements for the year ended 31 December 2014.

1. ACCOUNTING POLICIES - continued

Taxation

The 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 church is not registered for VAT and resources expended therefore include irrecoverable input VAT.

Activity based reporting

To comply fully with the Statement of Recommended Practice would require income and expenditure to be reported by activity. The trustees are of the opinion that the activities of the charity are inter-linked, therefore this would be impractical to calculate and would provide no additional benefit to the users of these financial statements. Therefore no further analysis of income and expenditure is provided within the financial statements.

Financial Instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at the carrying value plus accrued interest less repayments. The financing charge to expenditure is at a constant rate calculated using the effective interest method.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits

Pensions

The pension costs are charged in the financial statements represent the contribution payable by the charity during the period.

Debtors

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

Cash at Bank and in Hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Creditors and Provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Judgements and estimates

In preparing the financial statements, the Trustees are required to make estimates and assumptions which affect reported income, expenses, assets and liabilities. Use of available information and application of judgement are inherent in the formation of estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.