

**ST MUNGO'S PARISH CHURCH
TRUSTEES' REPORT
YEAR ENDED 31 DECEMBER 2021**

**PENICUIK: ST. MUNGO'S PARISH CHURCH
(CHURCH OF SCOTLAND)
ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

**Congregation No. 030231
Scottish Charity No. SC005838**

ST MUNGO'S PARISH CHURCH
TRUSTEES' REPORT
YEAR ENDED 31 DECEMBER 2021

The Trustees present their annual report and financial statements of the charity for the year ended 31 December 2021. The financial statements have been prepared in accordance with the accounting policies set out on pages 3 and 4 of the Financial Statement and comply with the General Assembly Regulations for Congregational Finance, the Charities and Trustee Investment (Scotland) Act 2005, The Charities Accounts (Scotland) Regulations 2006 (as amended) and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published in July 2014.

Objectives and Activities

The Church of Scotland is Trinitarian in doctrine, reformed in tradition and Presbyterian in polity; it exists to glorify God and to work for the advancement of Christ's Kingdom throughout the world. As a national Church, it acknowledges a distinctive call and duty to 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.

St Mungo's Mission Statement

Why we're here: to follow Jesus and grow in our understanding of God's love, showing love to each other and to the people around us by what we do and say.

We do so, primarily, by endeavouring to build up the faith of our members and to share the love of God with people in and around Penicuik, through:

- Public worship in the church buildings and in local care homes;
- Services of baptisms, weddings and funerals;
- Home meetings (or online alternatives) for bible study, prayer and faith exploration and for friendship and support;
- Pastoral Care;
- Supporting Penicuik Messy Church (when operating);
- Prayer by a dedicated group and by individual members, including local public prayer boxes;
- A dedicated Bible Study Group meeting regularly in the church hall or online;
- Activities of St. Mungo's branch of Church of Scotland Guild (when possible);
- Involvement in the work of Penicuik Churches Together , including services during Holy Week and other joint services during the year;
- Encouragement of youth organisations e.g. local Girl Guiding;
- Contact with other community groups who hire our hall (when possible) e.g. ceilidh dancing, community choir;
- Outreach activities (when possible), including prayer drops and flower gifts for the sick and elderly;
- Running Alpha courses (when possible), open to members and to the general public;
- Providing support and volunteers for the children's Holiday Clubs (when possible);
- Supporting the Penicuik North Kirk food store, and the Food Facts Friends Food Bank (FFF);
- Supporting the Blythswood Trust;
- Supporting the TryPraying initiative through banners and distribution of booklets;
- Making regular and one-off donations to Christian Aid and other good causes;
- Providing social events (where possible) for members and non-members alike e.g. Quiz Nights and concerts.

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Achievements and Performance

This year has been dominated for a second year by the changes to congregational life in response to the Covid-19 pandemic. At the end of 2020 the church had been open for Sunday morning services until 27th December, when numbers in church were restricted to 20, and we had to operate a 'booking' arrangement. However, the online services on the St Mungo's YouTube channel (<https://www.youtube.com/channel/UCN6ap6PTsPW7KKb6vCCS2hw>) continued, as did the audio telephone service. Even this possibility for 'live' services was short-lived, and no such services were possible after 3rd January until Palm Sunday (28th March) when we were allowed 50 people in church. As the year progressed, and the restrictions were gradually lifted, it was possible to hold the annual Remembrance Service for the town, with the possibility of groups from youth organisations and the British Legion (amongst others) joining us in church before proceeding to the war memorial. From late June we also held a monthly service of prayer in the Church Hall on a Sunday afternoon, and tea/coffee after the service resumed in early September.

During the course of the year discussions started on the Presbytery Plan for Penicuik, initially involving all three Church of Scotland congregations in the town, then more detailed discussions about a possible Union between Penicuik: St Mungo's and Penicuik: South and Howgate. These led to the formulation of a draft Basis of Union, which was accepted by both congregations on 13th February 2022.

The House Group, Bible Study group and Prayer meeting have continued, using Zoom. Zoom was also used for church meetings such as the Congregational Board and Kirk Session. Contact with members and regular attenders was maintained through the website (<http://www.stmungos.freeuk.com>) and by email distribution of the monthly newsletter and weekly 'extras' with details of how to access online services etc. For members without access to email or the internet a printed version of the monthly newsletter was distributed by post, and elders and visitors were in regular telephone contact with people at home. The church hall reopened for community use in the autumn, initially for Rainbows and Brownies, although some activities (like ceilidh dancing) were still not possible.

Our usual social and fund-raising activities were curtailed, as in 2020. However, two Gift Days were held for members to contribute additionally to their regular offerings for the work of the church. One of these coincided with the Church of Scotland's National Giving Day; half of the giving on that occasion was used to support Christian Aid and VaccinAid.

It was again not possible to hold the Stated Annual Meeting this year, so all existing members of the Congregational Board continued in office.

Financial Review

We give God thanks and praise for his faithfulness throughout the year.

A new Treasurer (Rachel Hogg) was appointed in October 2021. We record our thanks to Rachel for the preparation of these accounts in difficult circumstances.

We pay tribute to Paul Hayes, our previous Treasurer. Paul volunteered for the role even though he was busy and had health issues. He saw the need and willingly gave his services. Paul was described as someone with 'shining eyes': he loved God and he loved people. A member of the house group and a helper with Alpha, Paul demonstrated a keen mind, deeply interested in many theological issues. St Mungo's has many reasons to be grateful to God for him.

The Congregational Board extends a huge thank you to every member for their continued, faithful, generosity throughout the year. The finances in 2021 have provided for all the requirements of the congregation in this testing time. and we are richly blessed overall with resources. We give thanks that faithful giving and good stewardship on the part of the congregation, some old and some new, have seen last year's deficit reversed.

There are clear statistics which reflect the realities of another year with Covid:

- a 3.40 % decrease in regular giving (£45,138 in 2021, compared to £46,726 in 2020)
- a 20% decrease in fundraising (£3,558 in 2021, compared to £4,460 in 2020)

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- a 25% decrease in hall rentals (£1,108 in 2021, compared to £1,485 in 2020)
- a 2.65% increase in expenditure on utilities (light and heat): £4,610 in 2021, compared to £4,491 in 2020.
- We also need to appreciate the effect of a large decrease in fabric expenditure: £1,874 in 2021, compared with £14,241 in 2020.

We are immensely blessed that our regular giving was substantially maintained, grateful that we did manage some fundraising (our two gift days) and we were reconciled to the inevitable drop in hall rentals. Fundraising events and after-church tea and coffee are important social events and have been greatly missed for most of this year. The National Giving Day enabled us, with the impetus of the national church and the agreement of our office-bearers, to give £1,008 each to Christian Aid and VaccinAid (an initiative of UNICEF), two charities helping to mitigate the worldwide pandemic.

The church officer's and the cleaner's wages have been paid throughout this period. The church officer has provided vital IT services and the cleaner has cleaned the church and hall as required. The church organist has been paid a retainer since March 2020.

We give thanks for our current financial solvency, allowing St Mungo's to look forward with a God-given confidence towards a joint future with Penicuik South and Howgate.

Reserves Policy

The charity trustees have considered the reserves required and have considered their current and future liabilities. It is the trustees' policy to hold reserves of at least 6 months' expenditure including designated funds.

At the year end the Church held funds of £89,094. This was £85,926 of unrestricted funds, and £3,168 in restricted funds. £73,069 has been designated for the Fabric Fund and Reserve, and £685 for the Guild. The remaining balance of £15,340 (£12,172 plus £3,168 Restricted) is in line with the aggregate reserves required.

Structure, Governance and Management

The congregation is a registered charity, number SC005838 and is administered in accordance with the terms of the Model Deed of Constitution and is subject to the Acts and Regulations of the General Assembly of the Church of Scotland.

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

The congregation has opted for the provisions of the Constitution under which all members of the Kirk Session are ex-officio members of the Congregational Board.

The Congregational Board is moderated by the minister and met four times in 2021 (in person and by Zoom).

The Kirk Session, which normally meets five to six times a year, is responsible for spiritual affairs within the church.

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Reference and Administrative Information

Trustees

Members of Kirk Session

Minister: Rev J C C Urquhart

Session Clerk: Mr J N Cape

Mrs M Black
Mr J N Cape
Mrs J Cape
Mr I Dickson
Miss A Haggart
Mrs S A Haig
Mr D Hogg
Mrs J Hogg
Mrs C A Jackson
Mrs E Jacobs
Mr G MacDonald
Mr E Marchant
Mrs A Ovenstone
Mr J Paterson
Mrs M Paterson
Mrs M E Webster
Mr W T Webster

Principal Office [Treasurer]

Rachel Hogg
36/4 The Promenade
Port Seton
East Lothian
EH32 0DF

Independent Examiner

Rosalind Paterson
177 Mountcastle Crescent
Edinburgh
EH8 7SY

Bankers

Bank of Scotland
Penicuik Branch
163A John Street
Penicuik EH26 8AT

Members of Congregational Board

Clerk to the Board: Mrs F Hutcheson

All members of Session, plus

Mrs F Hutcheson
Mr J Jacobs
Mr M Wells

Royal Bank of Scotland
12 Bridge Street
Musselburgh EH21 6AH

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Trustees' Responsibilities in Relation to the Financial Statements

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

The law applicable to charities in Scotland requires the charity 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 surplus or deficit of the organisation for that period. In preparing those financial statements the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the method and principle in the applicable Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statement of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the organisation will continue in business.

The members of the Kirk Session/Congregational Board must prepare financial statements which give sufficient detail to enable an appreciation of the transactions of St Mungo's during the financial year.

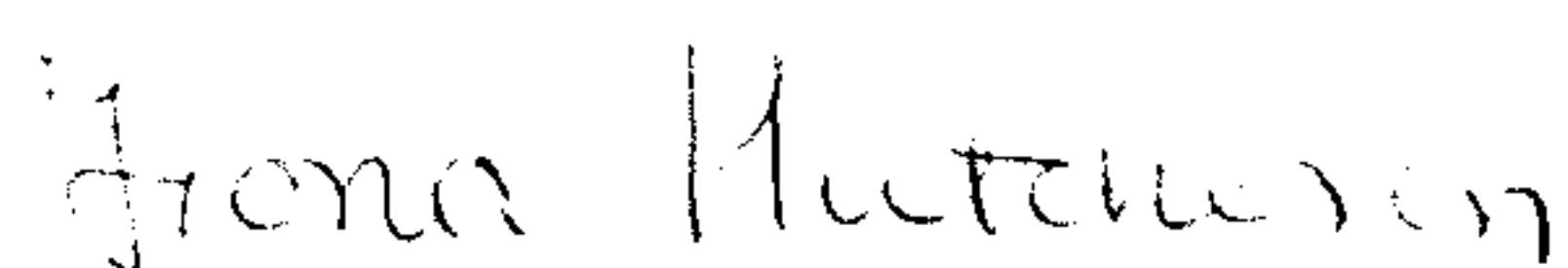
The members of the Kirk Session/Congregational Board are responsible for keeping proper accounting records which, on request, must reflect the financial position of St Mungo's at that time.

This must be done 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 Regulations Anent Congregational Finance approved by the General Assembly of the Church of Scotland.

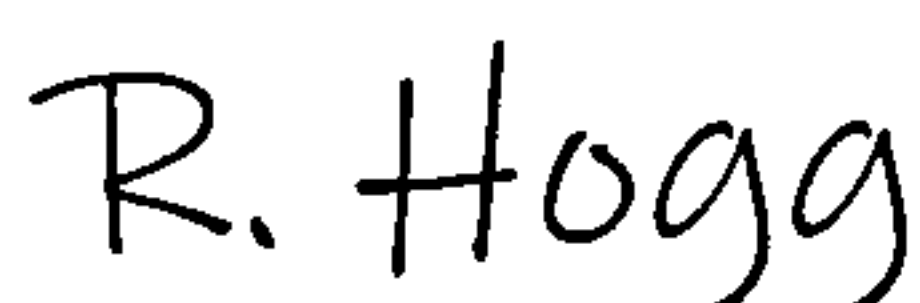
They are also responsible for safeguarding the assets of St Mungo's and must take reasonable steps for the prevention and/or detection of fraud and other irregularities.

Approved by the Trustees and signed on their behalf,

Mrs F Hutcheson



Miss Rachel Hogg



Date: 31st March
2022

**Statement of Financial Activities
Independent Examiner's Report**

I report on the accounts of the charity for the year ended 31 December 2021 which are set out on the Financial Statement pages 1 to 7.

Respective responsibilities of trustees and examiner

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

Basis of independent examiner's statement

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

Independent examiner's statement

In the course of my examination, of the statement of accounts for the year ended 31 December 2021, 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 comply with Regulation 9 of the 2006 Accounts Regulations have not been met, or
2. which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Rosalind Paterson
177 Mountcastle Crescent
Edinburgh
EH8 7SY

Signed: Rosalind Paterson BA FCCA
Date: 31/3/22

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Statement of Financial Activities (Incorporating Receipts and Payments Accounts) for the Year Ended 31 December 2021

		Unrestricted Funds 2021	Restricted Funds 2021	Total 2021	Total 2020
	Notes	£	£	£	£
Income and endowments					
Donations and Legacies	1	53,632		53,632	53,797
Charitable Activities	2	7,903	2,787	10,690	6,397
Other trading activities	3	1,108		1,108	1,485
Investments	4	3,224		3,224	4,113
Total Income		65,866	2,787	68,653	65,792
Expenditure	5				
Raising funds		-	-	-	113
Charitable activities		56,205	160	56,365	74,886
Total expenditure		56,205	160	56,365	74,999
Net income /(-)expenditure		9,661	2,627	12,288	-9,207
Transfers			-		-
Surplus/(-)excess expenditure for year		9,661	2,627	12,288	-9,207
Statement of Cash Balances as at 31 December 2021					
Bank and Cash Balances B/fwd		76,265	541	76,806	86,013
Surplus/(-)excess expenditure for year		9,661	2,627	12,288	-9,207
Bank and Cash Balances C/fwd		85,926	3,168	89,094	76,806

Investments at market value

	No of units	Cost value £	Market value 2021	Market value 2020
COSIT Growth Funds (unrestricted)	11,786	38,422	71,187	63,291
COSIT income Funds (unrestricted)	4,526	48,017	56,484	57,525
Total investments			127,671	120,816

The accounts were approved by the Trustees and signed on their behalf:

Miss Rachel Hogg

R. Hogg

Mrs F Hutcheson

Fiona Hutcheson

Date: 31st March 2022

Accounting Policies for the Year Ended 31 December 2021

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the year and in the preceding year.

Basis of Accounting

The financial statements have been prepared in accordance with Accounting and Reporting by Charities - Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS102) issued on 16th July 2014, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006.

Fund Accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity. Unrestricted funds include a revaluation reserve representing the reinstatement of fixed assets at market value.

Restricted funds are subjected to restrictions on their expenditure imposed by the donor or through the terms of an appeal.

Incoming Resources

All incoming resources are included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy.

Voluntary Income is received by way of grants, donations and gifts and is included in full in the Statement of Financial Activities when receivable.

Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.

Donated services and facilities are included at the value to the charity where this can be quantified. The value of services provided by volunteers had not been included in these accounts.

Investment income is included when receivable.

Incoming resources from charitable trading activities are accounted for when earned.

Fixed Assets

The Church including Halls and the Manse, are vested in the Church of Scotland General Trustees.

The value of these heritable properties is therefore not recorded in the Accounts.¹

The capitalised value of heritable assets comprising churches, halls and manses is now required by charity accounting regulations to be shown in the General Trustees' of the Church of Scotland (central) accounts.

As at the end of 2015, the capitalised value (of properties vested into Church of Scotland General Trustees) amounted to £451,583,000 which the Trustees believe is a fair and reasonable assessment of the value of buildings vested in them on the basis detailed in their Annual Report and Financial Statements. The Trustees wish to emphasise that this amount does not represent money in the bank nor is it an indication of market value.²

¹ Other models of ownership may apply in other congregations, but this is the one applicable to St Mungo's.

² From the report to Assembly of the General Trustees 2016
http://www.churchofscotland.org.uk/_data/assets/pdf_file/0003/32835/General_Trustees.pdf

Accounting Policies for the Year Ended 31 December 2021 (contd.)

Investments

Fixed asset investments are stated at market value at the year-end date.

Taxation

St Mungo's Parish Church is recognised as a charity for the purposes of applicable taxation legislation and is therefore not subject to taxation on its charitable activities. The charity is not registered for VAT and resources expended therefore include irrecoverable VAT.

Unrestricted Funds held and used by the congregation.

The General Fund is held in a Penicuik Bank of Scotland Account; the 2021 closing balance as shown on page 7 of the Financial Statement was £12,172. The Bank of Scotland Account also holds Restricted Funds of £3,168, so the closing balance on the account was £15,339.44

The Fabric Fund balance of £73,069 is comprised of two amounts: a 2021 closing balance of £13,386.07 was held in a Royal Bank of Scotland Account, and £59,683.10 held in the Deposit Fund of The Church of Scotland Investors Trust. Both sums are designated funds and can be allocated as the church agrees and requires.

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Notes forming part of the financial statements for the year ended 31 December 2021

	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total 2021 £	Total 2020 £
1. Donations and Legacies				
Offerings	45,138		45,138	46,726
Tax recovered on Gift Aid	8,494		8,494	7,071
Total	53,632		53,632	53,797
2. Income from Charitable Activities				
Weddings and Funerals	1,100		1,100	785
After service tea/coffee	126		126	283
Fund raising	2,470	1,088	3,558	4,460
National Giving Day	1,586	1,586	3,172	-
Guild Income	557		557	100
Good causes		113	113	169
General Fund	855		855	-
Holiday Club	-		-	100
Life and Work	540		540	-
Grants Received	-		-	500
Misc. Income	669		669	-
	7,903	2,787	10,690	6,397
3. Income from other trading activities				
Contributions for use of Premises	1,108	-	1,108	1,485
	1,108	-	1,108	1,485
4. Investment income				
Dividends received	3,224	-	3,224	3,240
Interest received				873
	3,224		3,224	4,113
Total Income	65,866	2,787	68,653	65,792

Notes:

Restricted Funds £2,787:

Fund Raising £160 Leprosy Mission plus £928 Afghan Funds; NGD £1,586; Good causes £113

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Notes forming part of the financial statements for the year ended 31 December 2021 (cont'd)

	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total 2021 £	Total 2020 £
5. Analysis of Expenditure				
Raising Funds				
FWO Envelopes				113
Charitable Activities				
Ministries & Mission Allocation	35,586		35,586	41,840
Presbytery Dues	480		480	533
Minister's expenses	260		260	-
Other Salary Costs	3,042		3,042	4,661
Fabric Repairs and Maintenance	1,874		1,874	14,241
Council Tax/Manse expenses	2,950		2,950	2,984
Utilities	4,610		4,610	4,491
Insurance	3,283		3,283	3,132
Church Office expenses	1,500		1,500	1,000
Training	-		-	-
Organ & Music	750		750	277
Guild expenses	132		132	298
Life and Work	360		360	58
Treasurer	500		500	-
Bank Charges	236		236	367
Good Causes		-	-	100
Leprosy Mission		160	160	160
Holiday Club	-		-	387
Other expenses	642		642	517
Total Charitable Activities	56,205	160	56,365	74,886
Total Charitable Activities and Raising Funds	56,205	160	56,365	74,999

Staff costs and numbers

Salaries and Wages

2021 £

3,042

2020 £

4,661

The number of employees during the year were as follows:

Church Officer

1

1

Organist amount under Organ & Music (not employee in 2021)

-

1

Hall Cleaner

1

1

All Church of Scotland congregations contribute to the National Stipend Fund which bears the costs of all ministers' stipends and employer's contributions for national insurance, pension and housing and loan fund. Minister's stipends are paid in accordance with the national stipend scale.

Notes forming part of the financial statements for the year ended 31 December 2021 (cont'd)

Trustee Remuneration and Related Party Transactions

Mr James D Paterson, who is a member of the Kirk Session, received £1,932 for providing services as Church Officer.

Mrs Eileen Marchant, who is the wife of a member of the Kirk Session, received £750 for playing the organ.

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

Movement in Funds	As at 1 st January 2021	Receipt	Payments	Transfers	As at 31 st December 2021
	£	£	£	£	£
Unrestricted Funds					
Church Guild Fund	261	557	133		685
Designated Fabric Fund	71,657	3,286	1,874		73,069
General Fund	4,347	62,023	54,198		12,172
	76,265	65,866	56,205		85,926
Restricted Funds					
Religious Knowledge Society - Sunday	89				89
School Grant Fund					
Penicuik Churches Holiday Club	270				270
Audio/Visual Projection System Fund	19				19
Pipe Organ Restoration	24				24
Good Causes Fund	139	113			252
Leprosy Mission *		160	160		0
Afghan Fund *		928			928
National Giving Day * (to be disbursed)		1,586			1,586
	541	2,787	160		3,168
Total Funds	76,806	68,653	56,365		89,094

Purpose of Designated Funds

Church Guild Fund: used to account for Guild receipts and payments separately from the Congregational Board.

Fabric Fund: Funds set aside by the trustees for repair, maintenance, renovation, and extension of church property.

Purpose of Restricted Funds

Religious Knowledge Society - Sunday School Grant Fund: Grants made by RKS for Sunday School.

Penicuik Churches Holiday Club: to support running of Holiday Clubs and related work on behalf of Penicuik churches.

Audio/Visual Projection System Fund: Special donations for audio/visual system.

Pipe Organ Restoration Fund: To cover costs of restoring parts of the Church Pipe Organ to full working order.

Good Causes Support Fund: To support charities and/or good causes chosen by the Kirk Session.

* Restricted Fund suspense account