Charity registration number: SC043105

Scotland's Churches Trust

Annual Report and Financial Statements

for the Year Ended 31 March 2023

Scotland's Churches Trust

Contents (continued)

Scotland's Churches Trust

Reference and Administrative Details

Patron	HRH The Princess Royal
President	Mr Robin O. Blair CVO
Vice Presidents	The Rt Rev Dr John Armes, Bishop of Edinburgh Prof Andrew Calder MBE Lady Gill (resigned 6 February 2023) Prof John Hume OBE Sir Boyd Tunnock CBE (resigned 6 February 2023) Sir William Reid (resigned September 2021)
Chairman	Prof Adam Stewart Cumming (appointed 14 October 2022) Maj Jamie MK Erskine MBE (resigned 14 October 2022)
Senior Management Team	Dr DJ Johnston-Smith, Director Mr Graeme Green, Admin Assistant
Trustees	Mrs Annette Brydone Rev David Clark (appointed 1 May 2022) Prof Adam Stewart Cumming (Chairman - appointed 14 October 2022) Maj Jamie MK Erskine MBE (Chairman - resigned 14 October 2022 but remains Chair of the Finance Committee) Mr Brian Fraser (demitted office 14 June 2022) Mr Andrew Forbes (appointed 6 February 2023) Mrs P. Carole MacBride (appointed 14 October 2022) Dr Joseph Morrow CVO CBE KC (resigned 6 February 2023) Caroline Sibbald (appointed 14 October 2022) Dr Lizzie J. Swarbrick (appointed 6 February 2023) The Very Rev Prof Iain R. Torrance KCVO (resigned 6 February 2023) Ros Taylor

Scotland's Churches Trust

Reference and Administrative Details (continued)

Registered Office	15 North Bank Street EDINBURGH EH1 2LP
Charity Registration Number	SC043105
Investment Managers	Rathbones Investment Management George House 50 George Square GLASGOW G2 1EH
Independent Examiner	Alexander J Fyfe, M.A.A.T., C.A., DChA. Member of the Institute of Chartered Accountants of Scotland Morris & Young Chartered Accountants 6 Atholl Crescent PERTH PH1 5JN
Bookkeeper	J Mackay Accountants Ltd 39 Old Dalkeith Road EDINBURGH EH16 4TE

Scotland's Churches Trust

Trustees' Report

The trustees present the annual report together with the financial statements of the charity for the year ended 31 March 2023.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with applicable law and the Statement of Recommended Practice, "Accounting and Reporting by Charities", 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 2019).

Structure, governance and management

Nature of governing document

Scotland's Churches Trust ("SCT") is a recognised Scottish charity (SC 043105). SCT is a Scottish Charitable Incorporated Organisation and was formed on 23 April 2012 as a merger between Scotland's Churches Scheme (SC 022868) ("SCS") and Scottish Churches Architectural Heritage Trust (SC 000819) "(SCAHT"). It is governed by its Constitution, registered on 23 April 2012.

During the year we have benefitted from the skills and influence of our Vice Presidents, who are invited positions, and form part of the hierarchy of Patron, President, Vice Presidents and Trustees. The Trustees are the Executive Body, the others are honorary positions. The value of VPs, as well as Patron and President is to offer 'strength' to the Trust, the true value being in providing increased credibility, networking opportunities and awareness raising, all providing 'added value' to the Trust in the eyes of the public.

Recruitment and appointment of trustees

Trustees may be elected at any Meeting. There is an initial term of four years which can be extended to eight years. Re-election is not permitted until after a fallow year. There is no formal induction programme but ongoing guidance is given to ensure that Trustees are familiar with the SCT's values, aims and objectives together with its day-to-day operations, in addition to clarifying their statutory responsibilities as Trustees of a charity.

Organisational structure

The Trustees are responsible for the overall administration of SCT. Day to day operation and administration is delegated to the director.

Statement on risk

The trustees assess the major risks to which SCT is exposed on an ongoing basis and have established procedures to mitigate those that are identified as a result of those reviews.

The trustees consider that the major risk which they face are uncertainty over funding and fluctuation in investment valuation. The potential impact of these risks is minimised by regular contact and discussion with major funders and by taking professional investment advice.

Objectives and activities

Objects and aims

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

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

Objectives, strategies and activities

SCT's principal activities are:

- Promoting heritage and tourism;
- Giving of grants.

Achievements and performance

The Trust is both delighted and honoured that HRH The Princess Royal acts as our patron. We are grateful for her continuing support and encouragement during this period of massive change in Scotland's ecclesiastical built heritage landscape.

General

The spring and early summer of 2022 saw a gradual relaxation of the COVID-19 restrictions that Scotland had lived with over the preceding two years. Indoor facemask-wearing and social distancing continued into the summer months, affecting meetings and gatherings. Public confidence gradually returned as the infection rates fell and our Trustees and office team began, in earnest, the task of rebuilding our charity for life in a post-COVID world, planning for our medium and long-term future. We welcomed Rev David Clark as a new Trustee in May and said goodbye to Mr Brian Fraser, a former Director of the Trust and latterly a Trustee, who demitted office in June after many years of welcome service to the Trust and our Scotland's Churches Scheme before it.

Our part-time office team (Director - Dr DJ Johnston-Smith and office administrator Mr Graeme Green) continued to operate the office at 15 North Bank Street in a hybrid manner, opening it every Monday, and on other days by appointment, and working from their homes the rest of the week. J MacKay Accountants Ltd was appointed in late summer as our new bookkeeper.

Our new Director continued throughout the year to meet with numerous external stakeholders and heritage sector peers, creating collaborative opportunities for us in the future, while developing new or refreshing existing internal Trust governance documents and policies, including our investment policy and scheme of delegated authority.

In late June 2022 we hosted our first social "Gathering" meeting with our Patron since before the pandemic. Over a hundred invited guests, from across the country, joined Trustees and HRH The Princess Royal for a little music from the Women in Chamber Music ensemble followed by afternoon tea in the Renfield St Stephen Church and Centre in Glasgow. We were especially honoured to welcome along to the event a family of Ukrainian refugees who were being supported at that time by one of our member churches.

In October, at our AGM, Major Jamie Erskine, stood down as Chairperson of our Trustees, after ably steering the Trust through two of the most difficult years in our history as we navigated the change in long-term partnerships and an international pandemic. Happily, Major Erskine remains on board as Chairperson of our Finance Sub-committee. Prof Adam Cumming became our new Chair and we were joined by two new Trustees, Mrs Carole MacBride and Mrs Caroline Sibbald.

In addition to the other day to day activities of the Trust, much of winter and spring was spent kick-starting the national pilot church recording project that began shortly before the start of the Pandemic. More on this project below. Problems with our web server cause us some small difficulties with our online activities over the turn of the year, but in the New Year, after a break of some months, we still managed to restart our regular digital newsletters to members. We also spent much of the 2022-23 building-up our social media output and follower base on Twitter, Facebook, Instagram and our new YouTube channel.

In the early 2023, we said a sad farewell to Lady Gill, Sir Boyd Tunnock, the Very Rev Prof Iain Torrance and Dr Joe Morrow, who all stood down as Vice-Presidents and Trustees, with our immense gratitude for their many years of collective service to and very welcome support for our Trust. We also welcomed Dr Lizzie Swarbrick and Mr Andrew Forbes on board as new Trustees.

Fabric Repair Grants

Since the conclusion of our long-term grant-funding collaboration with two external charities in 2019, an arrangement that had been in place for many years, we have not yet secured any similar long-term collaborative partnerships to replace these grant funds.

Drawing on our financial reserves, the generosity of private, individual benefactors and the support and generosity of certain smaller charities and foundations, such as the Broughton Charitable Trust, Cruden Foundation, ABC Campbell Charitable Trust and the Mazars Gamma Trust, allowed us to continue making allocations of small grants to churches until January 2022. In 2022-2023, we paid £14,000 in grants to churches of various denominations that had been allocated in previous financial years.

Sadly, the difficult decision was taken in late March 2022 to suspend our grant-allocation activity until such time as new, sustainable, collaborative, financial partnerships and opportunities are identified and the fabric repair grant scheme can be reopened. That search continues and we hope to recommence making small grants in 2023-24.

Organ-Playing and Recital Grants

The Trust has taken a keen interest for many years in ensuring that Scotland's church organs have a good supply of trained organists, ready to play, and that churches with traditional organs are supported in offering musical concerts and recitals outwith times of worship. With the support of the Tunnock Foundation and the Goffin Trust our Trust maintains a small fund that is open to applicants who wish to improve their organ-playing skills with tutelage from registered organ tutors and from churches requiring some support for public music performances.

In 2022-23 we disbursed £975 to four different organ scholars and £500 for an organ recital performance. We closed applications for further grants while our Organ Committee sets about the task of reforming post-COVID.

Church Recording Project

Recognising that the Church of Scotland was moving towards a massive review of its building portfolio and that this would inevitably lead to significant disposals, Scotland's Churches Trust approached Historic Environment Scotland in 2019 about potentially supporting a pilot national emergency church recording initiative which they kindly agreed to support.

Rather than concentrate upon the architectural features and built fabric of these buildings, which we must hope will survive their sale relatively intact, our project aimed to record the moveable contents of each church - the hundreds of fragile artefacts gathered within each building by their local communities, often over many generations, which will inevitably be removed and scattered after the church is closed.

Initially launching in early 2020, our volunteers attempted to get the pilot project off the ground shortly before COVID appeared. Over the months that followed, as regulations allowed, our volunteers began to visit some churches and keep the initiative alive. They recorded and produced short reports on Dysart St Clair, Sullom and Uyeasound in Shetland and Viewforth Parish Church in Kirkcaldy.

Due to staff changes at our Trust and the inevitable vagaries of public engagement with such initiatives during a pandemic, it wasn't until late summer of 2022 that we were once again able to re-boot the project, effectively starting it all over again.

After embarking upon a volunteer recruitment drive and seeking out churches that were likely to close, in August and September our volunteers visited and recorded the contents of Greenside Parish Church in Edinburgh and Innerwick and Oldhamstocks Parish Churches in East Lothian. In February 2023, they visited Portnahaven and Kilmeny in Islay and Morham in East Lothian.

In February we also hosted an online workshop discussing the massive task ahead and the recording methodology we have developed. It was attended by over a hundred volunteers from around the country, with speakers Judith Roebuck from the Church of Scotland, Victoria Collison-Owen, Director of Historic Churches Scotland and Lesley Cumming, our project's Lead Volunteer.

In March, we completed the pilot (HES funded) phase of the project, creating a Church Recorders' Handbook for our volunteers, that outlines the technique and method we have adopted to speedily record churches and the online cloud recording template we have developed. We also completed a series of church reports about those churches already visited, ready for uploading to the CANMORE HES Archive.

With around 400 churches likely to close by 2025 and perhaps the same number again by 2030, we have a long road ahead in supporting a nationwide team of volunteer church recorders as they create records of these important community buildings. This work will continue and grow in 2023-24.

Pilgrim Journeys

Our Trust has long been a pioneer in the field of religious tourism in Scotland, raising awareness of sacred sites across the country and introducing to them visitors from far and near. Our fourteen Pilgrim Journeys, encouraging travellers to stop at hundreds of religious sites the length and breadth of Scotland, were particularly useful in this regard and remain free for travellers to download from our website.

Religious tourism initiatives like this have a significant part to play in the long-term sustainability of Scotland's ecclesiastical built heritage. As part of our commitment to grow and improve the numbers of visitors to religious sites, we remain committed to playing an active role in the Scottish Pilgrim Routes Forum (SPRF). Our Trust Chairperson is also a Trustee of the SPRF, which is a national network of organisations and individuals, supported by a central committee, that is committed to developing, growing and sustaining routes for off-road pilgrimage travel across the country.

Promotion of ecclesiastical heritage

SCT's core work is that of assisting and advising member churches in the opening-up and promotion of their church buildings and publicising the knowledge of Scotland's fine ecclesiastical heritage. Providing guidance for church maintenance is an essential part of the story of church building sustainability. SCT has historically offered a wide range of advice material, including a popular series of 'how to' booklets on different aspects of looking after the church fabric and welcoming visitors to the buildings. We also support and sustain a wide network of local representatives, who can be approached for advice and assistance.

Our website also continues to provide a vitally useful single digital directory for over a thousand Scottish places of worship, listing their opening and service times, contact details, brief histories and other information that connects members of the public to these local sites of special interest.

Our social media channels, on Facebook, Twitter and Instagram continue to grow and provide another welcome outlet to celebrate Scotland's ecclesiastical built heritage and share current activities and events that encourage today's visitors to engage with and support these unique and special sites across the country.

As the pandemic retreats and the public appetite for indoor group events returns we are considering how we can restart our public talks and lectures on aspects of Scotland's church heritage as another way to increase awareness and understanding of our rich inheritance of religious buildings.

Financial review

The Statement of Financial Activities on page 13 shows an operating deficit on unrestricted funds of £29,118 (2022 - deficit of £37,462) and a deficit on restricted funds of £500 (2022 - deficit of £300) giving a total operating deficit of £29,618 ((2022 - deficit of £37,762).

During the year investment losses were £33,438 (2022 - investment gains of £23,740) due to the volatility of the stock market, which has been adversely affected by the energy crisis, the war in Ukraine and the cost of living crisis. The investment portfolio is of good quality and is held for the long term.

No transfer is required from unrestricted funds to restricted funds. The overall deficit for the year is £29,618 (2022 - deficit of £14,022).

Scotland's Churches Trust

Trustees' Report (continued)

Policy on reserves

The charity's reserves largely represent funds inherited from predecessor organisations, and it is the policy of the charity to maintain unrestricted reserves at a level which equates to no less than one year's expenditure. It is considered prudent to keep this level in order to provide an acceptable level of investment income, to allow for possible difficulties with funding or to provide finance for special projects. SCT's unrestricted reserves amount to £535,421 as at 31 March 2023 (2022: £564,539), which the Trustees regard as adequate. Restricted reserves amount to £35,001 (2022: £35,501).

Funds in deficit

There were no funds in deficit at the year end.

Principal funding sources

Major donations received are shown in the financial statements.

Investment policy and objectives

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

Ethical Investment Statement

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

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

(1) No direct investment may be undertaken into companies whose primary activity (by which is meant over 25% of turnover) is gambling or includes the manufacture of arms, alcohol or tobacco.

(2) The Trustees consider that it is not practical for them to avoid indirect investment within collective funds into these areas without compromising too far on both the costs of professional investment management and the requirement to achieve a satisfactory financial return.

Grant Making Policy

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

Plans for future periods

Aims and key objectives for future periods

In 2023-24, we intend to relaunch our sub-committees – Public Relations, Organ and Church Grants – with new terms of reference and renewed vigour to support and enhance the activities of our Trust. We also plan to overhaul our aging website, a vital digital signpost for many of the country's small churches and the main public face of our Trust.

While we continue to look for new partners who might be willing to collaborate on new grant-funding initiatives, our Trustees will consider drawing down further sums from our reserves for a new grants scheme to be run by our Church Grants committee. Similarly, our Organ Committee will reform and relaunch, beginning the process of advertising for and assisting new recipients of small organ tuition scholarships. As our PR Committee relaunches, it will continue to oversee our Church Recording Project and look at other public initiatives where our Trust and its members could be active.

With some four hundred churches likely to close by 2025, we will continue to support, encourage and empower our growing national network of church recording volunteers who aspire to record the moveable contents of as many of these buildings as possible and place their photographic and written records in the HES Archives.

Over the coming year, our Trust will also be seeking new collaborative opportunities with other national and local heritage organisations who are involved in the preservation and sustainability of Scotland's built heritage.

Our thanks

The ongoing activities of the Trust require the constant and sustained effort of many individuals - from our Patron, HRH The Princess Royal, to her excellent team; from our small, part-time office team to our wider group of voluntary Trustees and office-holders; from our regional representatives to our various sub-committee members; from our individual "Friends" to our many member churches; from our occasional public event helpers to our incredible and steadily growing body of church-recording volunteers and local project leads, based all over the country.

We thank each and every one of them for their ongoing support and continued assistance during these increasingly turbulent times within Scotland's ecclesiastical built heritage sector.

SCT receives no direct Government funding towards our core activities and remains dependent upon the donations, grants and legacies it receives from our members, charitable trusts, such as the Broughton Charitable Trust, the ABC Campbell Charitable Trust and the Mazars Gamma Trust, and several individual benefactors. We would like to thank all of those individuals and organisations who have so generously given us donations and grants during 2022-2023.

Financial instruments

Objectives and policies

The charity's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk.

Cash flow risk

The trustees have retained sufficient cash resources to meet the requirements of the charity.

Credit risk

The charity's principal financial assets are bank balances and investments.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The charity's investment portfolio is managed by Rathbones Investment Management.

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the charity's liquid funds are kept in an interest bearing bank account to enable it to service its everyday financial needs.

The annual report was approved by the trustees of the charity on 2 November 2023 and signed on its behalf by:

....
Prof Adam Cumming
Chairman and Trustee

Scotland's Churches Trust

Statement of Trustees' Responsibilities

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

The law applicable to charities 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 judgements 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 Charity Accounts (Scotland) Regulations 2006 (as amended), and the provisions of the constitution. The trustees 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 corporate and financial information included on the charitable company's website. Legislation governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Scotland's Churches Trust

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

I report to the trustees on my examination of the accounts of Scotland's Churches Trust for the year ended 31 March 2023, which are set out on pages 13 to 27.

Responsibilities and basis of report

As the charity trustees of Scotland's Churches Trust you are responsible for the preparation of the accounts in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). You are satisfied that the audit requirement of Regulation 10(1) (a) to (c) of the 2006 Accounts Regulations does not apply.

I report in respect of my examination of the Scotland's Churches Trust's accounts carried out under section 44 (1)(c) of the 2005 Act. In carrying out my examination I have followed the requirements of 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 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

Since the charity has prepared its accounts on an accruals basis and is also registered in Scotland your examiner must be a member of a body listed in Regulation 11(2) of the Charities Accounts (Scotland) Regulations 2006 (as amended). I can confirm that I am qualified to undertake the examination because I am a registered member of ICAS, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of Scotland's Churches Trust as required by section 44(1)(a) of the 2005 Act and Regulation 4 of the Charities Accounts (Scotland) Regulations 2006 (as amended); or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements Regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Independent Examiner's Report to the trustees of Scotland's Churches Trust (continued)

....
Alexander J Fyfe, M.A.A.T., C.A., DChA.

Member of the Institute of Chartered Accountants of Scotland
Morris & Young
Chartered Accountants
6 Atholl Crescent
PERTH
PH1 5JN

9 November 2023

Scotland's Churches Trust

Statement of Financial Activities for the Year Ended 31 March 2023

	Note	Unrestricted £	Restricted £	Total 2023 £	Total 2022 £
Income and Endowments from:					
Donations and legacies	2	27,934	-	27,934	37,632
Investment income	3	16,994	-	16,994	18,850
Total Income		44,928	-	44,928	56,482
Expenditure on:					
Raising funds	4	(15,742)	-	(15,742)	(16,119)
Charitable activities	5	(24,866)	(500)	(25,366)	(78,125)
Total Expenditure		(40,608)	(500)	(41,108)	(94,244)
Gains/(losses) on investment assets		(33,438)	-	(33,438)	23,740
Net movement in funds		(29,118)	(500)	(29,618)	(14,022)
Reconciliation of funds					
Total funds brought forward		564,539	35,501	600,040	614,062
Total funds carried forward	15	535,421	35,001	570,422	600,040

All of the charity's activities derive from continuing operations during the above two periods.

The funds breakdown for 2022 is shown in note 15.

Scotland's Churches Trust

(Registration number: SC043105)
Balance Sheet as at 31 March 2023

	Note	2023 £	2022 £
Fixed assets			
Investments	10	555,523	605,722
Current assets			
Debtors	11	3,693	-
Cash at bank and in hand	12	24,108	45,353
		27,801	45,353
Creditors: Amounts falling due within one year	13	(12,902)	(51,035)
Net current assets/(liabilities)		14,899	(5,682)
Net assets		570,422	600,040
Funds of the charity:			
Restricted income funds			
Restricted funds	15	35,001	35,501
Unrestricted income funds			
Unrestricted funds		535,421	564,539
Total funds	15	570,422	600,040

The financial statements on pages 14 to 28 were approved by the trustees, and authorised for issue on 2 November 2023 and signed on their behalf by:

....
Prof Adam Cumming
Chairman and Trustee

....
Maj Jamie Erskine MBE
Trustee

Scotland's Churches Trust

Notes to the Financial Statements for the Year Ended 31 March 2023

1 Accounting policies

Statement of compliance
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 Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis of preparation
Scotland's Churches Trust meets the definition of a public benefit entity under FRS 102. The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts.

The financial statements are presented in sterling (£) and are rounded to the nearest £1.

Going concern
The financial statements have been prepared on a going concern basis. The trustees have assessed the charity's ability to continue as a going concern and have reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. There are no material uncertainties and thus the trustees continue to adopt the going concern basis of accounting in preparing these financial statements. However, they are keeping this under review.

Income and endowments
Voluntary income including donations, gifts, legacies and grants that provide core funding or are of a general nature is recognised when the charity has entitlement to the income, it is probable that the income will be received and the amount can be measured with sufficient reliability.

Donations and legacies

Donations and legacies are recognised on a receivable basis when receipt is probable and the amount can be reliably measured.

Grants receivable

Grants are recognised when the charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

Gift aid

Tax recovered on Gift Aid is accounted for on the accruals basis.

Scotland's Churches Trust

Notes to the Financial Statements for the Year Ended 31 March 2023 (continued)

Investment income

Income from investments held and bank interest received is credited to the Statement of Financial Activities when receivable.

Other income

Fees, rental income and other income are accounted for on the accruals basis.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably.

All expenditure is accounted for on an accruals basis. Expenditure has wherever possible been allocated directly to cost of raising funds and charitable activities. Residual expenses are allocated by reference to an estimate of time spent by staff on each function.

Raising funds

The cost of raising funds consists of investment management fees.

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Grant expenditure

Grants to churches are accounted for when authorised by the Grants Committee. Grants may lapse if work is not commenced within two years of notification. The average delay between authorisation and payment of grants is around one year. Grants are repayable if a church ceases to be a place of workship within 10 years.

Support costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including the indepedent examination fees and costs linked to the straegic management of the charity.

Taxation

Scotland's Churches Trust is a charity and is not liable to Corporation Tax. See Note 9 below. Scotland's Churches Trust is not registered for VAT and resources expended therefore include irrecoverable input VAT.

Scotland's Churches Trust

Notes to the Financial Statements for the Year Ended 31 March 2023 (continued)

Tangible fixed assets

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

Computer equipment is written off in the year of purchase.

Fixed asset investments

Fixed asset investments, other than programme related investments, are included at market value at the balance sheet date. Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the Statement of Financial Activities in the period of disposal.

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the Statement of Financial Activities based on the market value at the year end.

Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities and allocated between restricted and unrestricted funds in proportion to the capital held.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Fund structure

Unrestricted income funds are general funds that are available for use at the trustees discretion in furtherance of the objectives of the charity.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Pensions and other post retirement obligations

The charity operates a defined contribution pension scheme which is a pension plan under which fixed contributions are paid into a pension fund and the charity has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised in the Statement of Financial Activities when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Financial instruments

Classification

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

2 Income from donations and legacies

	Unrestricted funds General £	Total 2023 £	Total 2022 £
Donations and legacies;			
Mrs ABC Campbell's Charitable Trust	4,000	4,000	5,000
Other Trusts	3,555	3,555	6,211
Donations - other organisations	269	269	24
Donations from individuals	2,780	2,780	500
Legacies	-	-	10,000
Donations - Churches	-	-	50
Friends of SCT	580	580	576
	11,184	11,184	22,361
Grants, including capital grants;			
HES - Church recording	5,318	5,318	6,000
HES - Other	2,052	2,052	-
Memberships	9,380	9,380	9,271
	27,934	27,934	37,632

£27,934 (2022 - £37,632) of the above income was attributable to unrestricted funds and £nil (2022 - £nil) to restricted funds.

3 Investment income

	Unrestricted funds General £	Total 2023 £	Total 2022 £
Interest receivable and similar income;			
Interest receivable on bank deposits	106	106	-
Other income from fixed asset investments	15,160	15,160	17,122
Income from rents	1,728	1,728	1,728
	16,994	16,994	18,850

4 Expenditure on raising funds

a) Investment management costs

	Note	Unrestricted funds General £	Total 2023 £	Total 2022 £
Other investment management costs;				
Amounts payable to investment managers		4,857	4,857	6,733
Allocated support costs	6	10,885	10,885	9,386
		15,742	15,742	16,119

5 Expenditure on charitable activities

	Grant funding of activity £	Activity support costs £	2023 £	2022 £
Grants payable	(19,750)	22,558	2,808	53,601
Heritage and tourism	-	22,558	22,558	24,524
	(19,750)	45,116	25,366	78,125

£24,866 (2022 - £77,825) of the above expenditure was attributable to unrestricted funds and £500 (2022 - £300) to restricted funds.

6 Analysis of governance and support costs

Support costs allocated to raising funds

	Basis of allocation	Staff costs £	Total 2023 £	Total 2022 £
Investment management costs	Staff time	10,885	10,885	9,386

Support costs allocated to charitable activities

	Governance costs £	Finance costs £	Information technology £	Staff costs £	Administration costs £	Premises costs including depreciation £	Other support costs £	Total 2023 £	Total 2022 £
Grants payable	2,798	112	516	15,544	437	1,745	1,406	22,558	24,525
Heritage and tourism	2,798	112	516	15,545	436	1,744	1,407	22,558	24,524
	5,596	224	1,032	31,089	873	3,489	2,813	45,116	49,049

Scotland's Churches Trust

Notes to the Financial Statements for the Year Ended 31 March 2023 (continued)

Basis of allocation

Reference	**Method of allocation**
Finance costs	Direct
Information technology	Direct
Staff costs	Staff time
Administration costs	Direct
Premises costs	Direct
Other support costs	Direct

Governance costs

	Unrestricted funds General £	**Total 2023 £**	**Total 2022 £**
Staff costs			
Wages and salaries	3,190	3,190	7,805
Independent examiner fees			
Examination of the financial statements	780	780	732
Other fees paid to examiners	180	180	1,800
Trustees remuneration and expenses	26	26	430
Bookkeeping fees	1,420	1,420	-
	5,596	5,596	10,767

7 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

No trustees have received any reimbursed expenses or any other benefits from the charity during the year.

8 Staff costs

The aggregate payroll costs were as follows:

	2023 £	2022 £
Staff costs during the year were:		
Wages and salaries	44,198	38,415
Pension costs	966	774
	45,164	39,189

The monthly average number of persons (including senior management / leadership team) employed by the charity during the year expressed as full time equivalents was as follows:

	2023 No	2022 No
Administration	2	2

No employee received emoluments of more than £60,000 during the year

9 Taxation

The charity is a registered charity and is therefore exempt from taxation.

10 Fixed asset investments

	2023 £	2022 £
Other investments	555,523	605,722

Other investments

	Listed investments £	Total £
Cost or Valuation		
At 1 April 2022	605,722	605,722
Revaluation	(33,438)	(33,438)
Additions	79,471	79,471
Disposals	(96,232)	(96,232)
At 31 March 2023	555,523	555,523
Net book value		
At 31 March 2023	555,523	555,523
At 31 March 2022	605,722	605,722

11 Debtors

	2023 £	2022 £
Prepayments	3,693	-

12 Cash and cash equivalents

	2023 £	2022 £
Bank current account	15,730	8,246
Stockbroker capital account	5,006	33,369
Stockbroker income account	3,372	3,738
	24,108	45,353

13 Creditors: amounts falling due within one year

	2023 £	2022 £
Grants due for payment	10,000	44,249
Accruals	2,902	6,786
	12,902	51,035

14 Obligations under leases and hire purchase contracts

Operating lease commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2023 £	2022 £
Land and buildings		
Within one year	7,582	7,582

15 Funds

	Balance at 1 April 2022 £	Incoming resources £	Resources expended £	Other recognised gains/(losses) £	Balance at 31 March 2023 £
Unrestricted funds					
General					
General Funds	564,539	44,928	(40,608)	(33,438)	535,421
Restricted funds					
Jones Fund	13,519	-	-	-	13,519
Goffin	6,282	-	(500)	-	5,782
Tunnocks	15,700	-	-	-	15,700
Total restricted funds	35,501	-	(500)	-	35,001
Total funds	600,040	44,928	(41,108)	(33,438)	570,422

	Balance at 1 April 2021 £	Incoming resources £	Resources expended £	Other recognised gains/(losses) £	Balance at 31 March 2022 £
Unrestricted funds					
General					
General Funds	578,261	56,482	(93,944)	23,740	564,539
Restricted					
Jones Fund	13,519	-	-	-	13,519
Goffin	6,282	-	-	-	6,282
Tunnocks	16,000	-	(300)	-	15,700
Total restricted funds	35,801	-	(300)	-	35,501
Total funds	614,062	56,482	(94,244)	23,740	600,040

Notes to the Financial Statements for the Year Ended 31 March 2023 (continued)

The specific purposes for which the funds are to be applied are as follows:

The Jones Fund represents money given specifically to provide grants to Roman Catholic Churches.

The Goffin Fund represents money given specifically for tuition lessons.

The Tunnock Fund represents money given specifically for organ recitals.

16 Analysis of net assets between funds

	Unrestricted funds General £	Restricted funds £	Total funds at 31 March 2023 £
Fixed asset investments	555,523	-	555,523
Current assets	(7,200)	35,001	27,801
Current liabilities	(12,902)	-	(12,902)
Total net assets	535,421	35,001	570,422

	Unrestricted funds General £	Restricted funds £	Total funds at 31 March 2022 £
Fixed asset investments	605,722	-	605,722
Current assets	9,852	35,501	45,353
Current liabilities	(51,035)	-	(51,035)
Total net assets	564,539	35,501	600,040

17 Related party transactions

There were no related party transactions in the year.